



REGULAR CITY COUNCIL MEETING AGENDA
MONDAY, APRIL 19, 2021 ~ 6 P.M.
ROCK BOX THEATER
109 N. LLANO STREET
FREDERICKSBURG, TEXAS 78624

Charlie Kiehne, Mayor
Tom Musselman, Councilmember
Bobby Watson, Councilmember

Jerry M. Luckenbach, Councilmember
Polly Rickert, Councilmember
Kent Myers, City Manager

The City of Fredericksburg City Council will meet in a regular session on Monday, April 19, 2021 at 6 p.m. This meeting will be held in person and live stream on our YouTube Channel.

Link to City of Fredericksburg YouTube Channel [Fredericksburg, Texas USA - YouTube](https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured)
(<https://www.youtube.com/channel/UCrhnIFjVfDS1SPBJD2pYKcQ/featured>)

Audio of this meeting will be recorded and uploaded to the City website following the conclusion of the meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. SPECIAL PRESENTATION

A. Fredericksburg 175th Anniversary presentation of an quilt.

4. EMPLOYEE RECOGNITIONS

5. PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all City Council Regular Meetings. The City Council offers citizens the opportunity to address them by signing up to speak prior to the meeting and to limit comments to 3-minutes.

NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting and any response to a question posed to the City Council is limited to either a statement of specific information or recitation of existing policy. TEX. GOV'T CODE § 551.042.

Written Comments: to be submitted remotely:

1. Must be received by 3 p.m. on April 19, 2021.
2. Complete the Citizen Comment Form online at [Fredericksburg, TX - Official Website \(fbgtx.org\)](https://fbgtx.org); or
3. Email your comments to CitizenComments@fbgtx.org or
4. Complete a Citizen Comment Form located inside the Public Access entrance at 126 W. Main Street, Fredericksburg, Texas, and place in the box marked Citizen Comment Form.

Copies of the submitted comments will be provided to the City Council and made public on the City website under the "**April 19, 2021**, City Council Regular Meeting" tab.

Verbal Comments:

1. Sign up in-person between 5:30 p.m. and 6 p.m. at the Rock Box Theater in order to comment.
2. You will be limited to 3 minutes to speak.

6. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF CITY COUNCIL.

- A. Consider approval of City Council Minutes March 15, 2021 Regular Meeting (Shelley Goodwin, City Secretary)
(Agenda Packet Pages 5-10)
- B. Consider, discuss and take action regarding approval of the street closures for the following events (Jennifer Krupa, Special Events Coordinator):
 - i. Kraut Run – closure of W. Travis Street from N. Crockett Streets to N. Adams from 6:30 a.m. to 12 p.m. on Saturday, October 2, 2021.
(Agenda Packet Pages 11-22)
 - ii. Oktoberfest – to use the City Hall parking lot on Friday, October 1, 2021 at 6 p.m. until Sunday, October 3, 2021 at 8 p.m., the dive bay in Annex. 1 on Friday, October 1, 2021, at 5 p.m. until Sunday, October 3, 2021 at 10 p.m. Two streets 1) Adams Street between Main and Austin beginning on Wednesday, September 29, 2021, at 5 p.m. through Monday, October 4th at 3 p.m. and 2) Austin Street between Crockett and Adams beginning Thursday, September 30th at 12 p.m. until Monday, October 4th at 12 p.m.
(Agenda Packet Pages 23-34)
 - iii. Fredericksburg Food & Wine Fest - closure of Adams Street (parking lane and one southbound lane) between Main Street and Austin Street beginning on Thursday, October 21, 2021, at 3 p.m. through Monday, October 25, 2021, at 12 p.m.
(Agenda Packet Pages 35-44)

7. PUBLIC HEARINGS

- A. Hold a public hearing to receive citizen comments for or against a request from John Needham with Seco Enterprises for annexation and requested zoning of a Planned Unit Development (PUD) for approximately 5.044 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of the southwest corner of Friendship Lane and South Eagle Street (Z-2101) (Jason Lutz, Director of Development Services).
(Agenda Packet Pages 45-54)

8. ORDINANCE AND RESOLUTION

- A. Consider the approval of Ordinance 2021-05 annexing and assigning a zoning classification of a Planned Unit Development (PUD) for approximately 5.044 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of the southwest corner of Friendship Lane and South Eagle Street (Z-2101) (1st of two readings; City Council may waive 2nd reading) (Jason Lutz, Director of Development Services)
(Agenda Packet Pages 45-54)
- B. Consider the approval of Ordinance 2021-06 amending Article 24.000-Recreational Fees, of Appendix A-Fee Schedule of the Code of Ordinances, to replace the current Swimming Pool Season Pass System with a Punch Pass System, to provide greater convenience and flexibility for City Pool users (1st of two readings; City Council may waive 2nd reading) (Andrea Schmidt, Parks Director).
(Agenda Packet Pages 55-60)

- C. Consider the approval of Resolution 2021-04R regarding the application of Atmos Energy Corporation – Midtex Division, to increase rates under the Gas Reliability Infrastructure Program; suspending the effective date of this rate application for forty-five days; authorizing the City to continue to participate in a Coalition of Cities known as the "Atmos Texas Municipalities;" determining that the meeting at which the Resolution was adopted complied with the Texas Open Meetings Act; making such other findings and provisions related to the subject; and declaring an effective date (Kent Myers, City Manager)
(Agenda Packet Pages 61-68)

9. OTHER ACTION ITEMS AND UPDATES

- A. Consider the approval of an Annexation Agreement with SECO Ventures, related to the requested annexation of approximately 5.004 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of southwest corner of Friendship Lane and South Eagle Street (Z-2101) (previously discussed on March 15, 2021 and April 5, 2021 City Council Regular Meeting) (Jason Lutz, Director of Development Services)
(Agenda Packet Pages 69-96)
- B. Consider, discuss, and take appropriate action on the Annexation Agreement requested by the property owner for the property located at 701 W. Live Oak Street (Z-2017) (Jason Lutz, Director of Development Services):
(Agenda Packet Pages 97-108)
- C. Consider, discuss and take action regarding approval of Lease Renewal with the Girl Scouts of Central Texas for the use of the City facility known as the Girl Scout Cabin (Andrea Schmidt, Parks Department Director).
(Agenda Packet Pages 109-124)
- D. Consider, discuss, and take action regarding a Partial Release of a Water Line Easement that is no longer used to transmit water from the old Achtzen Water Well to the City limits (Clinton Bailey, Assistant City Manager and Director of Public Works and Utilities and Kris Kneese, Assistant Public Works Director).
(Agenda Packet Pages 125-130)
- E. Consider, discuss, and take action regarding FY2020 Audit presentation (Laura Hollenbeak, Director of Finance)
(Agenda Packet Pages 131-216)
- F. Consider, discuss, and take action regarding the allocation of the Hotel Occupancy Tax (HOT) funding for 2021 (Shelley Goodwin, City Secretary).
(Agenda Packet Pages 217-218)

10. CITY MANAGER REPORT

- A. Election Update
- B. May City Council Work Session
- C. Sports Park Update
- D. Legislative Update

11. ITEMS FOR FUTURE AGENDA

12. COUNCIL COMMENTS

Reports about items of community interest, which no action will be taken.

13. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.074 (Personnel Matters):

- A.** Consider and discuss personnel issues related to the search for and appointment of a new Municipal Court Judge (Personnel matters - Section 551.074).

14. BUSINESS ITEM

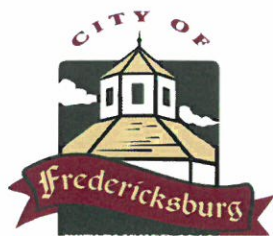
The City Council will reconvene into Regular Session upon the conclusion of the Executive Session; the City Council may take action on any item posted in Executive Session, as necessary.

15. ADJOURN

This is to certify that I, Shelley Goodwin, posted this Agenda at 2:00 p.m. on April 14, 2021, at the entrance and on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.



Shelley Goodwin, TRMC
City Secretary



CITY OF FREDERICKSBURG

MINUTES OF CITY COUNCIL REGULAR MEETING

APRIL 5, 2021

The City of Fredericksburg City Council met in a regular session on Monday, April 5, 2021, at 6 p.m. This meeting was held at the Rock Box Theater.

Members Present:

Mayor Charlie Kiehne
Councilmember Jerry Luckenbach
Councilmember Tom Musselman
Councilmember Polly Rickert
Councilmember Bobby Watson

Members Absent:

None

City Staff Present:

Kent Myers, City Manager
Clinton Bailey, Assistant City Manager/Director of Public Works and Utilities
Daniel Jones, City Attorney
Lynn Bizzell, Fire Chief
Russell Immel, Information Technology Director
Andrea Schmidt, Parks Department Director (participated via Zoom)
Lea Feuge, Public Information Officer
Kris Kneese, Assistant Director of Public Works and Utilities
Garrett Bonn, Assistant Engineer
Jennifer Krupa, Special Events Coordinator
Shelley Goodwin, City Secretary

1. CALL TO ORDER

Mayor Kiehne called the regular meeting of the Fredericksburg City Council to order at 6 p.m. on Monday, April 5, 2021, in person at the Rock Box Theater and via You Tube Channel livestream. Mayor Kiehne announced a quorum of the City Council present.

2. PLEDGE OF ALLEGIANCE

Mayor Kiehne led the Pledge.

3. PROCLAMATION

A. National Public Safety Telecommunicators Week

Mayor Kiehne read the proclamation and proclaimed April 11 through 17, 2021, as National Public Safety Telecommunicators Week. He presented the proclamation to Les Metzler and thanked the dispatchers for always exhibiting compassion and professionalism while doing their jobs.

4. EMPLOYEE RECOGNITIONS

Kent Myers, City Manager, stated he received a call thanking Officer Brandon Griffin for his professionalism and assistance during a traffic stop.

5. PUBLIC COMMENTS

Mayor Kiehne read the sign-up process and the rules for speaking.

Tom Marschall spoke regarding his After-Action Plan and suggested the City Council approve a Resolution regarding Sanctuary City for Emergency Declaration.

Angela Pirch spoke regarding CTEC Smart Meter and the effect they can have on humans.

Timothy Riley spoke regarding including Zoom as part of the meetings. He also stated that the agendas are light on items related to the Path to the Future.

Robert Phoenix spoke regarding Atwater, California and their efforts during COVID that led to no loss of life or jobs. He noted they approved a Resolution creating them as a Sanctuary City; he provided a copy of the Resolution they adopted.

Jeannette Hormuth spoke regarding the vaccine and the freedom of choice. She spoke regarding her research on the vaccine. She stated Officials or the paper are not publishing these important facts about these shots.

Kimberly Lams stated she feels the emergency declaration is unlawful, and she believes the City Council is committing a crime. She also reviewed the hospitalizations at Hill Country Memorial Hospital.

6. CONSENT

THE FOLLOWING ITEMS MAY BE ACTED UPON IN A SINGLE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THESE ITEMS WILL BE HELD UNLESS PULLED AT THE REQUEST OF A MEMBER OF CITY COUNCIL.

A. Consider approval of City Council Minutes: (Shelley Goodwin, City Secretary)

- i. February 22, 2021, Regular Meeting**
- ii. March 1, 2021, Regular Meeting**
- iii. March 3, 2021, Workshop**
- iv. March 15, 2021 Regular Meeting**

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Luckenbach, to approve A. i-iv. of the Consent Agenda. The City Council voted five (5) for, and none (0) opposed.

B. Consider the approval of Resolution 2021-03R amending the Order adopted on February 1, 2021, ordering a General Election to be held on May 1, 2021, for the purpose of electing two (2) City Councilmembers to City Council; adding the provisions for the conduct of such election and resolving other matters related to the conduct of such election (Shelley Goodwin, City Secretary).

C. Consider, discuss and take action regarding modifying the previously approved Wildflower Run Health & Safety Plan for the event on April 24, 2021 (Jennifer Krupa, Special Events Coordinator).

D. Consider, discuss and take action regarding approval of the street closures for the following events (Jennifer Krupa, Special Events Coordinator):

- i. **Fredericksburg Car Fest - closure of W. Austin Street between N. Adams and N. Crockett Streets on Saturday, June 5, 2021, from 6 a.m. to 4 p.m.**
- ii. **Crawfish Festival - closure of a parking lane adjacent to Marktplatz and one southbound lane on Adams Street beginning on Friday, May 28, 2021 at 8 a.m. until Monday, May 31, 2021 at 6 p.m. and W. Aust Street between N. Adams and N. Crockett Streets beginning Friday, May 28, 2021 at 8 a.m. until Monday, May 31, 2021 at 6 p.m.**

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Luckenbach, to approve B-D. i. and ii. of the Consent Agenda. The City Council voted five (5) for, and none (0) opposed.

7. OTHER ACTION ITEMS AND UPDATES

A. Consider the approval of an Annexation Agreement with SECO Ventures, related to the requested annexation of approximately 5.004 acres of land located on the west side of South Eagle Street, approximately 1,000 feet south of southwest corner of Friendship Lane and South Eagle Street (previously discussed on March 15, 2021 City Council Regular Meeting) (Jason Lutz, Director of Development Services).

Kimberley Lams spoke against the Annexation Agreement and building rental boxes called apartments. She also spoke about the size and the number of people using the amenities, and the health issues they will cause.

Jason Lutz, Director of Development Services, reviewed the Annexation Agreement's process and the additional questions the City Council had at the March 15, 2021, City Council Regular Meeting. He also reviewed the changes and what staff is comfortable with approving. He noted staff is looking for approval or direction from the City Council regarding the agreement.

Joshua Needham provided a PowerPoint regarding the Parkland Dedication Fee and proposed parkland. He also compared the PUDs previously approved by the City Council against the one they are requesting.

Andrea Schmidt, Parks Department Director, stated there are some great elements to this project. She also noted the Parks Department cannot keep up with pocket parks and prefers the proposed park by a private park.

The City Council discussed the proposed park and public access to the park. They also discussed the proposed public amenities and the requirement of fees in lieu of the dedication of parkland.

Motion: A motion was made by Councilmember Musselman, seconded by Councilmember Rickert, to take no action on this Agenda Item to allow staff time to work out an agreement, sidewalks, and park issues. The City Council voted five (5) for, and none (0) opposed.

B. Consider and discuss the Historic District Design Guidelines.

Anna Hudson, Historic Preservation Officer, provided a PowerPoint regarding the Historic District Design Guidelines/Standards' history. She reviewed the timeline of the public process. She stated the four areas staff would like City Council to provide on these:

- Guidelines Recommendation and Standards Requirements.

- Amendments to the Historic Preservation Ordinance in conjunction with adoption guidelines/standards documents.
- The Historic District and STR and placing spacing requirements in keeping with historical lot development patterns.
- Public input before adoption: workshops, open house, online survey

The City Council discussed and provided direction to allowing comments online and in-person. They also discussed getting input from owner-occupancy homes. They also discussed a provision for buildings in the Historic District that are no longer able to be saved due to deterioration.

C. Consider, discuss, and take action regarding an update on the Flood Early Warning System Project which was approved for Flood Infrastructure Fund Program funding in December 2020 (Clinton Bailey, Assistant City Manager and Director of Public Works and Utilities).

Garret Bonn, Assistant City Engineer, stated in March 2020, the Texas Water Development Board (TWDB) published the Flood Intended Use Plan for State Fiscal Year 2020 and invited eligible applicants to submit abridged applications relating to certain types of eligible projects, which the City submitted two applications. Flood Early Warning System (FEWS) Improvements are totaling \$745,000, and N. Llano (SH16N) Storm Sewer System is totaling \$2,602,930. He noted the FEWS project was approved for an 80% grant and 20% local match, but the approved eligible funding for the project was only 15%, and the City would be responsible for the remaining 85%. While finalizing the documents, the State has placed more requirements for the grant, and he reviewed the major concerns and issues.

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Musselman, to withdraw the application for the Flood Infrastructure Fund Program. The City Council voted five (5) for, and none (0) opposed.

D. Consider and discuss the Hotel Occupancy Tax (HOT) applications (Shelley Goodwin, City Secretary).

Amy Bicker, Gillespie County Children Foundation, reviewed her project and reasons for applying for funding.

Daniel Jones, City Attorney, stated all applicants meet the minimum legal requirements.

Kent Myers, City Manager, reviewed the process for discussing the applications. He noted the funding allocations would be made at the City Council Regular Meeting scheduled for April 19, 2021.

The City Council went through and discussed the applications.

8. CITY MANAGER REPORT

A. Annexation Schedule-Post Oak Road Area

Kent Myers, City Manager, restarting process again. He reviewed the timeline for the public hearings and consideration for institute the annexation.

B. STR Ordinance Amendments-Public Input Process

Kent Myers, City Manager, stated the Public Input Process would begin next month in May. He noted the City Council would need to hold a Work Session this summer to discuss the draft ordinance, public input, and then there will be a public hearing for the Planning & Zoning Commission and then for City Council.

C. Mid-Year Budget Process

Kent Myers, City Manager, stated several mid-year budget amendments need to be discussed. He noted the City Council would need to have a Work Session after the May 1 General Election.

The City Council discussed the May 1 General Election (timeframe for canvassing May 4, 2021, and May 14, 2021).

D. Middle School Campus Reuse

Kent Myers, City Manager, stated Fisd is holding a Bond Election in November for a new Middle School. Fisd is working on what to do if the bond passes, then they want to have a plan for the reuse of the Middle School Campus. He noted a discussion was held with several members of the staff and Councilmember Musselman to talk about concerns, questions, and issues. He also noted he contacted a firm that previously helped with office space needs and requested a quote to update their previous study.

E. Legislative Update

Kent Myers, City Manager, reviewed several Bills:

- Bill 1469 (HOT Funds for City Parks) – has not been set for hearing yet.
- SB 10 (use public funds for lobbying) - hearing tomorrow.

He also reviewed the following:

- Sales Tax Bill-Ways and Means Committee tomorrow.
- Broadband Bill - could receive additional funding.

9. ITEMS FOR FUTURE AGENDA

Kent Myers reviewed the Future Agenda items.

10. COUNCIL COMMENTS

Councilmember Rickert stated she has been holding some Mini-Workshops to help educate residents on the role of City Government, and the next one is tomorrow at 6 p.m. at St Joseph Halle.

Councilmember Luckenbach spoke regarding the purpose of an Emergency Declaration.

Councilmember Musselman spoke regarding political activity and applauded those who put themselves out to run for elected office. He reviewed the requirements for political signs and thanked James McDonald for following the rules.

11. EXECUTIVE SESSION

The City Council will recess its open meeting and reconvene in Executive Session pursuant to Texas Government Code Section 551.071 (Pending Litigation/Consult with Attorney) and 551.072 (Deliberation Regarding Real Property):

- A. Consider and discuss Alpha Securities, LLC, Appellant, v. City of Fredericksburg, Appellee, pending in the Court of Appeals for the Fourth Appellate District of San Antonio, on appeal from Cause No. 15377 in the 216th Judicial District Court of Gillespie County (Sec. 551.071) and**
- B. Consider and discuss the purchase, exchange, lease, or value of real property, located in the vicinity of US 290 E at the Pedernales River crossing, approximately two miles to the east of the City of Fredericksburg (Sec. 551.072).**

Motion: A motion was made by Councilmember Luckenbach, seconded by Councilmember Musselman, to go out of Regular Meeting into Executive Session at 8:29 p.m. The City Council voted five (5) for, and none (0) opposed.

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Musselman, to go out of Executive Session into the Regular Meeting at 8:55 p.m. The City Council voted five (5) for, and none (0) opposed.

12. BUSINESS ITEM

No action was taken during this Agenda Item.

13. ADJOURN

Motion: A motion was made by Councilmember Watson, seconded by Councilmember Luckenbach, to adjourn the Monday, April 5, 2021, Regular Meeting at 8:57 p.m. The City Council voted five (5) for, and none (0) opposed.



CITY COUNCIL MEMO

DATE: April 13, 2021

TO: Mayor and City Council

FROM: Jennifer Krupa, Special Events Coordinator

SUBJECT: Request from Fredericksburg Morning Rotary for Kraut Run Street Closure

Summary:

The 11th annual Oktoberfest Kraut Run, which raises money for literacy and reading programs at FISD primary, elementary, and middle schools will take place on Saturday, October 2, 2021. The start/finish area for the run is on and adjacent to the horseshoe entry drive of Fredericksburg Middle School. The event takes runners through the residential area northeast of downtown Fredericksburg, between SH 16 north and north Milam/965, returning to the start/finish area via north Adams and Travis St.

While the start/finish areas are on the school grounds on the NW side of Travis, the post-race celebration and awards ceremony are held on the SE side of Travis. In addition, event organizers rent the Town Pool bathhouse, which is also on the SE side of Travis. The bathhouse allows runners to prepare for the race and clean-up after the race, so that they have the option of enjoying Oktoberfest events. This arrangement, which is necessary because the post-race party is prohibited on FISD grounds, causes a large amount of pedestrian traffic back and forth across Travis St.

Run organizers have requested to close one block of W. Travis St. from N. Crockett to N. Adams during the event. During that time, through traffic on Travis St. will need to detour one block to W. Schubert.

Recommendation:

Recommend Council consider adoption of a motion to allow Kraut Run event organizers to close W. Travis St. from N. Crockett to N. Adams from 6:30 a.m. to 12:00 p.m. on Saturday, October 2, 2021.

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Background / Analysis:

The request above is the identical request that was approved by City Council for the 2018 & 2019 Kraut Run. The 2020 Kraut Run was not held due to the coronavirus.

A health & safety plan is still required and must be approved by the Special Events Committee before a special event permit for the event will be issued.

Emergency vehicle access will be allowed throughout the closure.

The Fredericksburg Morning Rotary will mail notification letters to those affected by the closure. A copy of the letter and address labels are attached to this request.

Attachments:

Street Closure Request Form; 2021 Kraut Street Closure Request Letter; Site Layout; Street Closure Map; Notification Letter; Race Route; and Address Label List



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Agenda Packet Page 12

SPECIAL EVENTS STREET CLOSURE REQUEST



Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

Event Name:	Kraut Run
Event Date(s):	Saturday, October 2, 2021
Contact Name:	Hugh Reeves
Contact Phone:	(832) 971-4547

Closure Area:

☒ Entire Street
 ☐ Parking Lane Only
 ☐ Partial Street
 ☐ Blocking City owned property
 Side of street: _____ (N,S,E,W) Side of street: _____ Location: _____

Additional details (attach additional pages as needed for more streets and describe details of use below):

Street Closure Details:

Street Name	Between (cross street)	And (cross street)	Start Date	Start Time	End Date	End Time
Example:	Crockett Street	Adams Street	Friday, 4/2/18	6:00 PM	Sunday, 4/4/18	12:00 PM
W. Travis	N. Crockett	N. Adams	Sat., Oct. 2, 2021	6:30 AM	Sat., Oct. 2, 2021	12:00 PM

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: 9-1-2021

Printed Name: Hugh Reeves

Date: April 12, 2021

Signature: *Hugh Reeves*

Date: 09 APRIL 2021

Street Department: A. Durst via email

Date: 4-12-21

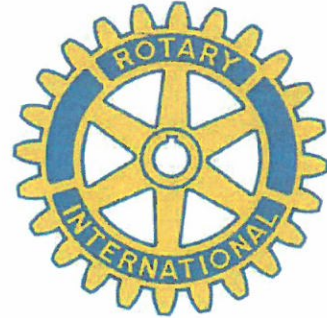
Police Department: B. Vorauer via email

Date: 4-13-21

Parks Department: *[Signature]*

Date: 4-9-21

Fredericksburg Morning Rotary



From: Fredericksburg Morning Rotary/Hugh Reeves

To: Jennifer Krupa/Special Events Coordinator

Info: Debbie Farquhar/Creative Marketing

Subj: Street Closure Request – 11th Annual Oktoberfest Kraut Run

In accordance with the City of Fredericksburg event approval procedures, we request permission to close one block of West Travis street from 6:30 a.m. to 12:00 p.m. on the morning of Oct 3, 2021, to conduct the 11th annual Oktoberfest Kraut Run, which raises money for literacy and reading programs at FISD primary, elementary and middle schools. *2 JK*

The start/finish area for our run is on and adjacent to the horseshoe entry drive of Fredericksburg Middle School. Runners line up on the western side of the horseshoe (the exit lane of the horseshoe drive), then immediately turn right to proceed west on Travis. The event takes runners through the residential area northeast of downtown Fredericksburg, between SH 16 north and north Milam/965, returning to the start/finish area via north Adams and Travis St.

While the start/finish areas are on the school grounds on the NW side of Travis, the post-race celebration and the awards ceremony are held on the SE side of Travis. In addition, we rent the Town Pool bathhouse, which is also on the SE side of Travis. The bathhouse allows runners to prepare for the race and clean-up after the race, so that they have the option of enjoying Oktoberfest events. This arrangement, which is necessary because we can't have the post-race party on FISD grounds, causes a large amount of pedestrian traffic back and forth across Travis St.

Because we have some 500 to 600 runners, volunteers and spectators circulating back and forth across Travis St. all morning, we are again asking for the closure of one block of West Travis St. from 6:30 a.m. to 12:00 p.m. This has been granted in previous years.

Based on our experience, we firmly believe that the safety of our participants depends on closing Travis St. for the five and one-half hours duration of our event.

The placement of barricades (see attached map) is such that traffic traveling north on N. Crockett can turn left onto W. Travis, and traffic headed east on Travis can turn south on N. Crockett. Similarly, traffic can proceed north and south on N. Adams without interference. This placement of barricades allows through traffic on Travis an easy detour around the race area via W. Schubert St.

I've attached a map which shows our site layout and exact placement of barricades, if approved.

I've also attached the notification letter we send to residents who live adjacent to the start/finish line, including the mailing list, a race map and the location of street barricades.

If you have any questions, please contact me, Hugh Reeves, at 832-971-4547, or email hugh@hughandbecky.com.

ATTACHMENTS

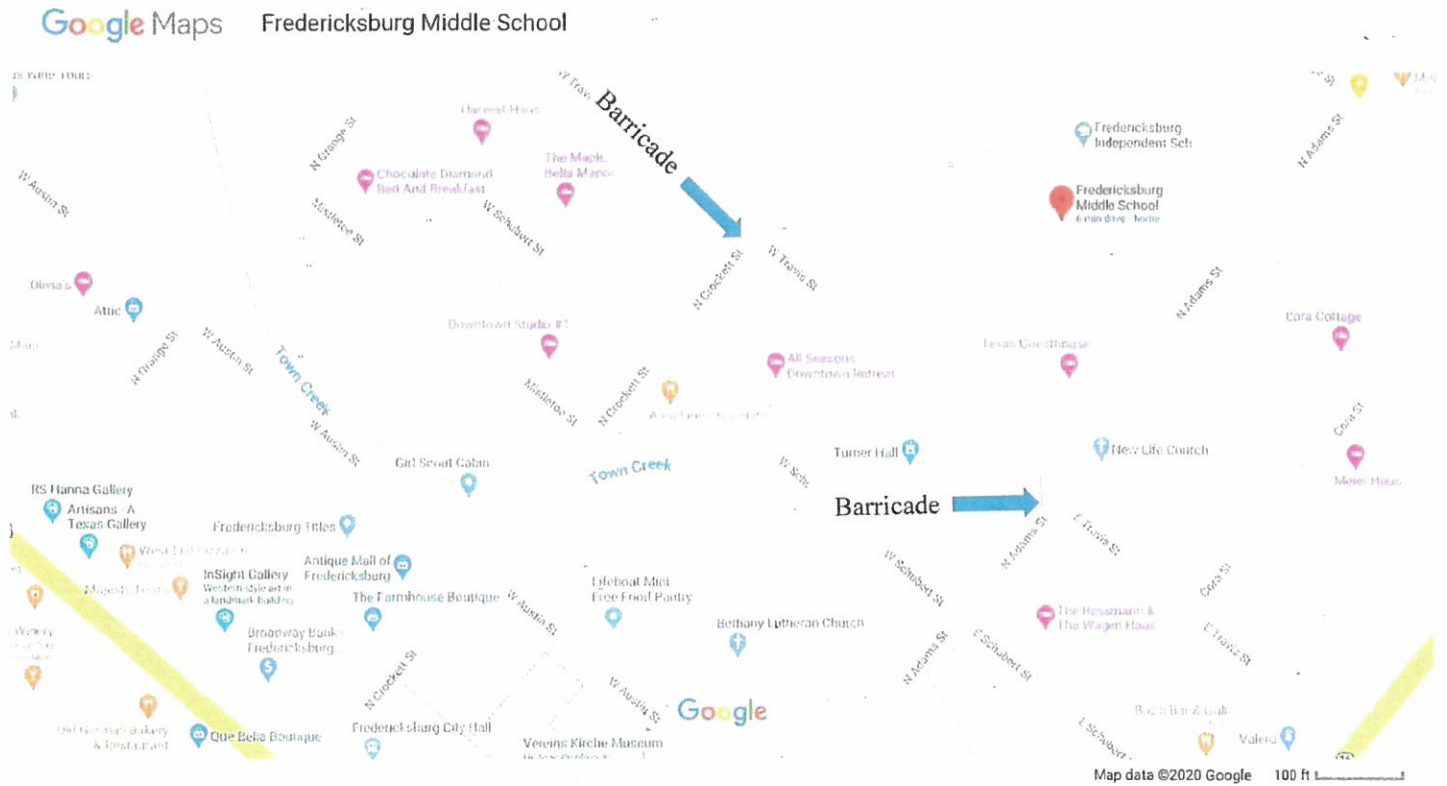
1 – Kraut Run 2021 Site Map

2 – Kraut Run 2021 Resident Notification Letter and Mailing List



3/31/2020

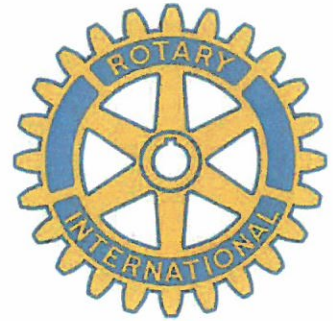
Fredericksburg Middle School - Google Maps



Oktoberfest Kraut Run 2020 Street Barricade Map

<https://www.google.com/maps/place/Fredericksburg+Middle+School/@30.2781672,-98.8716193,18z/data=!4m5!3m4!1s0x865bc0f9e48cfe07:0x705656fad71d1d48!8m2!3d30.2791025!4d-98.8696934?...> 1/4

Fredericksburg Morning Rotary



Kraut Run/Walk 8K/5K 2021

From: Fredericksburg Morning Rotary

Subj: Information on the Kraut Run event for 2021

In accordance with the City of Fredericksburg event procedures, we are providing information on this Rotary event which will be conducted in your neighborhood on Oct 3, 2021.

The 11th annual Kraut Run 8K/5K Run and 5K Walk will be held on Saturday, October 3, 2021 starting at 8:30 a.m. at the Fredericksburg Middle School grounds, 110 West Travis, Fredericksburg.

The Kraut Run course runs through the residential and rural area northeast of Fredericksburg between RR 965 and SH 16 north. See map on reverse for detail.

We will begin set-up of the start/finish area at 6:00 a.m. Runners will start to arrive at 7:00 a.m., and we will attempt to make as little noise as possible, until we approach the 7:00 a.m. registration time.

Due to congestion at the start/finish area at Fredericksburg Middle School, we have requested the closure of W. Travis St. from N. Crockett to N. Adams from 6:30 a.m. to 12:00 p.m. During that time, through traffic on Travis St. will need to detour one block to W. Schubert.

Proceeds of the Kraut Run benefit the literacy efforts of the Fredericksburg Morning Rotary in support of the primary, elementary and middle schools of Fredericksburg ISD, as well as Books for Babies, a community program. Our Rotary club is one of the most important sources of funding of books for the libraries of these schools.

Donations to our literacy efforts can be made by mail to Fredericksburg Morning Rotary, P.O. Box 3031, Fredericksburg, TX 78624.

For more information on our event or to volunteer to help with the race, visit our website at www.fbgkrautrun.com or our Facebook page at www.facebook.com/krautrun/. Race coordinator Hugh Reeves can be reached at 832-971-4547 (cell) or email at hugh@hughandbecky.com.

The Fredericksburg Morning Rotary Charity Fund is a 501(c)(3) exempt nonprofit corporation

EIN#35-2300785. Contributions are tax-deductible in accordance with current IRS regulations.



Resident
109 W. Travis
Fredericksburg, TX 78624

Resident
302 N. Crockett
Fredericksburg, TX 78624

Resident
201 W. Travis
Fredericksburg, TX 78624

Resident
303 N. Adams
Fredericksburg, TX 78624

Resident
404 N. Adams
Fredericksburg, TX 78624

Resident
508 N. Adams
Fredericksburg, TX 78624

Resident
517 N. Adams
Fredericksburg, TX 78624

Resident
205 W. Travis
Fredericksburg, TX 78624

Resident
505 N. Adams
Fredericksburg, TX 78624

Resident
207 W. Travis
Fredericksburg, TX 78624

Resident
208 W. Travis
Fredericksburg, TX 78624

Resident
407 N. Adams
Fredericksburg, TX 78624

Resident
410 N. Adams
Fredericksburg, TX 78624

Resident
405 N. Adams
Fredericksburg, TX 78624

Resident
412 N. Adams
Fredericksburg, TX 78624



CITY COUNCIL MEMO

DATE: April 12, 2021

TO: Mayor and City Council

FROM: Jennifer Krupa, Special Events Coordinator

SUBJECT: Street Closure Request: 2021 Oktoberfest

Summary:

Pedernales Creative Arts Alliance/Oktoberfest is requesting the complete closures of Adams Street between Main and Austin and Austin Street between Crockett and Adams for the 2021 Oktoberfest event. Debbie Reeh, Oktoberfest manager and event producer, has communicated and coordinated with the Adams Street merchants, Bethany Lutheran Church and San Saba Soap Company on the closures. Oktoberfest has made allowances for Sunday church services and emergency access lanes on both Adams and Austin will be maintained at all times.

In addition, Oktoberfest is asking for permission to use:

- Parking lot on Crockett Street across from City Hall and next to Broadway Bank beginning on Friday, October 1, 2021, at 6:00 p.m. until Sunday, October 3, 2021, at 8:00 p.m., and
- Drive-in bay area behind City Hall Annex #1 (corner of Crockett & Austin) beginning Friday, October 1, 2021, at 5:00 p.m. until Sunday, October 3, 2021, at 10:00 p.m.

Recommendation:

Recommend Council consider a motion to approve the use of the parking lot across from City Hall, the drive-in bay area behind City Hall Annex #1 (dates and times listed above), and the following two street closure requests for Oktoberfest 2021:

- 1) Adams Street between Main and Austin beginning on Wednesday, September 29th at 5:00 p.m.

The City of Fredericksburg

through Monday, October 4th at 3:00 p.m., and

2) Austin Street between Crockett and Adams beginning Thursday, September 30th at 12:00 p.m. until Monday, October 4th at 12:00 p.m.

Background / Analysis:

Oktoberfest is the premier special event for the City of Fredericksburg. Oktoberfest has coordinated extensively with City staff and has adopted all recommendations. The request above is the identical request that was approved by City Council for the 2018 & 2019 Oktoberfest events. Oktoberfest 2020 was canceled due to the coronavirus.

A health & safety plan is still required and must be approved by the Special Events Committee before a special event permit will be issued.

Attachments:

Street closure request form; Oktoberfest request letter; merchant notification letter; aerial map; 2021 special event application



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

SPECIAL EVENTS STREET CLOSURE REQUEST FORM; PAGE 9



Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

Event Name:	Oktoberfest
Event Date(s):	October 1-3, 2021
Contact Name:	Debbie Farquhar Reeh
Contact Phone:	(830) 997-8515

Closure Area:

☒ Entire Street
 ☐ Parking Lane Only
 ☐ Partial Street
 ☐ Blocking City owned property

Side of street: _____ (N,S,E,W)
 Side of street: _____
 Location: _____

Additional details (attach additional pages as needed for more streets and describe details of use below):

Oktoberfest is also requesting the use of the lot across from City Hall, next to Broadway Bank beginning on Friday, October 1, 2021 at 6pm

until Sunday, October 3, 2021 at 8pm

Street Closure Details:

Street Name	Between (cross street)	And (cross street)	Start Date	Start Time	End Date	End Time
Example: Austin Street	Crockett Street	Adams Street	Friday, 4/2/18	6:00 PM	Sunday, 4/4/18	12:00 PM
Adams Street	Austin Street	Main Street	Wed, 09/29/21	5:00 pm	Monday, 10/4/21	3:00 pm
Austin Street	Adams Street	Crockett Street	Thursday, 9/30/21	Noon	Monday, 10/4/21	Noon

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: 3/31/21

Printed Name: Debbie Farquhar Reeh

Signature: _____

Date: _____

Street Department: A. Koennecke via email

Date: 4-13-21

Police Department: Lt. Vorauer via email

Date: 4-12-21

Parks Department: J. Ber KP

Date: 3-31-21

Festival Office:
703 N Llano
Fredericksburg TX 78624
830-997-4810
www.oktoberfestinfbg.com

First Weekend in October
Downtown on Marktplatz



To:

Mayor Charlie Kiehne
Council Members; Jerry Luckenbach; Tom Musselman; Polly Rickert; Bobby Watson

From: Debbie Reeh
Oktoberfest Manager

RE: 2021 Street Closure

Date: April 6, 2021

Dear Mayor Kiehne and Council members;

I would like to start, again, by thanking you for supporting of our street closure requests in past years. The working relationship we have with you, City Police, and City staff certainly help Oktoberfest.

Oktoberfest requests two street closures:

- Adams Street -- Wednesday, Sept. 29th at 5:00pm - Monday, October 4th at 3:00pm
- Austin Street -- Thursday, Sept. 30th at noon - Monday, October 4th at noon

Oktoberfest would like to use of the following:

- Lot across from City Hall next to Broadway Bank -- Oct. 1st at 6:00pm - Oct. 3rd at 8:00pm.
- Drive-in bays area (corner of Crockett and Austin) -- Oct. 1st at 5:00pm - Oct. 3rd at 10:00pm.

Parking for City staff during Oktoberfest:

We can work with Jennifer Krupa and City staff on securing Staff parking on the West end of Austin Street if needed.

Pedernales Creative Arts Alliance, sponsors of Oktoberfest, is a non-profit, 501(c)3 organization. Through Oktoberfest's success, PCAA gives back to the community.

How the community benefits from Oktoberfest:

- -Sixteen students will receive money for fall and spring semesters
- Twenty-eight grants for local art projects are awarded. Some of the recipients include local art

Festival Office:
703 N Llano
Fredericksburg TX 78624
830-997-4810
www.oktoberfestinfbg.com

First Weekend in October
Downtown on Marktplatz



guilds, school programs, concerts, theater, band instruments, and more. Along with many enhancements to MarktPlatz: Oktoberfest Halle, Maibaum, landscape/hardscape, Fest Zimmer and Die Küche

- Six free MarktPlatz PCAA Concerts, our way of thanking the community.

The street closures have had a positive impact with Oktoberfest's continued growth. We look forward to working with all of you again to make this a huge success for not only Oktoberfest but the community as well.

Festively,

Debbie Reeh
Oktoberfest Manager and Event Producer



First Weekend in October | October 1 - 3

**Fredericksburg is
the Polka Capital
of Texas!**

**MarktPlatz
Downtown
Fredericksburg
*Oompah at its best!***

**Oktoberfest
Celebrates
40 Years
of Texas
*Gemütlichkeit***



[OktoberfestinFbg.com](https://www.facebook.com/OktoberfestinFbg.com)

830-997-4810

Fest Office:

703 N Llano

Danke Schön!

March 31, 2021

Creations in Jewelry, Mark Toomey
103 N Adams Street
Fredericksburg TX 78624

Dear Mark,

Oktoberfest is gearing up for the 40th celebration. We thank you AGAIN for your partnership in the street closure request. The working relationship we have with you, the Mayor, Council, Police, and City staff certainly help Oktoberfest.

We are requesting the Adams street closure (same logistical plan as 2019): Adams Street - Wed., Sept. 29th at 5:00pm - Mon., Oct. 4th at 3:00pm
Pedernales Creative Arts Alliance, sponsors of Oktoberfest, is a non-profit, 501(c)3. Through Oktoberfest's success, PCAA gives back.

How the community benefits from Oktoberfest:

- Sixteen students received scholarships for the fall and spring semesters this year.
- Over 30 grant programs for local art projects are sponsored such as the art guilds, school programs, concerts, theater, band and choir programs, and more.
- MarktPlatz PCAA Concert Series held Sunday evenings and free to the public. This is our way to thank the community for their support and volunteerism.

Oktoberfest offers a variety of family fun:

- We feature five entertainment stages (*Oompah at its Best!*), bountiful kid's area, hi-strikers, yodel contest, local artisans tent, arts and crafts, German, Texas Craft and domestic beer selection, food concessionaires and lots more
- Oktoberfest prides itself in all these special events: FRIDAY - OKTUBAfest, Shiner - Spoetzl Brewery and Leinenkugel Brewing Company keg tappings, Altstadt Waltz Contest. SATURDAY- Rotary Kraut Run, Oktoberfest Hauptstrasse Chicken Dance, Samuel Adams Stein Hoist, Altstadt Brewery keg tapping, Hi-Striker Competition. SUNDAY - Real Estate Advisory Team 42 Tournament, Family Dirndl and Lederhosen Contest, Altstadt Yodel Contest

Debbie Farquhar Reeh

Oktoberfest Manager and Event Producer





City of Fredericksburg Parks & Recreation Department Special Event Application

Mail completed application to: Special Events, 126 W. Main Street, Fredericksburg, TX 78624;
or scan and email to: speialevents@fbgtx.org

Use N/A for "not applicable" or leave blank questions or sections that do not apply to your event.

APPLICANT INFORMATION

Name of Organization/Business: Pedernales Creative Arts Alliance/ dba Oktoberfest

Applicant Name/Event Organizer: Debbie Farquhar Reeh

Address: Event: 100 block of West Main Street/Office: 703 North Llano Street

City: Fredericksburg State: Texas Zip: 78624

Primary phone: (830) 997-4810

Secondary phone: ()

Email address: creativemarketing1975@gmail.com

Event Promoter Name: Debbie Farquhar Reeh Primary phone: (830) 997-8515

Organization/Business Type: ☐ FOR-PROFIT; Event proceeds go to:

☒ *NON-PROFIT *attach proof ☐ INDIVIDUAL

EVENT INFORMATION & LOCATION

Official Event Name: Oktoberfest

Event date(s): October 1-3, 2021

Event History: Is this a first-time event? ☐ YES ☒ NO

Estimated attendance: 20,000

Is the event open to the general public? ☒ YES ☐ NO

Date application submitted: 3-31-21

Reservation fees are listed per day unless noted; deposit pricing is not included. Non-profits receive 50% discount on reservation fees; banner hanging fee excluded.

*MARKTPLATZ

Please check all that apply:

*Excludes City Hall/Fire Station, Annex,
Police Substation & Vereins Kirche

Address: 100 West Main Street,
Fredericksburg, TX 78624

TWO
Weeks

☒ Entire Square: \$2,400/week

☐ Kinder Halle: \$150

☐ Oktoberfest Halle: \$150

☐ Adelsverein Halle: \$250

☐ Fest Room: \$50

☐ Kitchen: \$50

☒ Entire Square additional day:
\$650 each; 7 # of days

☐ Banner Hanging Fee: \$25
(optional; at front of Marktplatz for
24 hours)

DFR INITIAL (required): I have read Marktplatz Use
Regulations on pages 16-18 of the Special Events
Planning Guide.

*LADY BIRD JOHNSON MUNICIPAL PARK (LBJMP)

Please check all that apply:

*Excludes Park Headquarters Building, swimming pools, RV Park,
campsites, dog park, nature trail, tennis court and golf course. Access
to such areas may be closed or restricted for events and in the
discretion of the PARD.

☐ **Pioneer Pavilion; \$625 for 4 days
(Thursday-Sunday only)

☐ Tatsch House: Fri/Sat/Sun, December & holidays: \$200

☐ Entire Park: \$1,600 per week; ___ # of add-on days:
\$650/day

☐ Tatsch House: weekday (Monday-Thursday): \$150

☐ Cooler inside Pioneer Pavilion: no fee; non-perishable
items only

INITIAL (required): I have read LBJMP Use Regulations on
pages 19 & 20 of the Special Events Planning Guide.

Outdoor Pavilions: ☐ Pav. #1: \$40 ☐ Pav. #2: \$40 ☐ Pav. #3: \$45 ☐ Pav. #4: \$45 ☐ Pav. #5: \$60

***Pioneer Pavilion is available for additional add-on days for \$125/day but must be pre-approved by Park Recreation Superintendent.*

EVENT INFORMATION CONTINUED

OTHER PROPERTY

Please check all that apply:

☐ Fort Martin Scott: \$500/day; ___ # of days ___ INITIAL (required): I have read Fort Martin Scott Use Regulations on page 21 of the Special Events Planning Guide.	☐ Town Pool: \$200; restroom access only	☒ Parade/*Other/*Private Property, list location and address: <u>Parking at Bethany Lutheran</u> <u>110 West Austin Street</u> <i>*Applicant shall submit copy of a letter from property owner giving written permission for event use.</i>
--	---	---

Attach more sheets if needed for information below:

Move-in & Set-up (first day of move-in):

Move-in/Set-up Date: Wed., September 22, 2021 Times: Start: 8:00 am End: _____

Indicate dates/times OPEN to attendees:

Event Date: <u>October 1, 2021</u>	Times: Start: <u>6:00 pm</u>	End: <u>Midnight</u>
Event Date #2: <u>October 2, 2021</u>	Times: Start: <u>10:00 am</u>	End: <u>Midnight</u>
Event Date #3: <u>October 3, 2021</u>	Times: Start: <u>11:00 am</u>	End: <u>6:00 pm</u>

Move-Out & Strike (final day):

Move-Out/Strike Date: Wed, October 6, 2021 Times: Start: 8:00 am End: Noon

Event day "on-site" Contact Name: Debbie Farquhar Reeh Phone: (830) 456-1461

Event website: www.oktoberfestinfbg.com

Event information hotline: (830) 997-4810

Is the event free and open to the general public (not including vendors/sponsors, etc.?)

☐ YES ☒ NO
☒ On-site sale/registration

Admission will be made by: ☒ Pre-sold ticket ☐ Free ☐ Pre-registration

Other (please specify): _____

EVENT COMPONENTS

Please check all that apply:

☐ Animals	☐ Aircraft Flyover	☐ Bike Race	☐ Car Show	☐ Carnival
☐ Concert	☐ Cook-Off	☐ Company Picnic	☐ Demonstration or Rally	☒ Fair/Festival
☐ Family Reunion	☐ Fireworks	☒ Fundraiser	☒ Fun Run/Race	☐ Historical Re-Enactment
☐ Motorcycle Run	☐ Parade	☐ Sporting Event/Tournament	☐ Trade, Vendor, or Art Show	☐ Wedding

☐ Other (please list): _____

Event Size: 20,000 Estimated max. attendance at one time 28 # of Art/Craft Vendors
1,000 # of Staff/Volunteers expected 11 # of Food/Beverage Vendors

Are you requesting any street closures or to block any city-owned property? ☒ *YES ☐ NO

**Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the official Street Closure Request Form found on page 9.*

Pavement Markings: Will your event be requesting to mark any pavement? ☐ YES* ☒ NO

*If yes, please describe the materials & supplies you are requesting to mark the pavement: _____

When & how will the markings be removed? _____

EVENT COMMUNICATION & SECURITY

During the event what form of communication systems will be used for the following:

Event Management (internal): cells phones, radios

Public Address (external): announcements from the stages

Events with 1,000 attendees or more; events lasting past 10 PM; or events which provide alcohol require the provision of licensed, bonded and commissioned private security at the applicant's expense. The number of guards and their hours of duty will be determined by the PARD and the security company based on the type of event and number of attendees.

What security/law enforcement agency have you hired for your event? Unlimited Security

Contact name: Fernando Munoz Phone: (830) 997-8515

Have you contacted Fredericksburg Police Department in relation to your event? ☐ *Yes or ☒ No

*If yes, who did you speak with? Chief Steve Wetz, Lt. Brian Vorauer, Chris Ayala

EQUIPMENT, ACTIVITIES & AMUSEMENTS

The following equipment, activities, and/or amusements will be at the event:

- ☒ **Generators**; list quantity: 1 and size(s): _____
- ☒ **Canopies/Tents larger than 200 sq. ft.**; quantity: 7 and size(s): 10x20, 20x30, 20x40, 30x60, 40x40, 40x80, 30x45
- Sides? ☒ Yes ☐ No; if yes, how many sides will be closed? 4
- How will tents/canopies be secured? ☒ Water barrels (preferred) ☒ Stakes ☐ Sandbags ☐ Weights
- Other (describe): _____
- ☒ **Stage**; quantity: 5

Please check all that apply:

☒ Amplified Sound	☐ *Amusement ride; quantity: _____	☒ Barricades	☐ Bleachers	☒ Chairs	☐ Dance Floor
☒ DJ/Live Music	☐ Drone	☒ Fencing	☒ Fryer	☒ **Inflatables and/or Moonwalks; quantity: <u>1</u>	☒ Light Towers
☒ Tables	☐ Parked cars for display	☒ Sale of merchandise	☒ Wi-Fi access needed	☐ Other: _____	☐ Other: _____

*Name of company providing amusement rides: _____ Phone () 997-8515

General liability insurance is required naming the City of Fredericksburg as the certificate holder and additional insured.

**Name of company providing inflatables/moonwalks: Hop-A-Lot Moonwalk Phone (972) 762-5088

General liability insurance is required naming the City of Fredericksburg as the certificate holder and additional insured.

UTILITIES, RESTROOMS & HAND WASHING STATIONS

Will you need use of electricity? ☒ *YES; ☒ 220V ☒ 110V; ☐ NO ELECTRICITY NEEDED

*If yes, what will electricity be used for? Lighting, sound systems, vendor POS

*Any electrical work must be made by a licensed electrician. If a licensed electrician is not available, additional power needs must be met by the use of generators and are the responsibility of the event organizer.

Will you need access to water? ☒ *YES ☐ NO WATER NEEDED

*If yes, what will water be used for? Food vendors

*Event organizers must bring their own food grade hose(s). Non-potable water sources at Marktplatz are marked in purple and cannot be used.

Please indicate the number of **portable restrooms & handwashing stations** you will have at your event, along with delivery date, pick-up date, and contact information below.

81 # of regular portable restrooms 3 # of ADA portable restrooms 17 # of hand-washing stations

*Equipment will be delivered on: September 22, 2021 at _____ (enter time)

Equipment will be picked up on: October 6, 2021 at _____ (enter time)

Sanitation company name: Hill Country Septic Service Phone: (830) 634-2010

When will items be serviced and how often? 7am Saturday, 7 am Sunday, plus attendant on-site all weekend

*Event organizer or representative must be present for delivery of equipment to ensure proper placement.

CLEAN UP/TRASH COLLECTING & RECYCLING

Contact name responsible for event clean-up: Debbie Reeh Phone: (830) 456-1461
 Will a dumpster(s) be delivered? ☒ *YES; when? Thursday, September 30, 2021 ☐ NO
 What size dumpster(s)? 30 cubic yards
 What provisions will be made for recycling? Contract with a company out of Austin
**Event organizer or representative must be present for delivery of equipment to ensure proper placement.*

FIRST AID & EMERGENCY VEHICLE ACCESS

Will your event have a first aid station on-site?

☒ *YES ☐ NO

*Company/Org. Name: HCM

Contact Name: Dawn Sparrow

Phone: (830) 997-4353

Events will not be permitted without emergency vehicle access. This access must be available always and events are subject to permit revocation if emergency access lanes are not provided for.

Have you reviewed your layout to verify emergency vehicle access?

☒ YES ☐ NO

FOOD & BEVERAGE:

Please check all that apply:	☐ No food or beverage at event (skip to Signage section)	☒ *Sale of food/beverages	☐ *Distribution of food/beverages
<i>*A list of approved food & beverage vendors including their name, address and contact number is required at least 10-days prior to your event date; please use the Special Event Food & Beverage Vendor List form on page 8.</i>	☒ Event will sell alcohol (including tips/donations). Indicate type: ☒ Beer ☒ Wine/Champagne ☐ Liquor Who will provide the alcohol? <u>Distributors</u> ☒ I need a landlord permission letter in order to obtain a TABC permit for alcohol sales.	☐ Event will distribute alcohol at no charge. Indicate type: ☐ Beer ☐ Wine/Champagne ☐ Liquor Who will provide the alcohol? 	☐ Event will not have alcohol.

Marktplatz events only: will your event need grey water disposal containers? ☒ *YES ☐ NO; Enter Qty. (1 or 2): 2
**The City owns two (2), 270-gallon containers. Placement of the grey water disposal containers is at the discretion of the Parks Department. Servicing of the grey water containers are the event organizer's responsibility. Containers must be emptied no later than two (2) days after the final event day.*

RACES, RUNS, & WALKS ONLY

Complete this section if your event includes a race, run or walk.

Are you requesting any street closures for some or all of your route? ☐ *YES ☐ NO

**Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the Street Closure Request form found on page 9.*

On-site registration will begin at: _____ ☐ am / ☐ pm @ _____ (location)

Starting time (if staggered, please enter all and explain): _____

Describe your route, including starting point and disbanding area:

Start: _____ (location)

Route: _____ (describe distances)

Disband: _____ (location)

PARADES ONLY

Complete this section if your event includes a parade.

Are you requesting any street closures for some or all of your route? ☐ *YES ☐ NO

**Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the Street Closure Request form found on page 9.*

Parade staging will begin at: _____ ☐ am/☐ pm @ _____ (location)

Start: _____ (location)

Route: _____ (describe distances)

Disband: _____ (location)

Estimated number of entries/floats: ____ Will your parade allow animals? ☐ *YES ☐ NO; if yes, what type? _____

*How will you clean-up animal waste? _____

____ Initial; I agree to follow the City's adopted Parade Safety Rules found on pages 22 & 23 of the Special Events Planning Guide.

SIGNATURE & INDEMNITY AGREEMENT

I, the undersigned, hereby confirm that the information stated above is true and correct to the best of my knowledge.

Katherine Halamicek

Digitally signed by Katherine Halamicek
DN: cn=Katherine Halamicek, o, ou,
email=flute1921@gmail.com, c=US
Date: 2020.04.07 13:38:47 -0600

3/31/21

Signature of Applicant

Date

I, THE UNDERSIGNED APPLICANT, AGREE TO INDEMNIFY AND HOLD HARMLESS THE CITY OF FREDERICKSBURG, ITS OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES AGAINST ALL CLAIMS OF LIABILITY AND CAUSES OF ACTION RESULTING FROM INJURY OR DAMAGE TO PERSONS OR PROPERTY ARISING OUT OF THE SPECIAL EVENT.

Signature of Applicant

Date

ADDITIONAL NOTES ABOUT YOUR EVENT (type below):

----- **END OF APPLICATION** -----

For City of Fredericksburg Use Only:

By signature, the City approves this Event, subject to all requirements:

Signature of City Manager or Designated Representative

Date

Additional comments:

*Subject to Health & Safety
plan approval*



CITY COUNCIL MEMO

DATE: April 12, 2021

TO: Mayor and City Council

FROM: Jennifer Krupa, Special Events Coordinator

SUBJECT: Street Closure Request: 2021 Fredericksburg Food & Wine Fest

Summary:

Fredericksburg Food & Wine Fest is requesting to close the parking lane and one southbound lane of Adams Street adjacent to Marktplatz between Main Street and Austin Street for the 2021 event.

Recommendation:

Recommend Council consider adoption of a motion to approve the street closure request for the 2021 Fredericksburg Food & Wine Fest:

- Adams Street (parking lane and one southbound lane) between Main Street and Austin Street beginning on Thursday, October 21, 2021, at 3:00 p.m. through Monday, October 25, 2021, at 12:00 p.m.

Background / Analysis:

This year will be the 30th annual Fredericksburg Food & Wine Fest. The event was not held in 2020 due to the coronavirus. As the event has grown with wine and specialty booth vendors, so has the need for space and additional time for these vendors to load-in and load-out. We do not allow vendors to drive into Marktplatz to unload supplies. Vendors begin to drop off wine and event supplies in the week leading up to the event with the majority of supply drop-offs taking place Friday morning. In addition, the event

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

dumpsters are delivered Friday morning and placed on Adams Street in the parking & southbound lane (please see aerial map) for easy access by the event clean-up crew and are not removed until Monday morning.

The Street Department and Police Department have both reviewed the closure request and no negative feedback was received.

A health & safety plan is still required and must be approved by the Special Events Committee before a special event permit for the event will be issued.

Attachments:

Street Closure Request Form; Aerial Map; 2021 Special Event Application



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

SPECIAL EVENTS STREET CLOSURE REQUEST FORM; PAGE 9



Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please also attach the notification letter you will send to abutting property owners (if applicable) with this request to the Special Events Coordinator.

Event Name:	Fredericksburg Food & Wine Fest
Event Date(s):	Saturday, October 23, 2021
Contact Name:	Debbie Farquhar Reeh
Contact Phone:	(830) 997-8515

Closure Area:

☐ Entire Street
 ☒ Parking Lane Only
 ☒ Partial Street
 ☐ Blocking City owned property

Side of street: West (N,S,E,W) Side of street: West

Location: _____

Additional details (attach additional pages as needed for more streets and describe details of use below):

We are requesting to close the parking lane and one SB lane adjacent to Marktplatz

Street Closure Details:

Street Name	Between (cross street)	And (cross street)	Start Date	Start Time	End Date	End Time
Example: Austin Street	Crockett Street	Adams Street	Friday, 4/2/18	6:00 PM	Sunday, 4/4/18	12:00 PM
Adams Street	Austin Street	Main Street	Thursday, 10/21/21	3:00 pm	Monday, 10/25/21	Noon

If the event will impact surrounding property owners, a notification letter is required to be sent to property owners at least two weeks prior to the event date. Attach a copy of the notification letter and a list of addresses the letter will be sent to.

Date notice provided: N/A

Printed Name: Debbie Farquhar Reeh

Signature: _____

Date: 3/30/2021

Street Department: A. Koennecke via email

Date: 3/31/2021

Police Department: Lt. Vorauer via email

Date: 3/30/2021

Parks Department: Jeiffer K10

Date: 3/30/2021





City of Fredericksburg Parks & Recreation Department Special Event Application

Mail completed application to: Special Events, 126 W. Main Street, Fredericksburg, TX 78624;
or scan and email to: specialevents@fbgtx.org

Use N/A for "not applicable" or leave blank questions or sections that do not apply to your event.

APPLICANT INFORMATION

Name of Organization/Business: Fredericksburg Food & Wine Fest

Applicant Name/Event Organizer: Debbie Farquhar Reeh

Address: Event: 100 block of West Main Street/Office: 703 North Llano Street

City: Fredericksburg

State: Texas

Zip: 78624

Primary phone: (830) 997-8515

Secondary phone: ()

Email address: creativemarketing1975@gmail.com

Event Promoter Name: Debbie Farquhar Reeh

Primary phone: (830) 997-8515

Organization/Business Type: ☐ FOR-PROFIT; Event proceeds go to:

☒ *NON-PROFIT *attach proof

☐ INDIVIDUAL

EVENT INFORMATION & LOCATION

Official Event Name: Fredericksburg Food and Wine Fest

Event date(s): October 23, 2021

Event History: Is this a first-time event? ☐ YES ☒ NO

Estimated attendance: 3,000

Is the event open to the general public? ☒ YES ☐ NO

Date application submitted: 4/12/2021

Reservation fees are listed per day unless noted; deposit pricing is not included. Non-profits receive 50% discount on reservation fees; banner hanging fee excluded.

*MARKTPLATZ Please check all that apply:		*Excludes City Hall/Fire Station, Annex, Police Substation & Vereins Kirche	Address: 100 West Main Street, Fredericksburg, TX 78624
☒ Entire Square: \$2,400/week	☐ Kinder Halle: \$150	☐ Oktoberfest Halle: \$150	
☐ Adelsverein Halle: \$250	☐ Fest Room: \$50	☐ Kitchen: \$50	
☐ Entire Square additional day: \$650 each; ___ # of days	☐ Banner Hanging Fee: \$25 (optional; at front of Marktplatz for 24 hours)	DFR INITIAL (required): I have read Marktplatz Use Regulations on pages 16-18 of the Special Events Planning Guide.	

*LADY BIRD JOHNSON MUNICIPAL PARK (LBJMP) Please check all that apply:		<i>*Excludes Park Headquarters Building, swimming pools, RV Park, campsites, dog park, nature trail, tennis court and golf course. Access to such areas may be closed or restricted for events and in the discretion of the PARD.</i>	
☐ **Pioneer Pavilion; \$625 for 4 days (Thursday-Sunday only)	☐ Tatsch House: Fri/Sat/Sun, December & holidays: \$200		
☐ Entire Park: \$1,600 per week; ___ # of add-on days: \$650/day	☐ Tatsch House: weekday (Monday-Thursday): \$150		
☐ Cooler inside Pioneer Pavilion: no fee; non-perishable items only	INITIAL (required): I have read LBJMP Use Regulations on pages 19 & 20 of the Special Events Planning Guide.		
Outdoor Pavilions: ☐ Pav. #1: \$40 ☐ Pav. #2: \$40 ☐ Pav. #3: \$45 ☐ Pav. #4: \$45 ☐ Pav. #5: \$60			

***Pioneer Pavilion is available for additional add-on days for \$125/day but must be pre-approved by Park Recreation Superintendent.*

EVENT INFORMATION CONTINUED

OTHER PROPERTY

Please check all that apply:

☐ Fort Martin Scott: \$500/day; ___ # of days ___ INITIAL (required): I have read Fort Martin Scott Use Regulations on page 21 of the Special Events Planning Guide.	☐ Town Pool: \$200; restroom access only	☒ Parade/*Other/*Private Property, list location and address: <u>Vendor Parking at Bethany Lutheran</u> <u>110 West Austin Street</u> <i>*Applicant shall submit copy of a letter from property owner giving written permission for event use.</i>
--	---	--

Attach more sheets if needed for information below:

Move-in & Set-up (first day of move-in):

Move-in/Set-up Date: Monday, October 18, 2021 Times: Start: 8:00 am End: _____

Indicate dates/times OPEN to attendees:

Event Date: October 23, 2021 Times: Start: Noon End: 7:00 pm
 Event Date #2: _____ Times: Start: _____ End: _____
 Event Date #3: _____ Times: Start: _____ End: _____

Move-Out & Strike (final day):

Move-Out/Strike Date: Monday, October 25, 2021 Times: Start: 8:00 am End: _____

Event day "on-site" Contact Name: Debbie Farquhar Reeh Phone: (830) 456-1461

Event website: www.fbgfoodandwinefest.com

Event information hotline: (830) 997-8515

Is the event free and open to the general public (not including vendors/sponsors, etc.?)

☐ YES ☒ NO

Admission will be made by: ☒ Pre-sold ticket ☐ Free ☐ Pre-registration

☒ On-site sale/registration

Other (please specify): _____

EVENT COMPONENTS

Please check all that apply:

☐ Animals	☐ Aircraft Flyover	☐ Bike Race	☐ Car Show	☐ Carnival
☐ Concert	☐ Cook-Off	☐ Company Picnic	☐ Demonstration or Rally	☒ Fair/Festival
☐ Family Reunion	☐ Fireworks	☒ Fundraiser	☐ Fun Run/Race	☐ Historical Re-Enactment
☐ Motorcycle Run	☐ Parade	☐ Sporting Event/Tournament	☐ Trade, Vendor, or Art Show	☐ Wedding

☐ Other (please list): _____

Event Size: 3,000 Estimated max. attendance at one time 8 # of Art/Craft Vendors
225 # of Staff/Volunteers expected 38+ # of Food/Beverage Vendors

Are you requesting any street closures or to block any city-owned property? ☒ *YES ☐ NO

**Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the official Street Closure Request Form found on page 9.*

Pavement Markings: Will your event be requesting to mark any pavement? ☐ YES* ☒ NO

*If yes, please describe the materials & supplies you are requesting to mark the pavement: _____

When & how will the markings be removed? _____

EVENT COMMUNICATION & SECURITY

During the event what form of communication systems will be used for the following:

Event Management (internal): cell phones, radios

Public Address (external): from stage

Events with 1,000 attendees or more; events lasting past 10 PM; or events which provide alcohol require the provision of licensed, bonded and commissioned private security at the applicant's expense. The number of guards and their hours of duty will be determined by the PARD and the security company based on the type of event and number of attendees.

What security/law enforcement agency have you hired for your event? Unlimited Security

Contact name: Fernando Munoz Phone: (830) 997-8515

Have you contacted Fredericksburg Police Department in relation to your event? ☐ *Yes or ☒ No

*If yes, who did you speak with? Chief Steve Wetz, Lieutenant Brian Vorauer

EQUIPMENT, ACTIVITIES & AMUSEMENTS

The following equipment, activities, and/or amusements will be at the event:

- ☐ Generators; list quantity: ___ and size(s): _____
- ☒ Canopies/Tents larger than 200 sq. ft.; quantity: 3 and size(s): 30x105, 40x80, 40x40
- Sides? ☒ Yes ☐ No; if yes, how many sides will be closed? 1
- How will tents/canopies be secured? ☒ Water barrels (preferred) ☒ Stakes ☐ Sandbags ☐ Weights
- Other (describe): _____
- ☒ Stage; quantity: 1

Please check all that apply:

☒ Amplified Sound	☐ *Amusement ride; quantity: _____	☒ Barricades	☐ Bleachers	☒ Chairs	☐ Dance Floor
☒ DJ/Live Music	☐ Drone	☒ Fencing	☒ Fryer	☐ **Inflatables and/or Moonwalks; quantity: _____	☒ Light Towers
☒ Tables	☒ Parked cars for display	☒ Sale of merchandise	☒ Wi-Fi access needed	☐ Other: _____	☐ Other: _____

*Name of company providing amusement rides: _____ Phone () 997-8515

General liability insurance is required naming the City of Fredericksburg as the certificate holder and additional insured.

**Name of company providing inflatables/moonwalks: _____ Phone () _____

General liability insurance is required naming the City of Fredericksburg as the certificate holder and additional insured.

UTILITIES, RESTROOMS & HAND WASHING STATIONS

Will you need use of electricity? ☒ *YES; ☒ 220V ☒ 110V; ☐ NO ELECTRICITY NEEDED

*If yes, what will electricity be used for? lighting, vendor and event POS, other vendor needs

*Any electrical work must be made by a licensed electrician. If a licensed electrician is not available, additional power needs must be met by the use of generators and are the responsibility of the event organizer.

Will you need access to water? ☒ *YES ☐ NO WATER NEEDED

*If yes, what will water be used for? food vendor needs

*Event organizers must bring their own food grade hose(s). Non-potable water sources at Marktplatz are marked in purple and cannot be used.

Please indicate the number of portable restrooms & handwashing stations you will have at your event, along with delivery date, pick-up date, and contact information below.

8 # of regular portable restrooms 1 # of ADA portable restrooms 7 # of hand-washing stations

*Equipment will be delivered on: Friday, October 22, 2021 at _____ (enter time)

Equipment will be picked up on: Monday, October 25, 2021 at _____ (enter time)

Sanitation company name: Hill Country Pump Service Phone: (830) 997-8855

When will items be serviced and how often? after event

*Event organizer or representative must be present for delivery of equipment to ensure proper placement.

CLEAN UP/TRASH COLLECTING & RECYCLING

Contact name responsible for event clean-up: Debbie Reeh Phone: (830) 456-1461
 Will a dumpster(s) be delivered? ☒ *YES; when? Thursday, October 21, 2021 ☐ NO
 What size dumpster(s)? 30 cubic yard
 What provisions will be made for recycling? ???
**Event organizer or representative must be present for delivery of equipment to ensure proper placement.*

FIRST AID & EMERGENCY VEHICLE ACCESS

Will your event have a first aid station on-site? ☒ *YES ☐ NO *Company/Org. Name: <u>HCM</u> Contact Name: <u>Dawn Sparrow</u> Phone: (<u>830</u>) <u>997-4535</u>	Events will not be permitted without emergency vehicle access. This access must be available always and events are subject to permit revocation if emergency access lanes are not provided for. Have you reviewed your layout to verify emergency vehicle access? ☒ YES ☐ NO
---	---

FOOD & BEVERAGE:

Please check all that apply:	☐ No food or beverage at event (skip to Signage section)	☒ *Sale of food/beverages	☐ *Distribution of food/beverages
<i>*A list of approved food & beverage vendors including their name, address and contact number is required at least 10-days prior to your event date; please use the Special Event Food & Beverage Vendor List form on page 8.</i>	☒ Event will sell alcohol (including tips/donations). Indicate type: ☒ Beer ☒ Wine/Champagne ☐ Liquor Who will provide the alcohol? <u>Distributors, wineries</u> ☒ I need a landlord permission letter in order to obtain a TABC permit for alcohol sales.	☐ Event will distribute alcohol at no charge. Indicate type: ☐ Beer ☐ Wine/Champagne ☐ Liquor Who will provide the alcohol? _____	☐ Event will not have alcohol.

Marktplatz events only: will your event need grey water disposal containers? ☒ *YES ☐ NO; Enter Qty. (1 or 2): 1
**The City owns two (2), 270-gallon containers. Placement of the grey water disposal containers is at the discretion of the Parks Department. Servicing of the grey water containers are the event organizer's responsibility. Containers must be emptied no later than two (2) days after the final event day.*

RACES, RUNS, & WALKS ONLY

Complete this section if your event includes a race, run or walk.

Are you requesting any street closures for some or all of your route? ☐ *YES ☐ NO

**Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the Street Closure Request form found on page 9.*

On-site registration will begin at: _____ am/pm @ _____ (location)

Starting time (if staggered, please enter all and explain): _____

Describe your route, including starting point and disbanding area:

Start: _____ (location)

Route: _____ (describe distances)

Disband: _____ (location)

PARADES ONLY

Complete this section if your event includes a parade.

Are you requesting any street closures for some or all of your route? ☐ *YES ☐ NO

Street closure requests must be made two (2) months in advance to City Council for any closure four (4) hours or more. Please consider this timeline when submitting your request. Please use the **Street Closure Request form found on page 9.*

Parade staging will begin at: _____ ☐ am / ☐ pm @ _____ (location)

Start: _____ (location)

Route: _____ (describe distances)

Disband: _____ (location)

Estimated number of entries/floats: ____ Will your parade allow animals? ☐ *YES ☐ NO; if yes, what type? _____

*How will you clean-up animal waste? _____

____ Initial; I agree to follow the City's adopted Parade Safety Rules found on pages 22 & 23 of the Special Events Planning Guide.

SIGNATURE & INDEMNITY AGREEMENT

I, the undersigned, hereby confirm that the information stated above is true and correct to the best of my knowledge.

Katherine Halamicek

Digitally signed by Katherine Halamicek
DN: cn=Katherine Halamicek, o, ou,
email=flute1921@gmail.com, c=US
Date: 2020.04.07 13:35:35 -06'00'

3-30-2021

Signature of Applicant

Date

I, THE UNDERSIGNED APPLICANT, AGREE TO INDEMNIFY AND HOLD HARMLESS THE CITY OF FREDERICKSBURG, ITS OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES AGAINST ALL CLAIMS OF LIABILITY AND CAUSES OF ACTION RESULTING FROM INJURY OR DAMAGE TO PERSONS OR PROPERTY ARISING OUT OF THE SPECIAL EVENT.

Signature of Applicant

Date

ADDITIONAL NOTES ABOUT YOUR EVENT (type below):

----- **END OF APPLICATION** -----

For City of Fredericksburg Use Only:

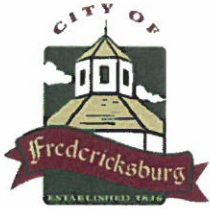
By signature, the City approves this Event, subject to all requirements:

Signature of City Manager or Designated Representative

Date

Additional comments:

subject to H+S plan approval



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Z-2101 –Annexation & Zoning.

Summary:

The applicant is requesting annexation in order to develop a mixed-use development that will contain multi-family structures, single-family type structures, commercial facilities, and office/live work facilities.

The project area consists of approximately 32 acres of land located at the southwest corner of friendship lane and south eagle street. Approximately 27 acres are in the City limit and an additional 5 acres of land located in the ETJ.

The applicant is requesting a zoning designation of Planned Unit Development (PUD), for the 5 acres being annexed to obtain the correct zoning for the project. The PUD zoning requested is the same zoning and regulations approved by P&Z and Council regarding the adjacent property, currently in the City limits.

The City's Future Land Use Plan, for the subject area, was amended from Rural Residential (RR) to Mixed Use Corridor (MUC).

The PUD approved for the portion of the project within the City Limits had several conditions/regulations imposed by Council. These regulations can be found below.

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

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PUD Regulations:

1. Base zoning of MU-2, regarding development standards.
2. The following land uses shall be prohibited from the Planned Unit Development (PUD);
 - a. Cocktail Lounge
 - b. Outdoor Amplified Music
 - c. Food Sales
 - d. Laundry Services
 - e. Liquor Sales
 - f. Mobil Food
 - g. Outdoor Entertainment
 - h. Drive-In Fast Food
 - i. Custom Manufacturing
 - j. Kennels
3. The following land uses may be allowed with a Conditional Use Permit (CUP)
 - a. Convenience Services
4. Buildings labeled MF-1 & 2, located on Tract A at the at the northeast corner of the property, shall be limited to 2 stories.
5. The rear setback shall be 25'.

At the time this packet was distributed no protest letters were received.

Recommendation:

P&Z held a public hearing on April 7, 2021 and unanimously recommended approval of the proposed Annexation and Zoning for the subject area.

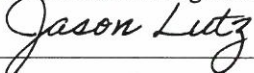
Staff recommends Approval of the requested Annexation PUD zoning, as presented.

Background / Analysis:

Draft Annexation & Zoning Ordinance

Attachments:

Draft annexation agreements and exhibits.



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

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ORDINANCE NO. 2021-05

AN ORDINANCE ANNEXING TO THE CITY OF FREDERICKSBURG, TEXAS APPROXIMATELY 5.044 ACRES OF LAND IN GILLESPIE COUNTY, TEXAS, BEING COMPRISED OF PORTIONS OF OUTLOTS 1, 2 AND AN UNNUMBERED OUTLOT EAST OF AND ADJOINING OUTLOT NO. 1, AS SHOWN ON THE MAP OF FREDERICKSBURG, TEXAS, AND ENVIRONS, LOCATED TO THE SOUTH OF THE INTERSECTION OF FRIENDSHIP LANE AND EAGLE STREET, GILLESPIE COUNTY, TEXAS; EXTENDING THE CORPORATE LIMITS OF THE CITY OF FREDERICKSBURG, TEXAS, SO AS TO INCLUDE SAID TERRITORY; GRANTING TO ALL INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY ALL OF THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS OF THE CITY OF FREDERICKSBURG, TEXAS; BINDING THE INHABITANTS AND FUTURE INHABITANTS OF SAID TERRITORY BY ANY AND ALL ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF SAID CITY OF FREDERICKSBURG, TEXAS; AND AMENDING THE ZONING ORDINANCE OF THE CITY TO ESTABLISH THE ZONING DISTRICT OF SAID TERRITORY AS PLANNED UNIT DEVELOPMENT (PUD).

WHEREAS, the City of Fredericksburg has received a written request for voluntary annexation for the following tracts or parcels of land (the "Property") situated in Gillespie County, Texas, to-wit:

Being a 5.044 acre tract of land in Gillespie County, Texas, being comprised of portions of Outlots 1, 2 and an unnumbered Outlot east of and adjoining Outlot no. 1, as shown on the Map of Fredericksburg, Texas, and Environs, by the German Emigration Company, same being a portion of a tract of land, described in a gift deed to Keven Eckhardt, and recorded in Volume 555, Page 187, of the Official Public Records, Gillespie County, Texas (O.P.R.G.C.TX.); said 5.044 acre tract of land being more particularly described by metes and bounds in Exhibit "A", a copy which is attached hereto and incorporated herein by reference; and

WHEREAS, the City Council of the City of Fredericksburg, Texas has heard arguments for and against the annexation of such Property at a public hearing in accordance with the Local Government Code of the State of Texas and after having been requested to annex such Property by the owners thereof; and

WHEREAS, the City Council of the City of Fredericksburg, Texas has determined that said Property is contiguous and adjacent to the limits of the City of Fredericksburg, Texas; that the said Property to be annexed meets all requisites of law for annexation, and that such Property should be annexed to the City of Fredericksburg, Texas, and the corporate

limits of the City of Fredericksburg, Texas should be extended so as to include such territory; and that the City Council of the City of Fredericksburg, Texas, by the provisions of the Local Government Code of the State of Texas, and the Charter of the City of Fredericksburg, has the power to annex such Property; and

WHEREAS, a request has been submitted by the owner of the Property to establish Planned Unit Development (PUD) zoning upon said Property; and

WHEREAS, public hearings before the Planning and Zoning Commission and the City Council of the City of Fredericksburg have been duly noticed and held regarding such application, as required by the City of Fredericksburg Zoning Ordinance; and

WHEREAS, the Planning and Zoning Commission has determined that such zoning change is in conformity with the uses established by the Comprehensive Land Use Plan of the City of Fredericksburg and is consistent with the objectives of the City of Fredericksburg Zoning Ordinance, and has recommended to the City Council of the City of Fredericksburg, based upon positive findings under the review and evaluation criteria established by such ordinance, that the zoning be enacted; and

WHEREAS, the City Council has specifically found, following public hearing, that such change is consistent with the objectives of the City of Fredericksburg Zoning Ordinance and Comprehensive Land Use Plan of the City of Fredericksburg and there has not been a protest against the zoning signed by owners of twenty per cent (20%) or more of the area of the property included in the zoning request, or of the area of the property immediately adjoining the same and extending two hundred feet (200') therefrom.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That the Property is hereby annexed to the City of Fredericksburg, Texas; that the corporate limits of the City of Fredericksburg, Texas, be and they are hereby extended so as to include such Property within the city limits of the City of Fredericksburg, Texas; and that said Property shall hereafter be included within the territorial limits of the City of Fredericksburg, Texas.

Section 2. That the present and future inhabitants of such Property shall hereafter be entitled to all the rights and privileges of other citizens of the City of Fredericksburg, Texas; and that the inhabitants of such Property shall be bound by any and all the acts, ordinances, resolutions and regulations of the City of Fredericksburg, Texas.

Section 3. That the zoning ordinance of the City of Fredericksburg is hereby amended to incorporate the certain change in zoning district as follows:

The Property is hereby zoned and designated as a Planned Unit Development

("PUD"), as more particularly described on the PUD Plan set forth in Exhibit "B", and the PUD Notes set forth in Exhibit "C", copies of which are attached hereto and made a part hereof.

Section 4. That all references in City of Fredericksburg Code of Ordinances to the Zoning Ordinance shall henceforth refer to such as is amended hereby.

PASSED AND APPROVED this the _____ day of _____, 20____.

Charlie Kiehne, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, TRMC
City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney

County: Gillespie
Description: Annexation Tract of Land
Acreage: 5.044

January 20, 2021
Job No. LJAS001-A443-0401
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EXHIBIT "A"

BEING A 5.044 ACRE TRACT OF LAND IN GILLESPIE COUNTY, TEXAS, BEING COMPRISED OF PORTIONS OF OUTLOTS 1, 2 AND AN UNNUMBERED OUTLOT EAST OF AND ADJOINING OUTLOT NO. 1, AS SHOWN ON THE MAP OF FREDERICKSBURG, TEXAS, AND ENVIRONS, BY THE GERMAN EMIGRATION COMPANY, SAME BEING A PORTION OF A TRACT OF LAND, DESCRIBED IN A GIFT DEED TO KEVEN ECKHARDT, AND RECORDED IN VOLUME 555, PAGE 187, OFFICIAL PUBLIC RECORDS, GILLESPIE COUNTY, TEXAS (O.P.R.G.C.TX.); SAID 5.044 ACRE TRACT OF LAND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2-INCH IRON ROD WITH CAP STAMPED "BONN 4447" ON THE SOUTH LINE OF A CALLED 5.001 ACRE TRACT AS DESCRIBED IN GIFT DEED TO KEVEN ECKHARDT, VOLUME 555, PAGE 187, O.P.R.G.C.TX., AND THE NORTH LINE OF OUTLOT NO. 9 OF SAID GERMAN EMIGRATION COMPANY, SAME BEING THE NORTHWEST CORNER OF A CALLED 5.13 ACRE TRACT DESCRIBED IN DEED TO BRENDA L. SENGEL, ET AL, AND RECORDED IN VOLUME 555, PAGE 212, O.P.R.G.C.TX., FROM WHICH A 1/2-INCH IRON ROD WITH CAP STAMPED "BONN 4447" FOR THE SOUTHWEST CORNER OF SAID 5.001 ACRE TRACT BEARS, SOUTH 88 DEGREES 55 MINUTES 52 SECONDS WEST, 127.73 FEET;

THENCE SOUTH 01 DEGREES 04 MINUTES 08 SECONDS EAST, OVER AND ACROSS SAID OUTLOT NO. 9 AND WITH THE WEST LINE OF SAID 5.13 ACRE TRACT, A DISTANCE OF 542.34 FEET TO A POINT ON THE COMMON LINE OF SAID OUTLOT NO. 9 AND SAID UNNUMBERED OUTLOT, SAME BEING THE SOUTH LINE OF A CALLED 62 ACRE TRACT DESCRIBED AS EXHIBIT "D" TRACT "4" IN AN ORDINANCE FOR ANNEXATION TO THE CITY OF FREDERICKSBURG, RECORDED IN ORDINANCE NO. 12-021, FOR THE NORTHEAST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE SOUTH 01 DEGREES 04 MINUTES 08 SECONDS EAST, OVER AND ACROSS SAID UNNUMBERED OUTLOT AND CONTINUING WITH THE WEST LINE OF SAID 5.13 ACRE TRACT, A DISTANCE OF 213.90 FEET TO A POINT AT FENCE CORNER POST FOR THE SOUTHWEST CORNER OF SAID 5.13 ACRE TRACT AND THE SOUTHEAST CORNER OF THIS TRACT;

THENCE SOUTH 87 DEGREES 50 MINUTES 25 SECONDS WEST, OVER AND ACROSS SAID UNNUMBERED OUTLOT AND SAID OUTLOTS NO. 1 AND 2, A DISTANCE OF 999.36 FEET TO A POINT ON THE COMMON LINE OF OUTLOT NO. 3, OF SAID GERMAN EMIGRATION COMPANY AND SAID OUTLOT NO. 2, SAME BEING THE WEST LINE OF SAID ECKHARDT TRACT, FOR THE SOUTHWEST CORNER OF THIS TRACT;

County: Gillespie
Description: Annexation Tract of Land
Acreage: 5.044

January 20, 2021
Job No. LJAS001-A443-0401
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THENCE NORTH 01 DEGREES 06 MINUTES 11 SECONDS WEST, WITH THE COMMON LINE OF SAID OUTLOT NO. 2 AND OUTLOT NO. 3, SAME BEING THE WEST LINE OF SAID ECKHARDT TRACT, A DISTANCE OF 225.90 FEET TO A POINT ON THE SOUTH LINE OF SAID 62 ACRE TRACT, FOR A COMMON CORNER OF SAID OUTLOT NO. 2 AND 3 AND OUTLOT NO. 6 AND 7, GERMAN EMIGRATION COMPANY, FOR THE NORTHWEST CORNER OF THIS TRACT, FROM WHICH A 1/2-INCH IRON ROD WITH CAP STAMPED "MDS" FOUND FOR THE NORTHWEST CORNER OF SAID ECKHARDT TRACT AND THE COMMON CORNER OF SAID OUTLOT NO. 6 AND 7 BEARS, NORTH 01 DEGREES 06 MINUTES 11 SECONDS WEST, 1,057.69 FEET;

THENCE NORTH 88 DEGREES 31 MINUTES 42 SECONDS EAST, WITH THE SOUTH LINE OF SAID 62 ACRE TRACT, THE COMMON LINES OF SAID OUTLOT NO. 2 AND 7, AND THE COMMON LINE OF SAID OUTLOT NO. 1 AND 8, A DISTANCE OF 999.34 FEET TO THE PLACE OF BEGINNING, CONTAINING 5.044 ACRES, MORE OR LESS.

ALL BEARINGS AND COORDINATES ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE (4203), NORTH AMERICAN DATUM OF 1983. ALL DISTANCES WERE ADJUSTED TO SURFACE USING A COMBINED SCALE FACTOR OF 1.00012.

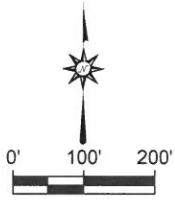
LJA SURVEYING, INC.
TEXAS SURVEYING FIRM BRANCH REGISTRATION NO. 10194533
7500 RIALTO BLVD, BUILDING II, SUITE 100
AUSTIN, TEXAS 78735
PHONE NO. 512.439.4700



GORDON N. ANDERSON
REGISTERED PROFESSIONAL LAND SURVEYOR, TEXAS NO. 6617
Registered Professional Land Surveyor, Texas No. 6617
DATE: JANUARY 20, 2021

FRIENDSHIP LANE
(ROW VARIES)

FOUND 1/4" IR
W/ "MDS" CAP



OUTLOT 6

N01°06'11"W 1057.69'

OUTLOT 7

KEVEN W. ECKHARDT
PARENT TRACT
CALLED 44.435 ACRES
VOLUME 555, PAGE 187
O.P.R.G.C.T.

OUTLOT 8

FOUND 5/8" IR
W/ "BONN
4447" CAP

KEVEN W. ECKHARDT
CALLED 5.001 ACRES
VOL. 555, PG. 187
O.P.R.G.C.T.
SAVE AND EXCEPT
3,735 SQ. FT.
DOCUMENT NUMBER 20065959
O.P.R.G.C.T.

OUTLOT 9

BRENDA L. SINGER, ET AL
CALLED 5.13 ACRES
VOL. 555, PG. 212
O.P.R.G.C.T.

S01°04'08"E 542.34'



GORDON N. ANDERSON DATE 01/20/2021
REGISTERED PROFESSIONAL LAND SURVEYOR TEXAS NO. 6617

GENERAL NOTES

1. ALL BEARINGS AND COORDINATES SHOWN HEREON ARE BASED ON TEXAS STATE COORDINATE SYSTEM OF 1983 CENTRAL ZONE.

LINE TABLE

LINE	BEARING	LENGTH
L1	S88°55'52"W	127.73'
L2	S01°04'08"E	213.90'
L3	N01°06'11"W	225.90'

**ANNEXATION TRACT EXHIBIT OF
5.044 ACRES OF LAND OUT OF A
CALLED 44.435 ACRES OF LAND,
CITY OF FREDERICKSBURG,
VOLUME 555, PAGE 187,
OFFICIAL PUBLIC RECORDS OF
GILLESPIE COUNTY, TEXAS**

N88°31'42"E 999.34'

OUTLOT 2

ANNEXATION TRACT
5.044 ACRES OUT OF A
CALLED 44.435 ACRES

OUTLOT 1

S87°50'25"W 999.36'

OUTLOT 3

UNNUMBERED
OUTLOT

LJA Surveying, Inc.

7500 Rialto Blvd, Building II
Suite 100 Phone 512.439.4700
Austin, Texas 78735 T.B.P.L.S. Firm No. 10194533
DRAWN BY: PM SCALE: 1"=200'
CHECKED BY: GA DATE: 01/20/2021
PROJ. No: A443-0401 SHEET 1 OF 1



Lot A (Phase-1A) + Lot B (Phase-1B)	
Residential (1000 sf avg):	117 units 96 MF units / 21 SF houses (Unit Mix: 50% 1 BR, 40% 2 BR, and 10% 3BR)
Leasing/Amenity:	8,000 s.f.
Retail:	10,000 s.f.
Office/Live Work:	8,000 s.f.
Parking Required:	292 sps
Residential:	205 sps (1.75 sps/unit)
Retail:	67 sps (Assume 1 sps/100 s.f.)
Office/LW:	20 sps (1 sps/400 s.f.)
Parking Provided:	330 sps
Residential:	230 sps (1.96 sps/unit)
Retail:	70 sps (Assume 1 sps/100 s.f.)
Office/LW:	30 sps (1 sps/270 s.f.)
Site Area Gross:	11.21 Acres
Lot C (Phase-2)	
Residential (1000 sf avg):	130 units 108 MF units / 22 SF houses (Unit Mix: 50% 1 BR, 40% 2 BR, and 10% 3BR)
Amenity:	3,000 s.f.
Parking Required (Residential):	228 sps (1.75 sps/unit)
Parking Provided (Residential):	230 sps (1.77 sps/unit)
Site Area Gross:	11.42 Acres
Lot D (Phase-3)	
Residential (1000 sf avg):	168 units 150 MF units / 18 SF houses (Unit Mix: 50% 1 BR, 40% 2 BR, and 10% 3BR)
Amenity:	3,000 s.f.
Parking Required (Residential):	294 sps (1.75 sps/unit)
Parking Provided (Residential):	294 sps (1.75 sps/unit)
Site Area Gross:	9.92 Acres
Total Tracts	
Residential (1000 sf avg):	415 units 354 MF units / 61 SF houses (Unit Mix: 50% 1 BR, 40% 2 BR, and 10% 3BR)
Leasing/Amenity:	14,000 s.f.
Retail:	10,000 s.f.
Office/Live Work:	8,000 s.f.
Parking Required:	814 sps
Parking Provided:	854 sps
Site Area Gross:	32.55 Acres
Density Gross:	13 Units/Acre



A FIRM WITH A VIBRANT
& EXCITING CULTURE
RECOGNIZED FOR
ELEVATED DESIGN



FREDERICKSBURG MF/MU

FREDERICKSBURG, TEXAS

EXHIBIT "B" PUD SITE PLAN

Copyright © 2021 by Carl Matcovich, Inc. for Fredericksburg PUD. All Rights Reserved.
Carl Matcovich
Registered Professional Engineer, State of Texas, Registration No. 21117

03.05.2021 #2020073 m/h/22

01

EXHIBIT C
SECO ENTERPRISES LLC DBA SECO VENTURES
FRIENDSHIP LANE MIXED-USE
ZONING NOTES - PLANNED UNIT DEVELOPMENT (PUD)
CITY OF FREDERICKSBURG
MARCH 15, 2021

- A. The property shall be developed in accordance with the Site Plan (Exhibit B) regarding the location of land uses and structures.
 - a. Minor adjustments to the site plan may be approved by the Director of Development Services. The Director may require minor changes to the site plan to be reviewed and approved by P&Z and City Council.
- B. The property shall be developed in accordance with the MU-2 zoning district regardless of any densities, unit counts, parking, or site areas listed on the Site Plan (Exhibit B).
- C. The following land uses shall be prohibited from the Planned Unit Development (PUD);
 - a. Cocktail Lounge
 - b. Outdoor Amplified Music
 - c. Food Sales
 - d. Laundry Services
 - e. Liquor Sales
 - f. Mobile Food
 - g. Outdoor Entertainment
 - h. Drive-In Fast Food
 - i. Custom Manufacturing
 - j. Kennels
- D. The following land uses be allowed with a Conditional Use Permit (CUP)
 - a. Convenience Services
- E. The project will be permitted two access points on Friendship Lane and one access point on S. Eagle St.
- F. The rear yard setback shall be twenty-five (25') feet.
- G. Buildings labeled MF-1 & 2, located on Tract A at the at the northeast corner of the property, shall be limited to two stories.



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Katelyn Brazell, Parks & Recreation: Recreation Superintendent

SUBJECT: Consider adopting Punch Pass for pool visitors

Summary:

Currently the city offers summer passes for individuals or families for multi entry into the pools. The current pass rates are as follows: Individual \$50, Family of 4 \$125, Each additional family member \$20. These passes are only valid for the person named on the pass. Staff would like to help simplify the current system to provide more convenience for the guest and the pool cashiers.

A punch pass is recommended to take the place of the current pass system. The punch pass would be valid for 12 entries for the price of 10. Our current daily entrance rate is \$2 so the \$20 punch pass would be saving the guest \$4 per pass. The pass could also be used for any guest and would no longer be limited to the individual or swim pass family members.

Staff researched how other cities and counties provided pool passes for their aquatic facilities as a guide for recommending new rates and a new system. Other cities and counties discounts ranged anywhere from 1 to 11 free entries dependent on their facility type and amount of punches sold.

Recommendation:

Consider motion to adopt new Swimming Pool 12 Punch Pass and rate to go into effect summer 2021.

Background / Analysis:

The City of Fredericksburg

City of Bryan, TX

25 Punch Pass: Resident: \$40 / Non-Resident: \$48 / Replacement Pass: \$5

Daily Entry: Adult \$3 / Child \$2

City of Boerne, TX

25 Punch Pass: Resident \$35/ Non Resident \$50

Daily Entry: \$2 Resident / \$3 Non-Resident

City of Weatherford, TX

12 Punch Pass: \$40 All

Daily Entry: \$4 All

City of Ames, IA

12 Punch Pass: \$44 All

Daily Entry: \$4 All

Montgomery County, MD

12 Punch Pass: Adult 18+ Res: \$70 Non Res: \$150 / Under 18 Res: \$50 Non Res: \$150 / Senior 55+ Res: \$60 Non Res: \$150

Daily Entry: Adult 18+ \$7 / Under 18: \$5 / Senior: \$6

City of Willard, MO

10 Punch Pass: \$20 All

Daily Entry: \$2.50 All

City of Appleton, WI

12 Punch Pass: Ages 4-17: \$30 / Ages 18-61: \$40 / Ages 62+: \$30

Daily Entry: 3 and Under: Free / Ages 4-17: \$3.00 / Ages 18-61: \$4.00 / Ages 62+: \$3.00 / Non-Swimmers: \$1.50

City of Tucson, AZ

30 Punch Pass: Adult 18+ Res: \$51 Non Res: \$63 / Under 18 Res: \$21 Non Res: \$24

Daily Entry: Adult 18+: \$2 / Under 18: Free June and July and \$2 other months

City of Monroe, WI

12 Punch Pass: \$50

Daily Entry: Adult 3+ Res: \$ 4.00 Non Res: \$8.00 / Ages 1-3 Res: \$3.00 Non Res: \$6.00

Attachments:

Ordinance,

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Agenda Packet Page 56



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Agenda Packet Page 57

ORDINANCE NO. 2021-06_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS, AMENDING ARTICLE 24.000 – RECREATIONAL FEES, OF APPENDIX A – FEE SCHEDULE, OF THE CODE OF ORDINANCES, TO REPLACE THE CURRENT SWIMMING POOL SEASON PASS SYSTEM WITH A PUNCH PASS SYSTEM, TO PROVIDE GREATER CONVENIENCE AND FLEXIBILITY FOR CITY POOL USERS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREDERICKSBURG, TEXAS:

Section 1. That Section 24.200 entitled “Fees for use of Lady Bird Johnson Park Pool and Town Pool”, of Appendix A “Fee Schedule”, of the Code of Ordinances, is amended by the deletion of Subsection 24.200(b) in its entirety, and the following is substituted therefore:

Sec. 24.200 - Fees for use of Lady Bird Johnson Park Pool and Town Pool.

- (b) A pool punch pass for twelve (12) daily admissions is \$20. A pool punch pass is transferable. The holder of a pool punch pass assumes all liability for a lost pass.

{End of code text}

Section 2. That, Subsection 24.200(c) and Subsection 24.200(d), of Section 24.200 entitled “Fees for use of Lady Bird Johnson Park Pool and Town Pool”, of Appendix A “Fee Schedule”, of the Code of Ordinances, are hereby repealed in their entirety.

Section 3. Severability or Invalidity. If any provision of this ordinance or the application hereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without defeating the purpose or objective of the provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 4. Repealer. All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Effective Date. This ordinance shall be effective on and after the date of passage.

PASSED AND APPROVED on this the ____ day of _____, 20____.

Charlie Kiehne, Mayor
City of Fredericksburg, Texas

ATTEST:

Shelley Goodwin, City Secretary

APPROVED AS TO FORM:

Daniel Jones, City Attorney



CITY COUNCIL MEMO

DATE: April 13, 2021

TO: Mayor and City Council

FROM: Kent Myers, City Manager

SUBJECT: Suspension of Effective Date for Increase in Atmos Gas Rates

Summary:

The attached agenda information relates that the City of Fredericksburg is a member of the Atmos Texas Municipalities (ATM) which is involved in reviewing and commenting on proposed increases in Atmos gas rates. It also explains that we have a limited ability to impact these rates based upon recent actions by the Texas Supreme Court. We do have the ability to delay a rate increase to allow us to thoroughly evaluate any rate increase.

Recommendation:

It is recommended that the attached resolution be approved that would postpone any rate increase from April 27, 2021 until June 11, 2021. As noted in the resolution, this would provide the members of ATM to "assure itself that the data and calculations in Atmos Energy's rate application are correctly done...and (is) in conformity with Section 104.301 of the Gas Utility Regulatory Act."

Background / Analysis:

Attachments:

Agenda Information Sheet

The City of Fredericksburg

Resolution Suspending Rate Increase

Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

**AGENDA INFORMATION SHEET
AGENDA ITEM NO. 8. C.**

ACTION TO SUSPEND THE EFFECTIVE DATE PROPOSED BY ATMOS ENERGY CORPORATION – MIDTEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM FOR 45 DAYS, AND AUTHORIZE THE CITY'S CONTINUED PARTICIPATION IN A COALITION OF CITIES KNOWN AS THE "ATMOS TEXAS MUNICIPALITIES"

ATMOS TEXAS MUNICIPALITIES

The City is a member of the Atmos Texas Municipalities (“ATM”). The ATM group was organized by a number of municipalities served by Atmos Energy Corporation – MidTex Division (“Atmos Energy”) and has been represented by the law firm of Herrera Law & Associates, PLLC to assist in reviewing applications to change rates submitted by Atmos Energy.

“GRIP” RATE APPLICATION

Under section 104.301 of the Gas Utility Regulatory Act (GURA), a gas utility is allowed to request increases in its rates to recover a return on investments it makes between general rate cases. This section of GURA is commonly referred to as the “GRIP” statute, that is, the “Gas Reliability Infrastructure Program.”

Under a decision by the Supreme Court of Texas, the Court concluded that a filing made under the GRIP statute permitted gas utilities the opportunity to recover return on capital expenditures made during the interim period between general rate cases by applying for an interim rate adjustment and that proceedings under the GRIP statute did not contemplate either adjudicative hearings or substantive review of utilities' filings for interim rate adjustments. Instead, the Court concluded, the GRIP statute provides for a *ministerial* review of the utility's filings to ensure compliance with the GRIP statute and the Railroad Commission's rules, and that it is within the Railroad Commission's authority to preclude cities from intervening and obtaining a hearing before the Railroad Commission.

ATMOS ENERGY'S “GRIP” APPLICATION

On or about February 26, 2021 Atmos Energy filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (“GRIP”). Atmos Energy's application if approved by the Commission will result in an increase in the monthly customer charges as shown below:

Rate Schedule	Current Customer Charge	Proposed 2021 Interim Rate Adjustment (Based on 2020 Data)**	Adjusted Customer Charge	Increase Per Bill
Rate R – Residential Sales	\$26.45 per customer per month	\$4.55 per customer per month	\$31.00 per customer per month	\$4.55
Rate C – Commercial Sales	\$66.80 per customer per month	\$14.52 per customer per month	\$81.32 per customer per month	\$14.52
Rate I (Industrial) & Rate T (Transportation)	\$1,201.73 per customer per month	\$262.44 per customer per month	\$1,464.17 per customer per month	\$262.44

****** *Note that Atmos Energy refers to its filing as its interim rate adjustment for the year 2020. This is because, though filed in 2021, the increase in rates is based on data for the calendar year 2020.*

Atmos Energy's application, if approved by the Railroad Commission, will result in a systemwide increase in Atmos Energy's revenue of about \$111.50 million, of which ATM's portion is about \$11.11 million. Atmos Energy proposed an effective date of April 27, 2021.

REVIEW AND ACTION RECOMMENDED

In light of the Texas Supreme Court's opinion, the City's ability to review and effectuate a change in Atmos Energy's requested increase is limited. Nonetheless, it is recommended that the City suspend Atmos Energy's proposed effective date of April 27, 2021 for forty-five days as allowed by state law, so that the City may evaluate whether the data and calculations in Atmos Energy's rate application are correctly done.

Therefore, ATM's Special Counsel, the law firm of Herrera Law & Associates, PLLC (through Alfred R. Herrera) recommends that the City adopt a resolution suspending Atmos Energy's proposed effective date for 45 days. Assuming a proposed effective date of April 27, 2021 Atmos Energy's proposed effective date is suspended until June 11, 2021.

RESOLUTION NO. 2021-04R

A RESOLUTION BY THE CITY OF FREDERICKSBURG, TEXAS, ("CITY") REGARDING THE APPLICATION OF ATMOS ENERGY CORPORATION – MIDTEX DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING THE CITY TO CONTINUE TO PARTICIPATE IN A COALITION OF CITIES KNOWN AS THE "ATMOS TEXAS MUNICIPALITIES;" DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on or about February 26, 2021 Atmos Energy Corporation – MidTex Division (“Atmos Energy”) filed for an increase in gas utility rates under the Gas Reliability Infrastructure Program (‘GRIP”), which if approved, results in an increase in the monthly customer charges as follows:

Rate Schedule	Current Customer Charge	Proposed 2021 Interim Rate Adjustment (Based on 2020 Data)	Adjusted Customer Charge	Increase Per Bill
Rate R – Residential Sales	\$26.45 per customer per month	\$4.55 per customer per month	\$31.00 per customer per month	\$4.55
Rate C – Commercial Sales	\$66.80 per customer per month	\$14.52 per customer per month	\$81.32 per customer per month	\$14.52
Rate I (Industrial) & Rate T (Transportation)	\$1,201.73 per customer per month	\$262.44 per customer per month	\$1,464.17 per customer per month	\$262.44

WHEREAS, Atmos Energy’s application, if approved by the Railroad Commission, will result in a systemwide increase in Atmos Energy’s revenue of about \$111.5 million, of which ATM’s portion is about \$11.11 million; and

WHEREAS, the City has a special responsibility to exercise due diligence with regard to rate increases of monopoly utilities who operate within its boundaries; and

WHEREAS, the application to increase rates by Atmos Energy is complex; and

WHEREAS, the effective date proposed by Atmos Energy is April 27, 2021, but a suspension by the City will mean that the rate increase cannot go into effect prior to June 11, 2021; and

WHEREAS, it is necessary to suspend the effective date for the increase in rates for forty-five days, so that the City can assure itself that the data and calculations in Atmos Energy's rate application are correctly done and are in conformity with Section 104.301 of the Gas Utility Regulatory Act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREDRICKSBURG, TEXAS THAT:

Section 1. That the statements and findings set out in the preamble to this resolution are hereby in all things approved and adopted.

Section 2. The City suspends the requested effective date by Atmos Energy for forty-five days pursuant to the authority granted the City under Section 104.301 of the Gas Utility Regulatory Act to allow the City to review the data and calculations that provide the basis for Atmos Energy's proposed increase in rates.

Section 3. The City shall continue to act jointly with other cities that are part of a coalition of cities known as the Atmos Texas Municipalities ("ATM").

Section 4. The City authorizes the law firm of Herrera Law & Associates, PLLC, to act on its behalf in connection with Atmos Energy's application to increase rates.

Section 5. To the extent Atmos Energy's application to increase rates under section 104.301 of the Gas Utility Regulatory Act ("GURA") is considered a ratemaking proceeding, Atmos Energy is ordered to reimburse the City's reasonable rate case expenses incurred in response to Atmos Energy's rate increase application within 30 days of receipt of invoices for such expenses to the extent allowed by law.

Section 6. A copy of this resolution shall be sent to Mr. Christopher A. Felan, Vice President, Rates & Regulatory Affairs, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240; and to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, 4524 Burnet Road, Austin, Texas 78756.

Section 7. The meeting at which this resolution was approved was in all things conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 8. This resolution shall be effective immediately upon passage.

PASSED AND APPROVED this _____ day of _____ 2021.

CHARLIE KIEHNE
MAYOR

ATTEST:

SHELLEY GOODWIN
CITY SECRETARY



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Z-2101 – Annexation Agreement.

Summary: Staff has been working with the applicant to Finalize the Annexation Agreement for Council consideration. At the last meeting, several changes/issues were requested by the Developer regarding Parkland fees, Parkland Parking, Impact Fees, and Indemnification. This version is what staff, and the developer can both support regarding the agreement. The following changes were made from the previous agreement presented to City Council.

Section 4. Parkland

1. Sec. 4.(a) Parkland Dedication & Park Development Fees. Staff proposed 50% credit for parkland dedication & development fees since the City would not be accepting any land or improvements but that these facilities would be open to the public.
 - a. Applicant is requesting 100% credit for Parkland Dedication.
 - Staff is supportive of this request as the City gets a much-needed park (open to the public) and the City does not have any of the long term maintenance expenses associated with the park.
 - b. Applicant is proposing that they shall be 100% responsible for the park development fees (\$300.00 per unit) in accordance with the City's subdivision ordinance.
 - Please note that the current City code would allow up to 100% credit for any amenities they provide on the site. The cost of the amenities would not include any costs associated with the pond or detention.
 - The applicant did add language that required the park to provide amenities as shown on the parkland exhibit.
 - The developer would like to make it known that if Council modified the parkland fees via a motion and vote they would like to remove that language and provide amenities based on their needs, which may change from the proposed park shown in the exhibit.

The City of Fredericksburg

- Staff can support this request as the easement/park is perpetual and all maintenance and operation cost of the park shall be the responsibility of the Developer and not the City.
2. Sec. 4.(b) Parkland Parking Ratio. Staff proposed that parking for the publicly accessible park be in accordance with City code.
 - a. The applicant requested that the number of parkland parking spaces be limited to a maximum of 15 spaces.
 - After consultation with the Parks Director staff recommended that the minimum parkland parking spaces be a minimum of 30 spaces. The applicant agreed with the City's recommendation.
 - Staff supports the requirement of 30 spaces.
 3. Sec. 4.(c) Parkland Area & Easement. Language was added to ensure that the parkland will be open to the public for the life of the property. And additional language was added to indemnify the City in connection with the Parkland Area.
 - a. This language was added due to the original Sec. 17 Indemnification language being deleted from this document. The original Indemnification was very broad and since different approvals and City processes provide for other forms of indemnification it was agreed this section could be removed.
 - Staff Supports this modification.

Section 5. Utility Improvements

1. Sec. 5.(e) Impact Fees. After consultation with the City Attorney, State Law Requires that Impact Fees are assessed and locked in at the time of Recordation of the Final Plat. The document has been updated to reflect this requirement, with fees paid at the time of permitting.

Recommendation:

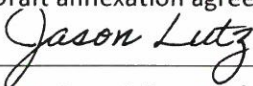
Approve the Annexation Agreement as presented or with any additional modifications.

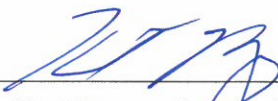
Background / Analysis:

See the attached "Annexation Agreement" and Exhibits.

Attachments:

Draft annexation agreements and exhibits.


 Department Approval


 City Manager Approval

City Attorney Approval

The City of Fredericksburg

ANNEXATION AGREEMENT
FOR THE FRIENDSHIP MIXED-USE SUBDIVISION

This Annexation Agreement ("Agreement"), made and entered into this ____ day of _____, 2021, by and between the City of Fredericksburg ("City"), with an address of 126 W. Main Street, Fredericksburg, Texas, 78624, and SV Friendship Lane MU, LP, a Texas limited partnership ("Developer"), with an address of 2204 Lake Austin Blvd., Austin, Texas, 78703.

RECITALS

WHEREAS, the Developer is the owner of record or under contract to purchase certain real estate being 32.535 acres ("Subdivision Tract"), legally described as follows:

BEING all of that certain 27.62 acre tract of land out of the J. Bargas Survey No. 115, Abstract No. 53, Gillespie County, Texas, being portions of Outlots, 1, 2, 3, 6, 7, 8, 9 being out of the remaining portion of a called 44.435 acre tract, recorded in Volume 555, Page 187, Official Public Records of Gillespie County, Texas; and

BEING all of that certain 4.915 acre tract of land, such being the 5.001 Tract, being part of Outlot 9 as said Outlot is shown on the map of Fredericksburg, recorded in Volume 555, Page 206, Official Public Records of Gillespie County, Texas save and except that 3,735 square feet of land described in a conveyance to the City of Fredericksburg by Robert L. Eckhardt, et ux, dated September 11, 2006 recorded in Document No. 20065959, Official Public Records of Gillespie County, Texas;

With said 32.535 acres being more particularly described in the Land Plan map in Exhibit "A", and by metes and bounds description in Exhibit "B", copies of which are attached hereto and made a part hereof; and

WHEREAS, the Developer desires to have 5.04 acres of said Subdivision Tract annexed into the City, and the agreements contained herein are made in anticipation of the annexation of said 5.04 acres; and

WHEREAS, the City Council, after due and careful consideration, finds that the annexation of said 5.04 acres into the City will promote economic development and further the growth of the City, promote affordable and attainable housing in the City, enable the City to control the development of the area, and serves the best interests of the City.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. The Parties acknowledge and agree that 5.04 acres of the Subdivision Tract is presently

located outside the city limits of the City (the "Annexation Tract"), but is located within the extra territorial jurisdiction of the City. The Annexation Tract is more particularly described by metes and bounds description in Exhibit "C", a copy of which is attached hereto and made a part hereof. At a public City Council meeting, the City Council shall duly consider enacting an ordinance annexing the Annexation Tract, pursuant to a Petition for Annexation filed by Developer and all owners of the Annexation Tract.

2. Contemporaneously with the annexation of the Annexation Tract under Paragraph 1 of this Agreement, the City Council shall also duly consider enacting an ordinance amending the Zoning Ordinance of the City, to designate the zoning districts of the Subdivision Tract as set forth on the Zoning Map in Exhibit "D", a copy of which is attached hereto and made a part hereof. The designation of the Subdivision Tract shall be carried out in accordance with the provisions and proceedings of the City of Fredericksburg Zoning Ordinance and City of Fredericksburg Comprehensive Plan. Any subsequent zoning amendments related to the Subdivision Tract and requested by the Developer shall be subject to the rules, regulations, and procedures set forth in the City of Fredericksburg Zoning Ordinance, and the same must be in conformity with the Comprehensive Plan for the City in effect at the time of the request.

3. Subsequent to the execution of this Agreement, the Developer may submit to the City a preliminary plat for the Subdivision Tract. Any preliminary plat submitted by Developer under this Agreement shall be processed by the City under the applicable City procedures and Ordinances existing at the time of submission of the plat to the City. The Parties acknowledge and agree that the Subdivision Tract shall be developed in accordance with said preliminary plat, and the dedications and easements shown thereon. The Developer shall be permitted a reasonable degree of flexibility with respect to changes or modifications of said preliminary plat due to engineering considerations, as is permitted by the City's Code of Ordinances. Excepting the Access Exhibit, Exhibit "H", the Parties acknowledge and agree that all Exhibits attached to this Agreement are attached hereto solely for the purposes of clarification of the provisions of this Agreement, and the attachment of said Exhibits shall not be considered as an approval by the City of the plat or design of the Subdivision Tract. The Annexation Tract will be annexed as a whole and the Subdivision Tract may be constructed and developed in Phases, as designated by Developer, and this Agreement is made to set forth the terms and conditions of annexation and agreements and obligations of the Developer and the City with regarding each Phase of development. The phases of the Subdivision Tract ("Phase", or collectively as "Phases") are depicted on the Phasing Plan map in Exhibit "E", a copy of which is attached hereto and made a part hereof.

4. Parkland.

- (a). In consideration of the open space and internal parkland to be provided within the Subdivision Tract, the Developer shall not pay to the City any fees in lieu of park land dedication, but shall be responsible for 100% of the park development fees [\$300/unit], as currently set forth in Section 6.15 (*Park Land Dedication*) of Chapter 38 (*Subdivisions*) of the City Code of Ordinances. The open space and park area to be constructed to

qualify for such credit shall include, at a minimum, an approximately 5.5 acre park/recreational facility ("Parkland Area"), to be designated by a perpetual public access easement over the Parkland Area, and to be located approximately as shown on the Land Plan map in Exhibit "A". Construction of the Parkland Area improvements shall be phased in proportion to the proposed number of dwelling units in each such phase, shall be in substantial conformance, both in type and quantity, with the Parkland Improvement Plan, as shown in Exhibit "I", shall not include improvements to drainage infrastructure, and shall be reviewed and approved by City's planning director and parks department director.

- (b). Parking for the Parkland Area shall be provided in accordance with all parking requirements set forth in the City Code of Ordinances, but in no event shall exceed 30 additional non-exclusive parking spaces.
- (c). The Parkland Area is proposed for public use under a perpetual public access easement (the "Parkland Easement"). The Parkland Area, including but not limited to any park trails, amenities, and right-of-way access sidewalks, shall be privately maintained by the property owners' association, or Developer, or its assigns. Developer may establish and enforce reasonable rules for public use of the Parkland Area, including but not limited to reasonable hours of operation and prohibition of certain dangerous activities, provided said Parkland Area rules shall be generally consistent with the park user rules adopted by the City for City owned parks, and provided said Parkland Area rules comply with all applicable federal, state, and local laws, rules or regulations. The Parkland Easement will include a reasonable indemnification of the City for third party claims arising in connection with the Parkland Area.

5. Utility Improvements.

(a). Utility plan. Developer shall, at Developer's expense, have a utility infrastructure master plan for streets, electric, gas, water, sewer and drainage prepared by a Texas registered professional engineer and approved by the City, Atmos Energy, Central Texas Electric Cooperative, or other utility service provider as applicable for the entire Subdivision Tract. A preliminary Utility Plan for the Subdivision Tract is set forth in Exhibit "F", a copy of which is attached hereto and made a part hereof. Such Utility Plan shall be based on fully developed conditions, shall incorporate the City's available engineering data and comply with the City of Fredericksburg Construction Standards and Specifications. Developer will incorporate such plan and improvements in each Phase as it is approved. All utilities within the Subdivision Tract that are privately owned will be maintained by Developer or its assigns. All utilities within the Subdivision Tract that are publicly owned shall be extended to the boundary of the Subdivision Tract, to accommodate potential future extensions at locations shown on the approved utility infrastructure master plan. Primary facilities, necessary for the development of Phase I, will be required to be constructed prior to the recording of the final plat for Phase I. Notwithstanding the foregoing sentence, the construction of private or public improvements may occur after final plat approval and

recordation, conditioned upon the execution of a performance agreement and provision of security, in accordance with Chapter 38 (*Subdivisions*) of the City Code of Ordinances. The size and specifications of the utility improvements shall be based on fully developed conditions of the entire Subdivision Tract. If Developer changes the layout of subsequent Phases which necessitate relocation of such mains or other utilities, the same, including the cost of replacing any City upsizing paid for by the City, shall be at Developer's expense, and will require subsequent City approval in accordance with the City's usual development regulations notwithstanding any agreements herein. Any easements which are not dedicated by subdivision plat, but which must be extended to any portion of the Subdivision Tract under construction, will be dedicated by separate instrument at Developer's expense.

(b). Drainage. It is anticipated that the development plan for the Subdivision Tract provides for privately maintained on-site lakes and ponds and other drainage systems as amenities which will also partially serve as the drainage system to comply with applicable drainage requirements. It is anticipated that the commercial Phases shall have conventional drainage systems with the requisite easements and/or structures. Any lakes, ponds and other drainage system facilities serving solely the Subdivision Tract shall not be dedicated to the City, and shall be privately maintained by the property owners' association or Developer or its assigns. Prior to the Subdivision Tract preliminary plat, Developer will perform a drainage study and master plan for the entire Subdivision Tract. A preliminary Drainage Plan for the Subdivision Tract is set forth in Exhibit "G", a copy of which is attached hereto and made a part hereof. All lakes, ponds, in-line detention with wet ponds, and other drainage system improvements shall be designed, approved and constructed to comply with all applicable local, state and federal regulations, including but not limited to, City, State of Texas Commission on Environmental Quality (TCEQ), including its stormwater permitting, dam safety, and water rights permitting regulations, Federal Emergency Management Association (FEMA), Corps of Engineers, US Fish and Wildlife and Texas Parks and Wildlife. The Developer acknowledges and agrees that Developer is prohibited from using potable water from the City's water utility to increase or maintain water levels of any in-line detention with wet pond or similar drainage system improvements. The City will require that the said structures within all Phases be designed and maintained to accept and convey public waters from off the streets and off the Subdivision Tract. If Developer significantly changes its development plan, the City may require subsequent studies and the attendant approvals, improvements and alterations. For clarity, the Parties agree that the Developer shall only be required to convey the existing flows from off-site. The Developer shall not be responsible for off-site improvements or detention of existing drainage conditions.

(c). Sewer. In order to minimize ongoing maintenance costs to the City, whenever possible the Subdivision Tract will be served through a sanitary sewer gravity flow collection system as described in the development plans submitted to the City by the Developer's engineer. Installation and maintenance of a Subdivision Tract sanitary sewer grinder lift station serving lots will be the responsibility of the Developer or its assigns, not the City, and shall be shown in the City-approved construction plans. However, should the City up-size the

lift stations and/or require the connection to sewer utility services beyond the Subdivision Tract, the City shall take responsibility for the maintenance and repair of the up-sized lift station. Offsite and/or public sewer improvements will not be required.

(d). Oversizing. Subject to the terms hereof, the City may elect to oversize any or all of the public infrastructure to be constructed. For purposes hereof, oversize means that the City may require an increase in the size of any public utility infrastructure beyond what is required to serve the Subdivision Tract pursuant to the applicable codes. The City, if it desires, may require oversizing in connection with the various phases. In order to make an election to oversize any or all of the public utility infrastructure, the City must send written notice to Developer on or before the date that is thirty (30) days after the date the relevant utility construction plans are submitted to the City for review prior to approval of the preliminary plat for the applicable Phase or section being platted. If the City makes an oversizing request, then Developer shall obtain bids for the construction of the applicable oversizing as an alternate bid based on construction plans approved by the City. It is understood that the Developer's responsibility for obtaining bids at its expense is for add alternates for upsizing, and not for major re-engineering expense. Developer will send written notice to City setting forth both the base bid Developer has received for its infrastructure and for the alternate bid. No more than thirty (30) days after receipt of this notice, the City shall provide written notice to Developer of its intention to pursue and pay all costs associated with the oversizing. Upon making such election, the Developer shall construct the improvements set out in the alternate bid, and City shall be obligated to reimburse Developer for 100% of the difference between the base bid and the alternate bid. For clarity, the City cannot elect to oversize any private infrastructure intended solely for the use of the Subdivision Tract.

(e). The Developer agrees to design and construct, at Developer's sole expense, all remaining external and internal lines and taps to connect the Subdivision Tract to City's water and sewer system, constructed in conformance with the utility infrastructure master plan, all City ordinances, and the Minimum Standards for street and utility design and the materials and specifications on file with the City Engineer. The Parties acknowledge and agree that the City will not construct or assume maintenance for any lift pumps, sewer pumps, pressure boosters, or any other item needed for adequate water or sewer service to the Subdivision Tract, excepting any costs the City is specifically obligated to provide under this Agreement. It is further understood and agreed by the Parties that the Subdivision Tract shall be subject to any impact fees in effect at the time of Subdivision Final plat recordation with regard to water and sewer. Impact fees shall become due and payable to the City for each structure constructed on the Subdivision Tract, at the time of issuance of a building permit for said structure. It is the intent of the Parties for the entire Subdivision Tract to be served by a single master meter, sized to accommodate fully developed conditions. Impact fees will be calculated and assessed based on the Living Unit Equivalent ("LUE") demand of each structure constructed upon the Subdivision Tract that is served by the City's water and wastewater system. The standard meter size for a single family residential house in the City is a 5/8" water meter, which is considered to be one

LUE. The LUE demand of each structure constructed upon the Subdivision Tract will be scaled up or down per the American Water Works Association (AWWA) scaling factors, based on the volume of water demand for said structure.

6. Roadways and easements.

(a). It is agreed and understood that all roadway easements, utility easements, drainage easements, and any other public or private dedications or easements shown on the Subdivision Tract plat shall be acquired and constructed by Developer at Developer's sole cost, and in conformance with all City ordinances and the Minimum Standards for street and utility design and the materials and specifications on file with the City Engineer. Following construction, dedication, completion of the maintenance assurance period, and acceptance by the City, the public roadways shall be conveyed to the City and shall be maintained by the City as public roadways. All easements other than public roadways shall be maintained by the Parties in accordance with the City Subdivision Ordinance and City Storm Water Control and Detention Ordinance, and as set forth in Paragraph 9 of this Agreement.

(b). All roadways will be designed and constructed as set out in a geotechnical report/study, to be conducted by a Texas Registered Professional Engineer, provided by Developer approved by the City, but shall be constructed at least to minimum City standards for street and utility design and the materials and specifications on file with the City Engineering Department for the type of street being constructed. The Parties acknowledge and agree that roadways constructed within the Subdivision Tract shall be allowed to design and construct integral parking, subject to requirements in the International Fire Code as adopted by the City.

(c). Developer shall provide a Traffic Impact Study ("TIS") which includes the impact of the Subdivision Tract on S. Eagle Street, Friendship Lane, and the City's public roadway system, based on fully developed conditions. Developer, at Developer's expense, will make such improvements or alterations to Friendship Lane, and any other improvements as described in said TIS, as is finally approved by TxDOT (when applicable) and the City, including, if applicable, any required traffic control signals. Such improvements or alterations shall be constructed with each Phase at such time as outlined in the approved TIS. If Developer significantly changes the development plan, including the phasing for the various Phases, at any time during the development process for the entire Subdivision Tract, the City may require subsequent studies and the attendant improvements or alterations.

(d). Roadway phasing. The roadways within the Subdivision Tract shall be constructed by Developer contemporaneously with the construction of each Phase, as needed to serve the particular Phase as shown on the Phasing Plan map in Exhibit "E", and in accordance with the approved TIS. Notwithstanding the TIS, the City agrees that the Subdivision Tract shall have at least as many points of fully communicating ingress and egress and in such general proximity as detailed on the Access Exhibit in Exhibit "H".

(e). Developer shall be solely responsible for coordinating with the United States Postal

Service concerning the establishment and provision of U.S. Mail delivery to the Subdivision Tract.

7. Private drives and sidewalks.

(a). Any private drives, sidewalks, or other private utilities incorporated in developing the Subdivision Tract shall be constructed in conformance with all City ordinances and the Minimum Standards for private street and utility design and the materials and specifications on file with the City Engineer. Developer shall not permit occupancy and the City shall not issue occupancy permits for any buildings or portions thereof located on the Subdivision Tract until such improvements are fully completed to serve the developed area, and unless provision is made by Developer to assure the maintenance of the same.

(b). Developer shall construct, at Developer's sole cost, private sidewalks along at least one side of private drives through the entirety of the Subdivision Tract. Developer shall construct, at Developer's sole cost, a public sidewalk along the south side Friendship Lane adjacent to the entirety of the Subdivision Tract. All public sidewalks shall be constructed in conformance with all City ordinances, the Americans with Disabilities Act (ADA), and the Minimum Standards for public sidewalk design and the materials and specifications on file with the City Engineer.

8. Intentionally deleted.

9. The City agrees to provide for the maintenance of all public streets, storm water and drainage system (excluding retention ponds and detention areas), sanitary sewer and water main, and public rights-of-way in the development, following conveyance to the City and acceptance by City, as shown on the approved final plat of the Subdivision Tract and in accordance with the City Subdivision Ordinance and City Storm Water Control and Detention Ordinance.

10. The Parties acknowledge and agree that this Agreement shall not bind either party hereto until an annexation ordinance has been duly enacted and adopted by the City, as set forth in Paragraph 1 of this Agreement. The Parties acknowledge and agree that this Agreement shall not bind or hinder the independent or legislative powers of any City boards or commissions, and this Agreement shall be effective only if and upon adoption of the ordinance contemplated and as set forth in Paragraph 1 of this Agreement, the same to be completed on or before 90 days from the date of institution of Annexation proceedings by the City.

11. Intentionally deleted.

12. The effective date of this Agreement shall be the date of annexation of the Subdivision Tract to the City, as set forth in Paragraph 1 of this Agreement. This Agreement shall be binding upon the parties to it, their respective grantees, successors, assigns or lessees for a full term of thirty (30) years, commencing as of the effective date of this Agreement, subject to

limitations provided by law and to the extent permitted thereby, and for such further term as may subsequently be agreed to by the parties. It is hereby agreed that if the Subdivision Tract (or any portion of the Subdivision Tract) is annexed to the City of Fredericksburg, and if any the City does not grant the requested zoning set forth in this Agreement, or if the City does not perform its obligations hereunder, then Developer may petition for disannexation and/or the City may disannex.

13. It is understood and agreed by the Parties hereto that time is of the essence of this Agreement, and that all of the parties will make every reasonable effort to expedite the subject matters hereof.

14. The Parties mutually represent that they have taken and will take action as may be required to bring about the annexation of Annexation Tract and the amendments, exceptions, and variances, as may be necessary or proper in order to zone and classify the Subdivision Tract so as to enable the same to be developed and used in the manner anticipated in this Agreement, and such other action as to enable the parties to execute this Agreement and to fully carry out all other covenants, agreements, duties and other obligations created and imposed by the terms and conditions of this Agreement.

15. This Agreement shall be binding upon the parties to it, their respective grantees, successors, assigns or lessees, subject to limitations provided by law.

16. The Parties agree that this Agreement and any exhibits attached to it may be amended only by the mutual written consent of all parties.

17. Approval by the City of any plans, designs, or specifications submitted by the Developer pursuant to this Agreement shall not constitute or be deemed to be release of the responsibility and liability of the Developer or its engineers, employees, officers or agents for the accuracy and competency of their design and specifications. The Parties acknowledge and agree that the approval of any plans, designs, or specifications by the City signifies the City's approval on only the general design concept of the improvements to be constructed as the same relates to conformance with City ordinances.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative.

[SIGNATURES ON FOLLOWING PAGE]

SV FRIENDSHIP LANE MU, L.P. (“DEVELOPER”)
a Texas limited partnership

By: SV FRIENDSHIP LANE MU GP, L.L.C.
a Texas limited liability company

By: _____ Date: _____
Joshua Needham, Manager

CITY OF FREDERICKSBURG, TEXAS (“CITY”)

By: _____ Date: _____
Kent Myers, City Manager

Exhibit A
Land Plan

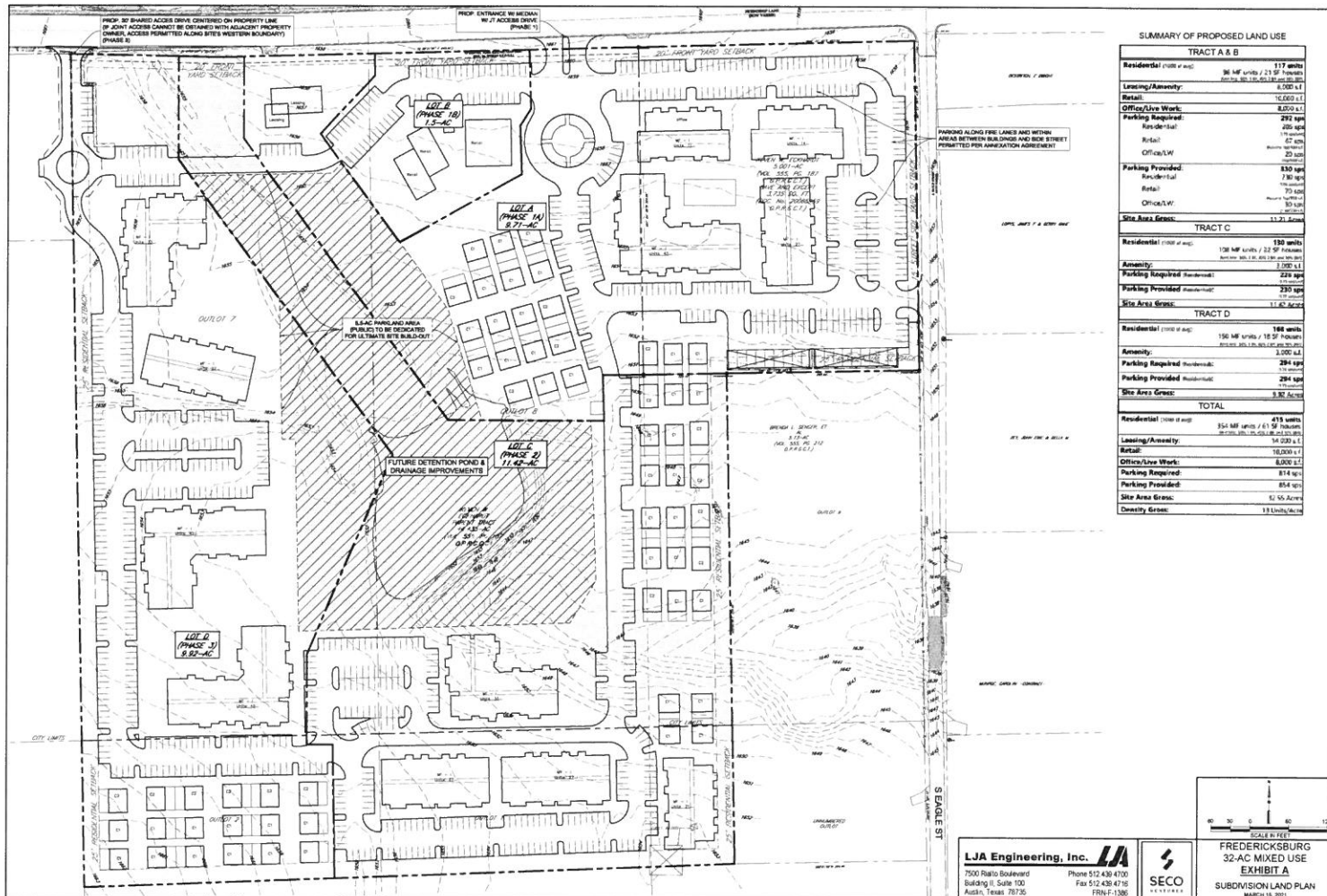


Exhibit B
Subdivision Tract

Exhibit C
Annexation Tract

County: Gillespie
Description: Annexation Tract of Land
Acreage: 5.044

January 20, 2021
Job No. LJAS001-A443-0401
Page 1 of 3

EXHIBIT "C"

BEING A 5.044 ACRE TRACT OF LAND IN GILLESPIE COUNTY, TEXAS, BEING COMPRISED OF PORTIONS OF OUTLOTS 1, 2 AND AN UNNUMBERED OUTLOT EAST OF AND ADJOINING OUTLOT NO. 1, AS SHOWN ON THE MAP OF FREDERICKSBURG, TEXAS, AND ENVIRONS, BY THE GERMAN EMIGRATION COMPANY, SAME BEING A PORTION OF A TRACT OF LAND, DESCRIBED IN A GIFT DEED TO KEVEN ECKHARDT, AND RECORDED IN VOLUME 555, PAGE 187, OFFICIAL PUBLIC RECORDS, GILLESPIE COUNTY, TEXAS (O.P.R.G.C.TX.); SAID 5.044 ACRE TRACT OF LAND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 1/2-INCH IRON ROD WITH CAP STAMPED "BONN 4447" ON THE SOUTH LINE OF A CALLED 5.001 ACRE TRACT AS DESCRIBED IN GIFT DEED TO KEVEN ECKHARDT, VOLUME 555, PAGE 187, O.P.R.G.C.TX., AND THE NORTH LINE OF OUTLOT NO. 9 OF SAID GERMAN EMIGRATION COMPANY, SAME BEING THE NORTHWEST CORNER OF A CALLED 5.13 ACRE TRACT DESCRIBED IN DEED TO BRENDA L. SENER, ET AL, AND RECORDED IN VOLUME 555, PAGE 212, O.P.R.G.C.TX., FROM WHICH A 1/2-INCH IRON ROD WITH CAP STAMPED "BONN 4447" FOR THE SOUTHWEST CORNER OF SAID 5.001 ACRE TRACT BEARS, SOUTH 88 DEGREES 55 MINUTES 52 SECONDS WEST, 127.73 FEET;

THENCE SOUTH 01 DEGREES 04 MINUTES 08 SECONDS EAST, OVER AND ACROSS SAID OUTLOT NO. 9 AND WITH THE WEST LINE OF SAID 5.13 ACRE TRACT, A DISTANCE OF 542.34 FEET TO A POINT ON THE COMMON LINE OF SAID OUTLOT NO. 9 AND SAID UNNUMBERED OUTLOT, SAME BEING THE SOUTH LINE OF A CALLED 62 ACRE TRACT DESCRIBED AS EXHIBIT "D" TRACT "4" IN AN ORDINANCE FOR ANNEXATION TO THE CITY OF FREDERICKSBURG, RECORDED IN ORDINANCE NO. 12-021, FOR THE NORTHEAST CORNER AND POINT OF BEGINNING OF THIS TRACT;

THENCE SOUTH 01 DEGREES 04 MINUTES 08 SECONDS EAST, OVER AND ACROSS SAID UNNUMBERED OUTLOT AND CONTINUING WITH THE WEST LINE OF SAID 5.13 ACRE TRACT, A DISTANCE OF 213.90 FEET TO A POINT AT FENCE CORNER POST FOR THE SOUTHWEST CORNER OF SAID 5.13 ACRE TRACT AND THE SOUTHEAST CORNER OF THIS TRACT;

THENCE SOUTH 87 DEGREES 50 MINUTES 25 SECONDS WEST, OVER AND ACROSS SAID UNNUMBERED OUTLOT AND SAID OUTLOTS NO. 1 AND 2, A DISTANCE OF 999.36 FEET TO A POINT ON THE COMMON LINE OF OUTLOT NO. 3, OF SAID GERMAN EMIGRATION COMPANY AND SAID OUTLOT NO. 2, SAME BEING THE WEST LINE OF SAID ECKHARDT TRACT, FOR THE SOUTHWEST CORNER OF THIS TRACT;

County: Gillespie
Description: Annexation Tract of Land
Acreage: 5.044

January 20, 2021
Job No. LJAS001-A443-0401
Page 2 of 3

THENCE NORTH 01 DEGREES 06 MINUTES 11 SECONDS WEST, WITH THE COMMON LINE OF SAID OUTLOT NO. 2 AND OUTLOT NO. 3, SAME BEING THE WEST LINE OF SAID ECKHARDT TRACT, A DISTANCE OF 225.90 FEET TO A POINT ON THE SOUTH LINE OF SAID 62 ACRE TRACT, FOR A COMMON CORNER OF SAID OUTLOT NO. 2 AND 3 AND OUTLOT NO. 6 AND 7, GERMAN EMIGRATION COMPANY, FOR THE NORTHWEST CORNER OF THIS TRACT, FROM WHICH A 1/2-INCH IRON ROD WITH CAP STAMPED "MDS" FOUND FOR THE NORTHWEST CORNER OF SAID ECKHARDT TRACT AND THE COMMON CORNER OF SAID OUTLOT NO. 6 AND 7 BEARS, NORTH 01 DEGREES 06 MINUTES 11 SECONDS WEST, 1,057.69 FEET;

THENCE NORTH 88 DEGREES 31 MINUTES 42 SECONDS EAST, WITH THE SOUTH LINE OF SAID 62 ACRE TRACT, THE COMMON LINES OF SAID OUTLOT NO. 2 AND 7, AND THE COMMON LINE OF SAID OUTLOT NO. 1 AND 8, A DISTANCE OF 999.34 FEET TO THE PLACE OF BEGINNING, CONTAINING 5.044 ACRES, MORE OR LESS.

ALL BEARINGS AND COORDINATES ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, GRID NORTH, CENTRAL ZONE (4203), NORTH AMERICAN DATUM OF 1983. ALL DISTANCES WERE ADJUSTED TO SURFACE USING A COMBINED SCALE FACTOR OF 1.00012.

LJA SURVEYING, INC.
TEXAS SURVEYING FIRM BRANCH REGISTRATION NO. 10194533
7500 RIALTO BLVD, BUILDING II, SUITE 100
AUSTIN, TEXAS 78735
PHONE NO. 512.439.4700



A handwritten signature in black ink, appearing to read "G. N. Anderson", written over a horizontal line.

GORDON N. ANDERSON
REGISTERED PROFESSIONAL LAND SURVEYOR, TEXAS NO. 6617
Registered Professional Land Surveyor, Texas No. 6617
DATE: JANUARY 20, 2021

Exhibit D
Zoning Map



LJA Engineering, Inc.
 7500 Rattus Boulevard
 Building II, Suite 100
 Austin, Texas 78735
 Phone 512 438 4730
 Fax 512 438 4735
 FRN# F-1386



FREDERICKSBURG
32-AC MIXED USE
EXHIBIT D
ZONING EXHIBIT
 MARCH 18, 2021

Exhibit E
Phasing Plan

Exhibit F
Utility Plan

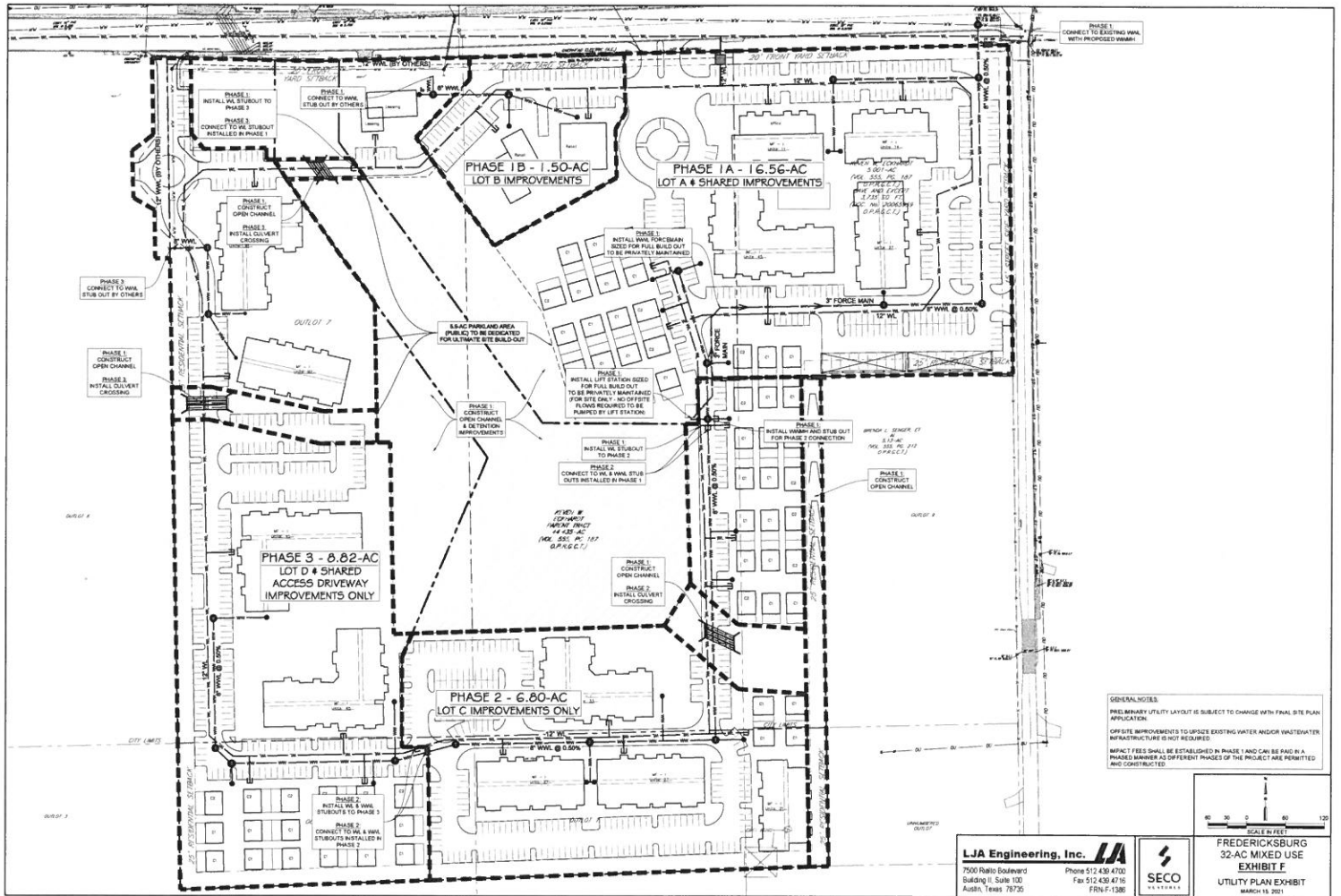
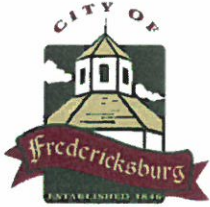


Exhibit G
Drainage Plan

Exhibit H
Access Exhibit



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Jason Lutz

SUBJECT: Z-2107 –Annexation Agreement.

Summary: The property owner has requested voluntary annexation due to a failing septic system. The applicant is currently contracting services to have the septic system pumped and hauled off monthly.

The property is located at 701 W. Live Oak Street, located at the southwest corner of Post Oak Rd. and W. Live Oak St. This property is currently an existing hole in the City Limits and would provide the City an opportunity to fill this area in, establish zoning, and facilitate development of the property.

The property would not be required to extend utilities as there are water & sewer services located in the rights-of-way of Post Oak and Live Oak. This agreement would allow the property owner to immediately connect to the City's sewer system, prior to the completion of the annexation process. All other City services would be available once the annexation process has been completed.

Background / Analysis:

The property owner entered into a non-annexation agreement with the City on August 14, 2019. That agreement shall be terminated upon completion of the annexation proceedings. The property would not be part of the future Annexation process for Areas 6A & 6B (Post Oak Area).

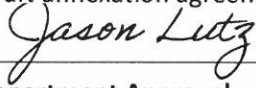
Recommendation:

Staff recommends Approval of the requested Annexation Agreement.

The City of Fredericksburg

Attachments:

Draft annexation agreements, exhibits, and service plan.



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

ANNEXATION AGREEMENT FOR THE KLAERNER TRACT

This Annexation Agreement ("Agreement"), made and entered into by and between the City of Fredericksburg, Texas ("City"), with an address of 126 W. Main Street, Fredericksburg, Texas, 78624, and Yvonne B. Klaerner ("Owner"), with an address of 701 W. Live Oak Street, Fredericksburg, Texas, 78624.

RECITALS

WHEREAS, the Owner is the owner of record of approximately 10 acres of land out of the B. Adame Survey No. 123, Abstract No. 1714, Gillespie County, Texas, located at 701 W. Live Oak St., and more particularly and separately described in the attached Exhibit "A"; and

WHEREAS, on August 14, 2019, the Owner and City previously entered into a *Chapter 43 Texas Local Government Code Pre-Annexation Development Agreement*, agreeing to allow the Owner's property to avoid annexation and remain outside the City limits ; and

WHEREAS, the Owner now desires to have her property annexed into the City, the Owner has requested that the City annex her property, and the agreements contained herein are made in anticipation of said voluntary annexation; and

WHEREAS, the City Council, after due and careful consideration, finds that the annexation of said 10 acres into the City will promote economic development and further the growth of the City, enable the City to control the development of the area, and serves the best interests of the City.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. The Parties acknowledge and agree that the 10 acre subject property is presently located outside the city limits of the City, but is located within the extra territorial jurisdiction of the City, and is commonly known as 701 W. Live Oak Street (the "Annexation Tract"), and is more particularly described in Exhibit "A", a copy of which is attached hereto and made a part hereof. At a public City Council meeting, the City Council shall duly consider enacting an ordinance annexing the Annexation Tract, pursuant to a Petition for Annexation or other written request filed by the Owner.
2. Contemporaneously with the annexation of the Annexation Tract under Paragraph 1 of this Agreement, the City Council shall also duly consider enacting an ordinance amending the Zoning Ordinance of the City, to designate the zoning district of the Annexation Tract as set forth on the Zoning Map in Exhibit "B", a copy of which is attached hereto and made a part

hereof. The zoning designation of the Annexation Tract shall be carried out in accordance with the provisions and proceedings of the City of Fredericksburg Zoning Ordinance and City of Fredericksburg Comprehensive Plan. Any subsequent zoning amendments related to the Annexation Tract and requested by the owner shall be subject to the rules, regulations, and procedures set forth in the City of Fredericksburg Zoning Ordinance, and the same must be in conformity with the Comprehensive Plan for the City in effect at the time of the request.

3. City Service Plan.

(a). Upon execution of this Agreement, but prior to completion of the annexation of the Annexation Tract under Paragraph 1 of this Agreement, the Owner may connect the Annexation Tract to existing City water and wastewater utility services, at the sole expense of the Owner. Additionally, the Owner shall be responsible for payment of all impact fees, tap fees, and other related utility fees, as assessed by the City pursuant to the City's Code of Ordinances for new water and wastewater utility service connections. It is hereby understood and agreed by the Parties that permanent connection of the Annexation Tract to City water and wastewater utility services is contingent upon annexation of the Annexation Tract under Paragraph 1 of this Agreement, and the City may discontinue water and wastewater utility services to the Annexation Tract if the Annexation Tract is not annexed.

(b). Upon completion of the annexation proceedings under Paragraph 1 of this Agreement, all other City services shall be provided to the Owner as set forth in the agreed service plan in Exhibit "C", a copy of which is attached hereto and made a part hereof.

4. The effective date of this Agreement shall be the date of execution by both Parties.

5. It is understood and agreed by the Parties hereto that time is of the essence of this Agreement, and that all the parties will make every reasonable effort to expedite the subject matters hereof.

6. It is understood and agreed by the Parties hereto that the *Chapter 43 Texas Local Government Code Pre-Annexation Development Agreement* previously entered into by and between the Parties on August 14, 2019, is terminated upon completion of the annexation proceedings under Paragraph 1 of this Agreement.

7. The Parties mutually represent that they have taken and will take action as may be required to bring about the annexation of Annexation Tract and the necessary or proper processes in order to zone and classify the Annexation Tract so as to enable the same to be developed and used in the manner anticipated in this Agreement, and such other action as to enable the parties to execute this Agreement and to fully carry out all other covenants, agreements, duties and other obligations created and imposed by the terms and conditions of this Agreement.

8. This Agreement shall be binding upon the parties to it, their respective grantees, successors, assigns or lessees, subject to limitations provided by law.

9. The Parties agree that this Agreement and any exhibits attached to it may be amended only by the mutual written consent of all parties.

10. THE OWNER AGREES TO FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES, FROM ALL CLAIMS, SUITS OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER , WHETHER REAL OR ASSERTED, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF THE IMPROVEMENTS OR FACILITIES DESCRIBED HEREIN; AND IN ADDITION, THE OWNER COVENANTS TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, SUITS OR CAUSE OF ACTION OF ANY NATURE WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES TO PERSONS OR PROPERTY, INCLUDING DEATH, RESULTING FROM ANY FAILURE TO PROPERLY SAFEGUARD THE WORK, OR ON ACCOUNT OF ANY ACT, INTENTIONAL OR OTHERWISE, NEGLIGENCE OR MISCONDUCT OF THE OWNER, ITS CONTRACTORS, AGENTS, SERVANTS OR EMPLOYEES.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative.

YVONNE B. KLAERNER ("OWNER")

By:_____ Date:_____

Printed Name:_____

THE STATE OF TEXAS
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____,
20_____, by _____, Owner.

Notary Public, State of Texas

CITY OF FREDERICKSBURG, TEXAS ("City")

By:_____ Date:_____
Kent Myers, City Manager

THE STATE OF TEXAS
COUNTY OF GILLESPIE

This instrument was acknowledged before me on the _____ day of _____,
20_____, by Kent Myers, City Manager of the City of Fredericksburg.

Notary Public, State of Texas

EXHIBIT A

BEING 10.00 acre of land situated in Gillespie County, Texas, as more fully described by metes and bounds in Warranty Deed with Vendor's Lien, dated June 8, 1978, and recorded in Vol 125, Page 228 of the Deed Records of Gillespie County, Texas.

Exhibit B - Zoning Map

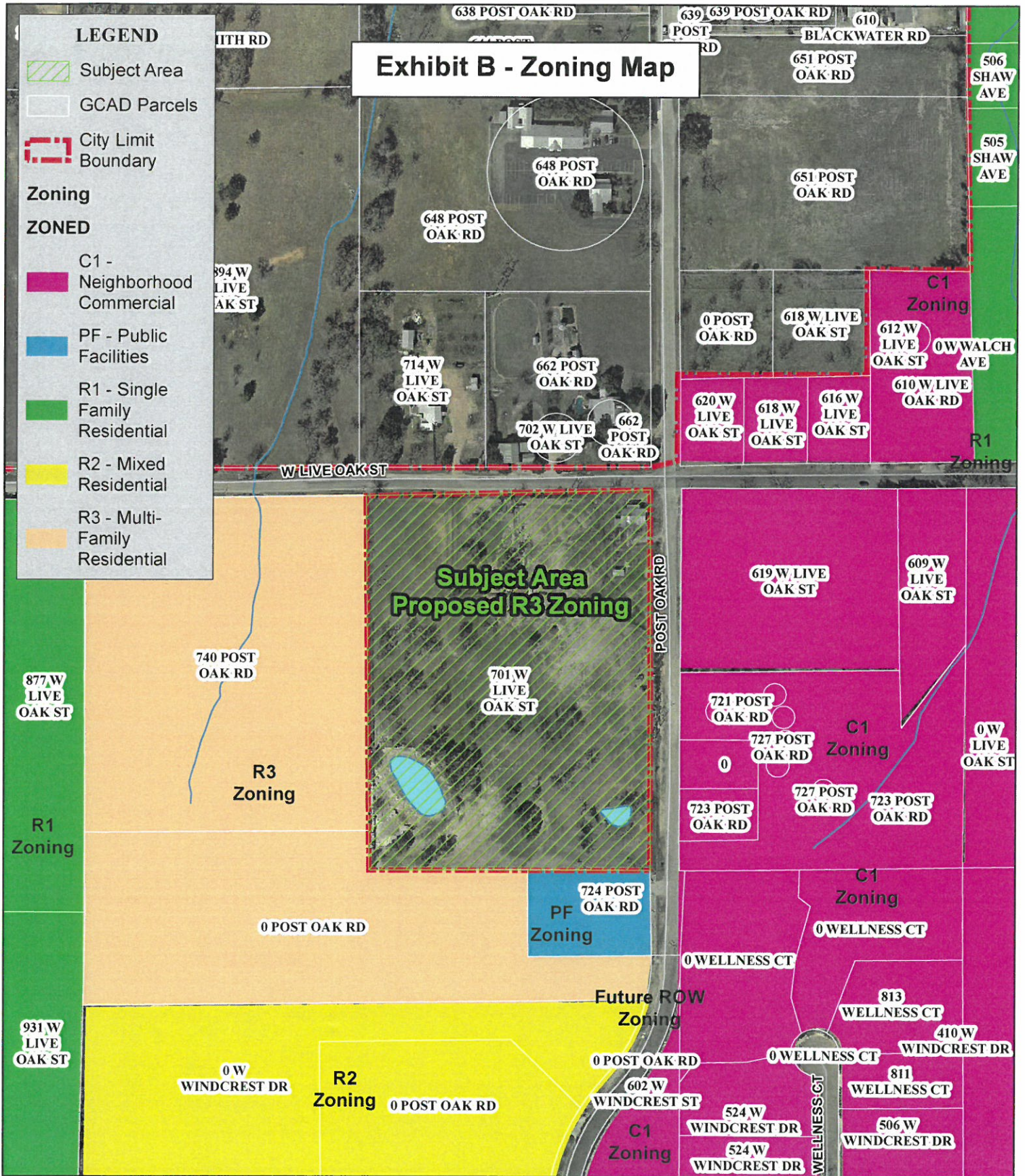
LEGEND

-  Subject Area
-  GCAD Parcels
-  City Limit Boundary

Zoning

ZONED

-  C1 - Neighborhood Commercial
-  PF - Public Facilities
-  R1 - Single Family Residential
-  R2 - Mixed Residential
-  R3 - Multi-Family Residential



0 250 500
SCALE IN FEET
1 inch = 250 feet



City of Fredericksburg
Agreed Annexation
Service Plan
For Klaerner Tract Annexation

I. TERRITORY

This service plan is applicable to approximately 10 acres of land located at the southwest corner of West Live Oak Street and Post Oak Road in Gillespie County, Texas (the "Annexation Parcel").

II. GENERAL PROVISIONS

a. Effective Term. This service plan shall be in effect for a ten-year period commencing on the effective date of the annexation.

b. Amendment or Renewal. This service plan may be amended from time to time as provided by Local Government Code. Renewal of this service plan shall be at the sole option of the Fredericksburg City Council.

c. Level of Services to be Provided. The City Council finds and determines that the level of services, infrastructure and infrastructure maintenance provided within the area prior to annexation is not greater than is provided in the City. The City Council finds and determines that the services, infrastructure and infrastructure maintenance proposed by this plan are comparable to that provided to other parts of the City with reasonably similar topography, land use, and population density. The City Council finds and determines that implementation of this plan in the manner proposed will not reduce the level of fire, police, and emergency medical services available within the City.

III. SERVICES TO BE PROVIDED AT ANNEXATION

The following services will be provided within the annexed area immediately upon the effective date of the annexation. In the case of a gated subdivision, it will be the responsibility of the Property Owners Association (POA) of the gated subdivision to allow timely emergency service access and City staff access, particularly in cases where the access mechanism changes on or after annexation.

a. Police Protection. The City of Fredericksburg Police Department will provide police services, including criminal investigations, routine patrol, traffic

enforcement, and dispatched response to both emergency and non-emergency service calls. It is anticipated that police services within the annexed area will be provided utilizing existing levels of personnel and equipment. Currently, the nearest police station is the City of Fredericksburg Police Department headquarters, located at 1601 E. Main Street.

b. Fire Protection and Emergency Medical Services. The City of Fredericksburg Fire Department will provide emergency fire suppression and routine fire prevention services within the annexed area. The City of Fredericksburg Emergency Medical Services (EMS) Department will provide primary EMS services within the annexed area. Firefighters may be dispatched to the scene of accidents or other medical emergencies to assist EMS personnel or to provide “first responder” services pending the arrival of EMS personnel.

c. Solid Waste Collection. The City provides fee based household garbage collection services to single family residences within the City. The City provides a single drop off location for recycling collection within the City. The City does not collect garbage from commercial establishments. Commercial garbage collection and disposal and/or recycling and is available from privately owned collection businesses.

The City currently provides residential garbage collection at the street curb using an automated collection system that requires use of specific collection containers. In accordance with the City’s current policy, each residential garbage customer will be provided a collection container for waste disposal. The City does not currently provide recycling collection at the street curb.

Privately owned solid waste management service providers currently provide collection services within the annexed area and may continue to provide such services. Pursuant to Local Government Code, at any time before the second anniversary of the date an area is included within the corporate boundaries of a the City by annexation, the City may not (1) prohibit the collection of solid waste in the area by a privately owned solid waste management service provider; or (2) offer solid waste management services in the area unless a privately owned solid waste management service provider is unavailable. The City will commence residential collections services prior to the second anniversary of annexation if requested to do so in writing by any property owner. Any such request must be made at least 90 days prior to the proposed effective date for initiation of City service.

d. Maintenance of Water and Wastewater Facilities. The annexation territory is not currently within the service area of the City of Fredericksburg. The City does not maintain privately owned water wells or septic or aerobic wastewater systems. Property owners who currently have water wells, septic or aerobic wastewater systems may keep them as long as they are maintained in proper working order. When City wastewater disposal facilities are available to serve existing development the City may require connection to the City system instead

of permitting the installation of new septic or aerobic disposal systems. Mandatory connection to the City wastewater system will not be required where existing systems remain in good working order and do not present a threat to public health or safety.

e. Maintenance of Roads, Streets, Street Lighting, and Drainage Infrastructure. The City is currently responsible for the maintenance of public roads, streets, street lighting, and drainage infrastructure in the annexed area.

f. Maintenance of Parks, Playgrounds and Swimming Pools. There are no public parks, public playgrounds, or public swimming pools within the area to be annexed.

g. Maintenance of any other Public Building, Facility or Service. Annexation does not transfer ownership of public buildings, facilities or services, all of which should continue to be maintained or provided by the public entity that currently owns or provides them. Privately owned facilities, including privately owned and operated storm water detention facilities, are not affected by the annexation.

An appropriate City Department will be assigned to assume responsibility for the maintenance or provision of any required facilities or services which become the responsibility of the City and are not expressly provided for by this service plan.

IV. CAPITAL IMPROVEMENTS PLAN

Construction of the following capital improvements related to the annexation will be substantially completed within 2½ years, except for certain services that the City cannot reasonably provide within that period, and for which the City proposes a schedule set forth below to provide for the provision of full municipal services no later than 4-1/2 years after the effective date of the annexation.

a. Police Protection. No additional capital improvements are needed at this time to provide police services.

b. Fire Protection. No capital improvements are needed at this time to provide fire protection services.

c. Solid Waste Collection. No capital improvements are needed at this time to provide solid waste collection services.

d. Water and Wastewater Facilities. No additional capital improvements are needed at this time to provide full water and wastewater services to the annexed area.

e. Roads, Streets, Street Lighting, and Drainage Infrastructure. No new roads, streets, street lights, or drainage infrastructure is needed at this time.

f. Parks, Playgrounds and Swimming Pools. No capital improvements are needed at this time to provide recreational services.

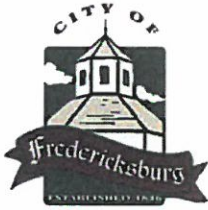
g. Other Public Buildings, Facilities or Services. No capital improvements are needed at this time to provide other public services.

V. WATER AND WASTEWATER SERVICE EXTENSION POLICIES

The City provides fee based water and wastewater services to the portions of the City which are not within the service area of another water or wastewater utility provider. For lots that have water or wastewater lines in an abutting street or easement, the owner may receive water or wastewater service by applying for a City tap and paying any required fees.

The provision of water and wastewater facilities for new development within the City is primarily governed by the City's building code and subdivision ordinances that are found in Chapters 14 and 94 of the City Code of Ordinances.

Facilities necessary to serve any new development are generally provided at the sole cost of the developer. Such facilities include not only those which are located within the developer's property, but also any exterior mains which must be extended to connect the property under development to the point of connection with the City's existing facilities. The City need not compensate the developer for the ordinary costs of extending exterior mains.



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Andrea Schmidt, Parks & Recreation Director

SUBJECT: Consider Girl Scout Cabin lease extension

Summary:

For a number of years, the Girl Scouts have leased the building and property located at the corner of Austin and Crockett Streets. Their current lease is for 5 years and began on May 3, 2016 and expires on May 2, 2021. The base rent for the entire term was \$20.00. This lease would be for an extension of one -year with a one-year option. The base rent for each renewal term would be \$4.00.

Over the next year the Girls Scouts will be working on long-term plans for the cabin and will come back to the City for a possible lengthier lease extension in the next year.

Recommendation:

Consider motion to approve the attached lease with the Girl Scouts of Central Texas.

Background / Analysis:

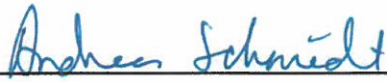
The Girl Scout Troops in Fredericksburg have used the property at the intersection of Austin and Crockett Streets for many years. They are responsible for making all repairs on the building and providing all the maintenance for both the building and the property. Earlier this year city staff met with some of their representatives to discuss a new lease and any needed repairs. Replacement of the door jams, doors, and window rot along with any asbestos survey of the areas will need to be completed by the Girl Scouts along with replacement of a missing light switch cover near the middle doorway. It is recommended that a 1-

The City of Fredericksburg

year lease extension is approved with a one-year option. This is due to the uncertainty of our current building space needs and future building expansion plans.

Attachments:

Lease agreement, Lease agreement amendment



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Agenda Packet Page 110

COMMERCIAL LEASE

1. PARTIES: The parties to this lease are:

Tenant: Girl Scouts of Central Texas; and

Landlord: City of Fredericksburg, Texas

2. LEASED PREMISES:

Landlord leases to Tenant the following described real property, known as the "Leased Premises," along with all its improvements

The real property at: 202 West Austin Street, Fredericksburg, Gillespie, Texas, which is legally described as follows:

Part of Lot No. 20, Block 3, Koennecke Addition

3. TERM:

The term of this lease is 60 months and 0 days, commencing on: May 3, 2016 (Commencement Date) and ending on May 2, 2021 (Expiration Date).

Tenant is responsible for obtaining a certificate of occupancy for the Leased Premises if required by a governmental body.

4. RENT AND EXPENSES:

A. Base Rent for the entire term: \$20.00 payable in advance.

B. Place of Payment: Tenant will remit all amounts due Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

**Name: City of Fredericksburg, Attn: City Manager
Address: 126 W. Main Street, Fredericksburg, Texas 78624**

5. SECURITY DEPOSIT: NONE

6. TAXES: Unless otherwise agreed by the parties, Tenant will pay all real property ad valorem taxes assessed against the Leased Premises, if any.

7. UTILITIES:

A. The party designated below will pay for the following utility charges to the Leased Premises and any connection charges for the utilities. (Check all that apply.)

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Water			X
(2) Sewer			X
(3) Electric			X
(4) Gas			X
(5) Telephone			X
(6) Trash			X
(7) Cable			X
(8) _____			X
(9) All other utilities			X

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider.

C. Notice: Tenant should determine if all necessary utilities are available to the Leased Premises and are adequate for Tenant's intended use.

8. INSURANCE:

A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas: public liability insurance naming Landlord as an additional insured (certificate holder) with policy limits of \$1,000,000 personal injury and \$5,000,000 general aggregate on an occurrence basis.

B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.

C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:

(1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or

(2) exercise Landlord's remedies under Paragraph 20.

D. Landlord will not be required to maintain any insurance benefitting Tenant specifically but not including insurance for: (1) fire and extended coverage in any amount; (2) public liability insurance.

E. If there is an increase in Landlord's insurance premiums for the Leased Premises or Property or its contents that is caused by Tenant, Tenant's use of the Leased Premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notifies

Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

9. USE:

A. Tenant may use the Leased Premises for the following purpose and no other: girl scout meetings and activities and Tenant shall permit Landlord's use as a voting place for any election.

B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the Leased Premises during business hours that are typical for Tenant's activities.

10. LEGAL COMPLIANCE:

A. Tenant may not use or permit any part of the Leased Premises or the Property to be used for:

- (1) any activity which is a nuisance or is offensive, noisy, or dangerous;
- (2) any activity that interferes with Landlord's ownership of the Property;
- (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, Landlord's rules or regulations, or this lease;
- (4) any hazardous activity that would require any insurance premium on the Property or Leased Premises to increase or that would void any such insurance;
- (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
- (6) the permanent or temporary storage of any hazardous material; or
- (7) leasing use of property to others

B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.

C. Landlord does not represent or warrant that the Leased Premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's use. Tenant must satisfy itself that the Leased Premises may be used as Tenant intends by independently investigating all matters related to the use of the Leased Premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, or Landlord's agent concerning the use of the Leased Premises or Property. Tenant is responsible for all ADA appliance and compliance with any anti-discrimination laws or rules.

11. SIGNS:

A. Tenant may not post or paint any signs at, on, or about the Leased Premises or Property without Landlord's written consent, and proper permits. Landlord consents to replacement of the current sign if allowed by the City's sign ordinance and properly permitted; no other signs are permitted at this time. Landlord may remove any unauthorized sign, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign.

B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the Leased Premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the Leased Premises.

C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or Leased Premises, any or all signs that were placed on the Property or Leased Premises by or at the request of Tenant. Any signs that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

12. ACCESS BY LANDLORD:

During Tenant's normal business hours, and with 24 hours notice to the Director of Facilities at 12012 Park Thirty-Five Circle, Austin, Texas 78753 written or by phone call to 512-743-5481, Landlord may enter the Leased Premises for any reasonable purpose, Landlord will not unreasonably interfere with Tenant's business operations when accessing the Leased Premises.

13. MOVE-IN CONDITION: Tenant has been occupying the Leased Premises for a very long time, and has inspected the Leased Premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the Leased Premises or Property.

14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:

A. At the time this lease ends, Tenant will surrender the Leased Premises in the same condition as when received, except for normal wear and tear. Tenant will leave the Leased Premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.

B. If Tenant leaves any personal property in the Leased Premises after Tenant surrenders possession of the Leased Premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.

C. "Surrender" means vacating the Leased Premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.

D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or Leased Premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

15. MAINTENANCE AND REPAIRS:

A. Cleaning: Tenant must keep the Leased Premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Tenant will provide, at its expense, janitorial services to the Leased Premises.

B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the Leased Premises (if any). The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the Leased Premises. Tenant is responsible for the repair and maintenance of its personal property. (Check all that apply.)

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Foundation, exterior walls, roof, and other structural components			X
(2) Glass and windows			X
(3) Fire protection equipment and fire sprinkler systems			X
(4) Exterior & overhead doors, including closure devices, molding locks, and hardware			X
(5) Grounds maintenance, including landscaping and irrigation systems			X
(6) Interior doors, including closure devices, frames, molding, locks, and hardware			X
(7) Parking areas and walks			X
(8) Plumbing systems, drainage systems, electrical systems, and mechanical systems, except systems or items			X

specifically designated otherwise	
(9) Ballast and lamp replacement	X
(10) Heating, Ventilation and Air Conditioning (HVAC) systems	X
(11) Signs and lighting:	
(a) Pylon	X
(b) Facia	X
(c) Monument	X
(d) Door/Suite	X
(12) Extermination and pest control, excluding wood-destroying insects	X
(13) Fences and Gates	X
(14) Storage yards and storage buildings	X
(15) Wood-destroying insect treatment and repairs	X
(16) _____	
(17) All other items and systems and all maintenance	X

D. Repair Persons: Repairs must be completed by trained and qualified repair persons.

16. ALTERATIONS:

A. Tenant may not alter, improve, or add to the Property or the Leased Premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements.

B. Tenant may not alter any locks or any security devices on the Property or the Leased Premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.

C. If a governmental order requires alteration or modification to the Leased Premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.

D. Any alterations, improvements, fixtures or additions to the Property or Leased Premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

17. LIENS: Tenant may not do anything that will cause the title of the Property or Leased Premises to be encumbered in any way. If Tenant causes a lien to be filed

against the Leased Premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

18. LIABILITY: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Leased Premises;

B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

19. INDEMNITY: Tenant will indemnify and hold Landlord harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the Leased Premises, or any other loss caused, negligently or otherwise, by Tenant or that Tenant's employees, patrons, guests, or invitees.

20. DEFAULT:

A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may terminate this lease as Tenant's sole remedy which is in consideration of token rental amount. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

B. If Tenant fails to comply with this lease for any reason within 30 days after landlord notifies Tenant of its failure to comply, Tenant will be in default.

C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease; and (ii) terminate or suspend Tenant's right to occupy the Leased Premises without terminating this lease. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by used commercially reasonable means. If Tenant is in default, Tenant will be liable for:

- (1) repairs to the Leased Premises for use beyond normal wear and tear;
- (2) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
- (3) cost of removing any of Tenant's equipment or fixtures left on the Leased Premises or Property;
- (4) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the Leased Premises or Property;

(5) cost to replace any unreturned keys or access devices to the Leased Premises, parking areas, or Property;

(6) any other recovery to which Landlord may be entitled under.

21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT: Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the Leased Premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

22. HOLDOVER: If Tenant fails to vacate the Leased Premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the Leased Premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be \$100.00 per day following notice from Landlord that it requires the payment of holdover rent.

23. LANDLORD'S LIEN AND SECURITY INTEREST: To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the Leased Premises or Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a copy of this lease as a financing statement.

24. ASSIGNMENT AND SUBLETTING: Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the Leased Premises without Landlord's written consent. An assignment of this lease or subletting of the Leased Premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the Leased Premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

25. SUBORDINATION: If requested by Landlord.

Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease shall remain unchanged.

26. ESTOPPEL CERTIFICATES: Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.

27. CASUALTY LOSS:

Tenant must immediately notify Landlord of any casualty loss in the Leased Premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Tenant will

notify Landlord if the Leased Premises can be substantially restored to be useable by Tenant, and if Tenant desires to do so; or if Tenant desires to terminate this lease in which case this lease will terminate. Otherwise, Tenant may restore the Leased Premises and complete the lease term.

28. CONDEMNATION: If after a condemnation or purchase in lieu of condemnation the Leased Premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the Leased Premises are partially unusable for the purposes of this lease, this lease will continue at the option of Tenant to be given within 10 days following a written request by Landlord. Any condemnation award or proceeds in lieu of condemnation are the property of landlord and Tenant has no claim to such proceeds or award.

29. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover prejudgment interest, reasonable attorney's fees, and all other costs of litigation from the nonprevailing party.

30. REPRESENTATIONS:

A. Tenant's statements in this lease are material representations relied upon by landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign the lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.

B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, except: the property is old, has not been maintained by Landlord and Landlord is not responsible for any aspect of the condition of the lease property. Landlord has no actual knowledge of lead-based paint or lead-based paint hazards or asbestos in the Leased Premises.

C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

31. NOTICES: All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Tenant at the Leased Premises,
and a copy to: Director of Facilities
Address: 12012 Park Thirty-Five Circle
Austin, Texas 78753
Phone: 512-743-5841

- ☐ Tenant also consents to receive notices by e-mail at: tims@gsctx.org

Landlord at: City of Fredericksburg
Address: 126 W. Main Street, Fredericksburg, Texas 78624
Phone: 830-997-7521
and a copy to: City Manager kmyers@fbgtx.org

32. SPECIAL PROVISIONS:

Tenant understands that Tenant is not entitled to any renewal of this lease and shall be prepared to vacate the Leased Premises in the event this lease is not renewed in writing.

33. AGREEMENT OF PARTIES:

A. Entire Agreement: This lease contains the entire agreement between landlord and Tenant and may not be changed except by written agreement.

B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.

C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, anyone or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.

D. Controlling law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.

E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.

F. Waiver: landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.

G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, landlord covenants that Tenant will enjoy possession and use of the Leased Premises free from material interference.

H. Force Majeure: If Landlord's or Tenant's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's or Tenant's control, the time for performance will be abated until after the delay.

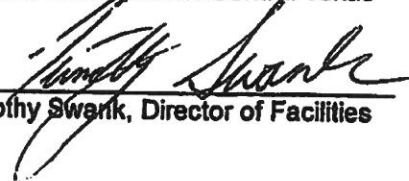
I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Dated: May 3, 2016.

Landlord: City of Fredericksburg

By: 
Kent Myers, City Manager

Tenant: Girl Scouts of Central Texas

By: 
Timothy Swank, Director of Facilities

FIRST AMENDMENT TO
COMMERCIAL LEASE AGREEMENT
for the
GIRL SCOUT CABIN

WHEREAS, the Girl Scouts of Central Texas ("Tenant") and the City of Fredericksburg, Texas ("Landlord") entered into a Commercial Lease Agreement commencing on May 3, 2016 (the "Lease Agreement"), related to the occupancy of the building located at 202 West Austin Street, Fredericksburg, Texas, commonly known as the Girl Scout Cabin (the "Leased Premises"); and

WHEREAS, the Landlord and Tenant desire to enter into this First Amendment to the Lease Agreement ("First Amendment"), to extend the term of occupancy and establish specific repair and maintenance obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual agreements set forth in the Lease Agreement and this First Amendment, and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. The Lease Agreement is hereby extended for one renewal term of twelve (12) months, said renewal term commencing on May 3, 2021, and ending on May 2, 2022. The renewal term shall be at the Base Rent rate of FOUR DOLLARS AND NO/100 (\$4.00) for the entire renewal term, due on or before June 1, 2021.

Tenant may optionally renew the Lease Agreement for one additional renewal term of twelve (12) months, by giving written notice to Landlord on or before March 1, 2022, notifying of Tenant's election to renew the Lease Agreement under this Paragraph. Said additional renewal term will commence on May 3, 2022, and end on May 2, 2023, at the Base Rent rate of FOUR DOLLARS AND NO/100 (\$4.00) for the entire renewal term, to be due on or before June 1, 2022.

2. In addition to the maintenance and repair obligations set forth in Section 15 of the Lease Agreement, the Parties agree to perform specific maintenance and repairs to the Leased Premises, as follows:

a. The Tenant, at Tenant's sole expense, shall:

- i. repair or replace all three (3) entry doors, repair or replace all known rot in door jamb areas surrounding the entry doors, and repair or replace all known rot surrounding windows, including an asbestos survey when required by law, on or before November 15, 2021; and
- ii. replace all damaged or missing light switch wall plates and outlet wall plates, on or before June 3, 2021.

b. The Landlord, at Landlord's sole expense, shall:

i. repair, modify, replace or relocate the outdoor accessibility ramp on the Leased Premises, on or before November 15, 2021, to establish a compliant route of entry and improve access to the Leased Premises by individuals with disabilities.

c. All exterior repairs or alterations to the Leased Premises shall be subject to issuance of a certificate of appropriateness from the City of Fredericksburg Historic Review Board, when required by City of Fredericksburg Code of Ordinances.

3. All terms referred to and not defined herein shall have the meaning ascribed to them under the Lease Agreement. This First Amendment shall become effective upon execution by both parties.
4. In the event of any inconsistency or conflict between the provisions of this First Amendment and those of the Lease Agreement, this First Amendment shall prevail. Except as specifically amended by this First Amendment, the Lease Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, each of the parties hereto has executed this First Amendment, or caused the same to be executed by its duly authorized representative.

Girl Scouts of Central Texas ("Tenant")

By: _____ Date: _____

Printed Name and Title: _____

City of Fredericksburg, Texas ("Landlord")

By: _____ Date: _____

Kent Myers, City Manager



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Kris Kneese, P.E. – Assistant Director of Public Works and Utilities

SUBJECT: Partial Release of Water Line Easement

Summary:

The water line easement was used to transmit water from the old Achtzen water well to the City limits. The old Achtzen well no longer exist and, therefore a portion of the water line easement can be released.

Recommendation:

City Staff recommends releasing the partial water line easement.

Background / Analysis:

Prior to the Boot Ranch development, the said water line easement was used to transmit water from the City's old Achtzen water well to the City. As part of the development, the developer relocated the water well. As a result, a portion of the water line easement, as shown in the attached, is no longer used and can be released.

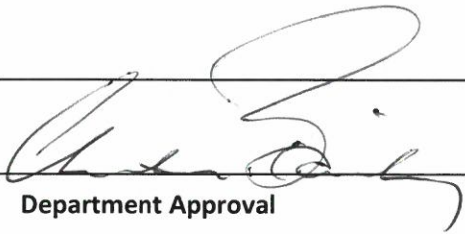
A portion of the old water transmission main, located in said easement, was repurposed to transmit reclaimed water to Boot Ranch. For this reason, City staff recommends a partial release of said easement and not a release of the whole easement.

Attachments:

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

Partial Release of Easement
Exhibit of Easement
Easement Field Notes



Department Approval

City Manager Approval

City Attorney Approval

The City of Fredericksburg

126 W. Main St. • Fredericksburg, Texas 78624-3708 • (830) 997-7521 • Fax (830) 997-1861

CITY OF FREDERICKSBURG

TO

THE PUBLIC

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PARTIAL RELEASE OF EASEMENT

This Partial Release of Easement (the “**Release**”), dated _____, 2021 is executed by the CITY OF FREDERICKSBURG (“**Holder**”).

RECITALS

WHEREAS, an easement interest was conveyed to Holder in that certain Easement Agreement executed by Fred Achtzehn, dated February 1, 196, recorded in Volume 84, Pages 634-635, Deed Records of Gillespie County, Texas, and as shown on the plat recorded in Volume 4, Pages 15-22, Plat Records of Gillespie County, Texas (“**Easement**”); and

WHEREAS, Holder is a current owner with legal right of access to the Easement.

NOW THEREFORE, Holder, for the mutual covenants and consideration otherwise acknowledged, abandons, terminates and releases all of Holder’s right, title and interest in and to the Easement.

But it is expressly agreed and understood that this is a PARTIAL RELEASE and that the same shall in no wise release, affect or impair said lien or liens against any other property except the property described on Exhibit “A”, attached hereto and incorporated herein for all purposes.

EXECUTED this the _____ day of _____, 2021.

CITY OF FREDERICKSBURG

By: _____

(Printed Name and Title)

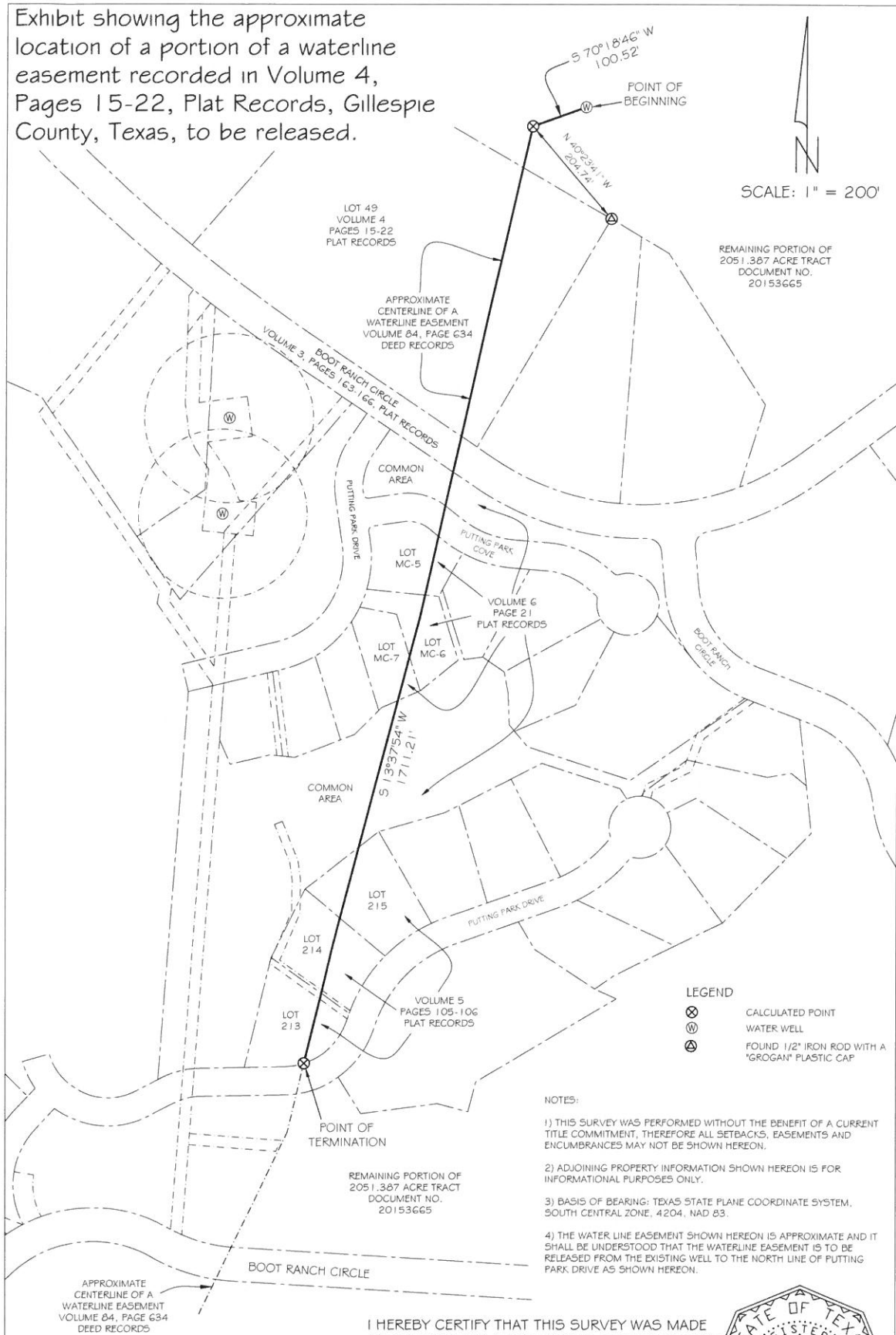
THE STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on this the _____ day of _____, 2021, by _____ of the CITY OF FREDERICKSBURG.

Notary Public in and for the
State of Texas

Exhibit showing the approximate location of a portion of a waterline easement recorded in Volume 4, Pages 15-22, Plat Records, Gillespie County, Texas, to be released.



PFEIFFER LAND SURVEYING
 918 ADLER STREET
 BOERNE, TX 78006
 830-249-3385
 FIRM NO. 10193761

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND AND THAT THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THIS SURVEY.

Wes Rexrode

Wes Rexrode - Pfeiffer Land Surveying
 Registered Professional Land Surveyor No. 6001
 Boerne, Texas 78006 Ph. 830 - 249 - 3385



JOB NUMBER: 94-15
 DATE: MARCH 1, 2021

PFEIFFER LAND SURVEYING

918 Adler Street, Boerne, Texas 78006
Phone: 830-249-3385

FIELD NOTES FOR A PORTION OF A WATERLINE EASEMENT TO BE RELEASED

Being the approximate location of a portion of a waterline easement recorded in Volume 84, Page 634, Plat Records, Gillespie County, Texas, to be released, the approximate centerline of said easement being more particularly described by the following courses and distances;

Beginning at a water well located in the remaining portion of a 2051.387 acre tract of land recorded in Document No. 20153665, Official Public Records, Gillespie County, Texas, said well located approximately North 40 degrees 23 minutes 41 seconds West, a distance of 204.74 feet from a ½" iron rod found with a yellow "Grogan" plastic cap at the northeast corner of Lot 49 in Boot Ranch Phase One Subdivision recorded in Volume 4, Pages 15-22, Plat Records, Gillespie County, Texas.

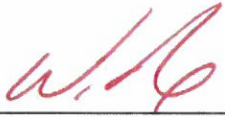
Thence, with the approximate centerline of the above referenced waterline easement, in part crossing through said 2051.287 acre tract, in part crossing through said Lot 49, Boot Ranch Circle in Boot Ranch Phase One Subdivision recorded in Volume 3, Pages 163-166, Plat Records, Gillespie County, Texas, in part crossing through two Common Areas, Putting Park Cove, Lot MC-5, Lot MC-6 and Lot MC-7, Boot Ranch Phase One Subdivision recorded in Volume 6, Page 21, Plat Records, Gillespie County, Texas and in part crossing through Lot 215, Lot 214 and Lot 213, Boot Ranch Phase One Subdivision recorded in Volume 5, Pages 105-106, Plat Records, Gillespie County, Texas, the following two (2) courses and distances:

South 70 degrees 18 minutes 46 seconds West, a distance of **100.52 feet** to a calculated point;

and **South 13 degrees 37 minutes 54 seconds West**, a distance of **1711.21 feet** to a calculated point in the north line of Putting Park Drive for the Point of Termination.

Note: The bearings are based on the Texas State Plane Coordinate System, Central Zone, 4203, NAD83. A drawing was prepared for this easement.





Wes Rexrode
Registered Professional Land Surveyor No. 6001
Job Number: 94-15 (Waterline Easement Release)



CITY COUNCIL MEMO

DATE: April 19, 2021

TO: Mayor and City Council

FROM: Laura Hollenbeak, Director of Finance

SUBJECT: Audited Financial Statements and Independent Auditors Report

Summary:

The accounting firm of ABIP, P. C. has performed an audit of the City's Annual Financial Statements for the fiscal year ended September 30, 2020. The financial statements are the responsibility of the City's administration. The auditor's responsibility is to express an opinion on the financial results presented based on their audit. At Monday's City Council meeting our auditing firm will present a summary report on our Annual Financial Statements for the period ending September 30, 2020.

Janet Pitman, CPA, will present an overview of the City's financials and answer questions regarding the audit and the financial statements. The presentation will be approximately ten minutes. If you have any questions after reviewing the audit report, please email your questions to me by Friday, April 16, at noon, so I can forward to Janet in time to research prior to Monday's meeting.

Recommendation:

It is recommended that the Financial Statements be accepted into the records of the City as presented. If the Council wishes to discuss the financial statements in greater detail, staff suggests that we do so as part of a Council Retreat, a separate workshop, or on a one-on-one basis.

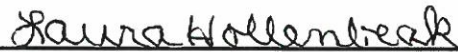
Background / Analysis:

The City of Fredericksburg

The City Charter requires an annual audit and examination of the City records and accounts of each department of the City. A complete audit in accordance with standards set by the American Institute of Certified Public Accountants shall be made at the end of each fiscal year by an Independent Certified Public Accountant approved by the City Council.

Attachments:

Annual Financial Report for the Fiscal Year Ended September 30, 2020



Department Approval



City Manager Approval

City Attorney Approval

The City of Fredericksburg



To the Honorable Mayor and
Members of the City Council
City of Fredericksburg, Texas

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fredericksburg, Texas, (the City) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 30, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include the net pension liability, deferred inflows and outflows related to the Texas Municipal Retirement System (TMRS), the other postemployment benefit (OPEB) liability and deferred inflows and outflows related to the Texas Municipal Retirement System – supplemental death benefit fund (TMRS SDBF), the allowances for uncollectible tax and warrant receivables, the accumulated depreciation, depreciation expense, and the related estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is the disclosure of the restatement of net position and restatement of fund balance in note 15 related to interest income being incorrectly reported in the prior year.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 19, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, budgetary comparison information, schedule of changes in TMRS and TESRS net pension liability and related ratios, schedule of changes in OPEB liability and related ratios and schedule of contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Comment

Compliance with Public Funds Investment Act

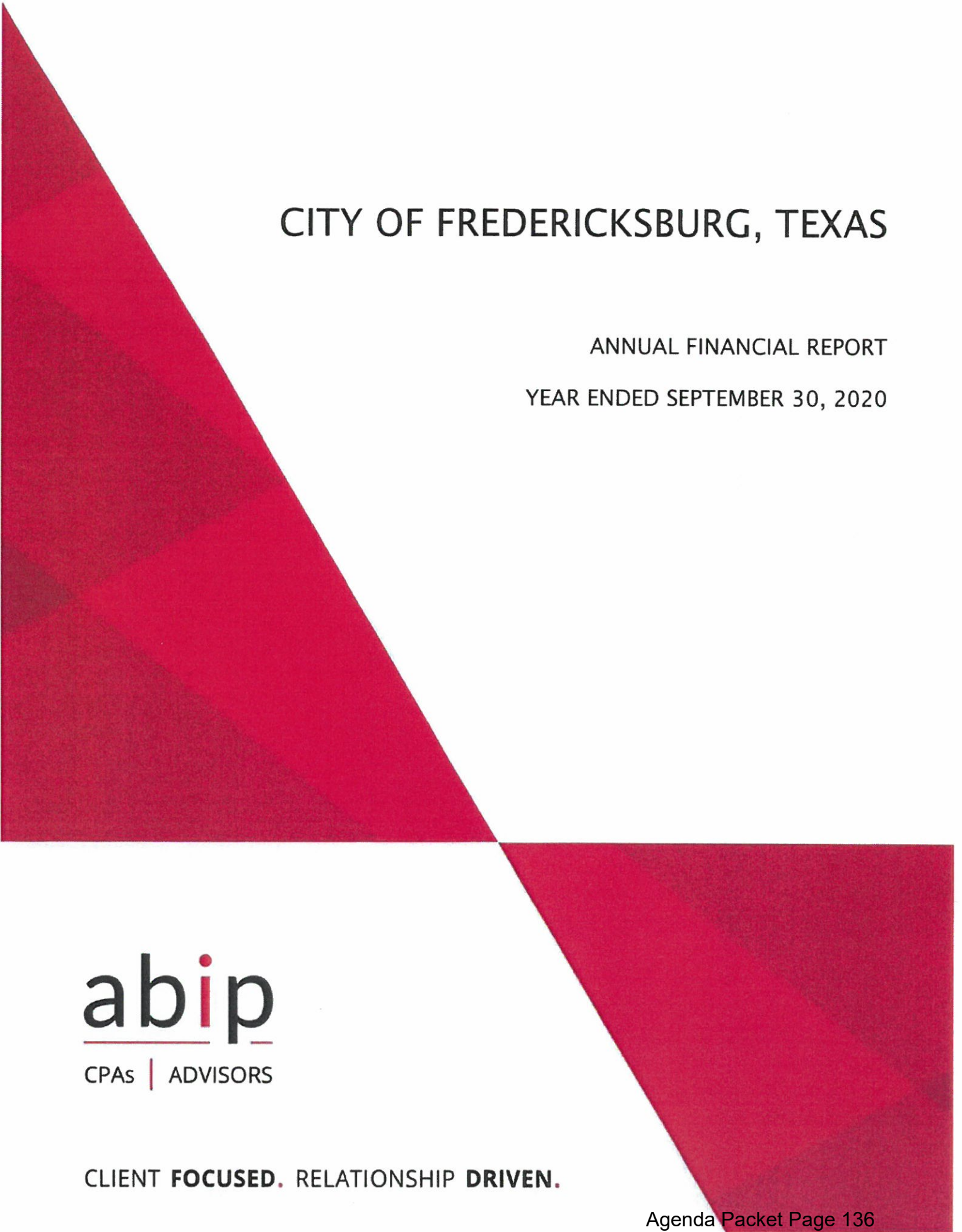
The Public Funds Investment Act (the Act) requires that we include, as part of our audit, procedures to determine if the City complied with the provisions of the Act. We found, as a result of our tests, that the City complied, in all material respects, with the provisions of the Act.

This information is intended solely for the information and use of the City Council and management of the City of Fredericksburg, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the City during the course of our audit.

ABIP, PC

San Antonio, Texas
April 19, 2021



CITY OF FREDERICKSBURG, TEXAS

ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2020



CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



CITY OF FREDERICKSBURG, TEXAS

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CITY OF FREDERICKSBURG, TEXAS

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FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Fredericksburg, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Fredericksburg, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Fredericksburg, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of changes in other postemployment benefits (OPEB) liability and related ratios, related schedules of contributions for net pensions and OPEB liabilities, schedule of TESRS net pension liability and related ratios, and schedule of contributions for the TESRS liability. be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

ABIP, PC

San Antonio, Texas
April 19, 2021

CITY OF FREDERICKSBURG, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

For the year ended September 30, 2020

As management of the City of Fredericksburg, Texas, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources of the City of Fredericksburg exceeded its liabilities and deferred inflows of resources as of September 30, 2020 by \$54,686,111 (net position). Of this amount, \$1,749,024 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- ❖ The City's total net position decreased by \$1,676,735.
- ❖ As of the close of the current fiscal year, the City of Fredericksburg's governmental funds reported combined fund balances of \$10,951,519 of which \$9,123,839 was unassigned and is available for spending at the City's discretion.
- ❖ As of September 30, 2020, unassigned fund balance for the general fund was \$9,123,839 or 52% of the current year's total general fund expenditures of \$17,451,701. The City's fund balance policy is to carry a 25% reserve of the general fund's expenditures. At the end of the fiscal year the City exceeded this policy by \$4,760,914.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to statements of a private-sector business.

The **statement of net position** presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned and unused compensation absences).

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government administration, public safety, streets, parks and recreation, and health services. The business-type activities of the City include electric, water, wastewater, storm water drainage, solid waste, emergency medical services (EMS), and golf operations. The government-wide financial statements can be found on pages 12-15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Fredericksburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

The **governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Beginning on page 16 of this report, information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the major fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget.

The **proprietary funds** provide the same type of information as the government-wide financial statements only in more detail. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses the enterprise funds to account for electric, water, wastewater, storm water drainage, solid waste, emergency medical services, and golf operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the employee health insurance program. The internal service function has been included within governmental activities in the government-wide financial statements. The internal service fund is reported in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 20-29 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios for TMRS and TESRS, schedule of contributions for TMRS and TESRS, changes in other postemployment benefit (OPEB) liability and related ratios, and schedule of contributions for OPEB. Required supplementary information can be found on pages 65-74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Fredericksburg, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54,686,111 as of September 30, 2020, compared to \$56,655,714 as of September 30, 2019.

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 12,722,581	\$ 9,876,641	\$ 29,165,102	\$ 32,819,383	\$ 41,887,683	\$ 42,696,024
Capital assets	23,401,267	23,527,984	43,996,765	37,001,813	67,398,032	60,529,797
Total assets	36,123,848	33,404,625	73,161,867	69,821,196	109,285,715	103,225,821
Deferred outflows of resources	1,105,218	2,056,768	840,164	1,557,527	1,945,382	3,614,295
Liabilities:						
Current liabilities	2,886,226	2,354,345	5,757,058	4,273,998	8,643,284	6,628,343
Net pension liability	5,905,743	4,743,004	4,450,663	3,525,735	10,356,406	8,268,739
OPEB liability	369,197	296,949	285,361	229,517	654,558	526,466
Noncurrent liabilities	7,301,581	7,339,087	28,043,291	27,157,077	35,344,872	34,496,164
Total liabilities	16,462,747	14,733,385	38,536,373	35,186,327	54,999,120	49,919,712
Deferred inflows of resources	875,100	149,392	670,766	115,298	1,545,866	264,690
Net position:						
Net investment in capital assets	16,022,784	16,091,082	17,570,990	12,352,544	33,593,774	28,443,626
Restricted for long-term debt	26,420	25,329	4,872,284	1,476,362	4,898,704	1,501,691
Restricted for capital projects	-	-	12,808,993	20,706,526	12,808,993	20,706,526
Restricted for other	1,635,616	1,069,643	-	-	1,635,616	1,069,643
Unrestricted	2,206,399	3,392,562	(457,375)	1,541,666	1,749,024	4,934,228
Total net position	\$ 19,891,219	\$ 20,578,616	\$ 34,794,892	\$ 36,077,098	\$ 54,686,111	\$ 56,655,714

By far, the largest portion of the City's net position (61%) reflects its investments in capital assets (land, buildings, equipment, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position \$1,749,024 may be used to meet the government's ongoing obligation to citizens and creditors.

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2020. Governmental activities decreased the City's net position by \$570,250. Business-type activities decreased the City's net position by \$1,106,485.

STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,200,681	\$ 1,372,469	\$ 24,724,629	\$ 24,257,203	\$ 25,925,310	\$ 25,629,672
Operating grants and contributions	2,073,990	1,297,735	-	-	2,073,990	1,297,735
General revenues:						
Property taxes	4,949,935	4,411,137	-	-	4,949,935	4,411,137
Sales taxes	6,344,922	6,235,189	-	-	6,344,922	6,235,189
Hotel occupancy taxes	3,378,715	3,480,389	-	-	3,378,715	3,480,389
Other taxes	746,642	806,556	-	-	746,642	806,556
Miscellaneous	338,419	275,574	-	63,315	338,419	338,889
Investment earnings	42,387	303,597	181,669	746,757	224,056	1,050,354
Total revenues	<u>19,075,691</u>	<u>18,182,646</u>	<u>24,906,298</u>	<u>25,067,275</u>	<u>43,981,989</u>	<u>43,249,921</u>
Expenses:						
Administration	2,413,625	1,736,145	-	-	2,413,625	1,736,145
Police	6,333,764	5,660,186	-	-	6,333,764	5,660,186
Fire	1,633,396	1,485,324	-	-	1,633,396	1,485,324
Streets	2,510,689	2,722,943	-	-	2,510,689	2,722,943
Parks and recreation	2,589,366	2,327,768	-	-	2,589,366	2,327,768
Tourism	2,860,967	3,291,447	-	-	2,860,967	3,291,447
Health	295,094	241,116	-	-	295,094	241,116
Food and wine festival	141,246	170,779	-	-	141,246	170,779
Emergency management	168,605	173,865	-	-	168,605	173,865
Development services	1,119,510	843,027	-	-	1,119,510	843,027
Municipal court	218,780	239,086	-	-	218,780	239,086
Engineering	303,232	278,908	-	-	303,232	278,908
Electric	-	-	10,537,984	11,228,216	10,537,984	11,228,216
Water and sewer	-	-	6,977,517	6,356,726	6,977,517	6,356,726
Golf	-	-	211,335	203,143	211,335	203,143
Landfill	-	-	3,182,171	2,880,336	3,182,171	2,880,336
EMS	-	-	3,247,338	2,826,973	3,247,338	2,826,973
Drainage utilities	-	-	567,324	393,858	567,324	393,858
Total expenses	<u>20,588,274</u>	<u>19,170,594</u>	<u>24,723,669</u>	<u>23,889,252</u>	<u>45,311,943</u>	<u>43,059,846</u>
Increase (decrease) in net position before transfers	(1,512,583)	(987,948)	182,629	1,178,023	(1,329,954)	190,075
Gain on retirement of assets	20,460	17,013	(367,241)	257,683	(346,781)	274,696
Transfers	<u>921,873</u>	<u>804,377</u>	<u>(921,873)</u>	<u>(804,377)</u>	<u>-</u>	<u>-</u>
Change in net position	(570,250)	(166,558)	(1,106,485)	631,329	(1,676,735)	464,771
Net position:						
Net position - beginning	20,578,616	20,745,174	36,077,098	35,445,769	56,655,714	56,190,943
Prior period adjustment	<u>(117,147)</u>	<u>-</u>	<u>(175,721)</u>	<u>-</u>	<u>(292,868)</u>	<u>-</u>
Net position - ending	<u>\$ 19,891,219</u>	<u>\$ 20,578,616</u>	<u>\$ 34,794,892</u>	<u>\$ 36,077,098</u>	<u>\$ 54,686,111</u>	<u>\$ 56,655,714</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

As a whole, the government's net position decreased by \$1,676,735 during the current fiscal year.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$10,951,519. Refer to page 16 of this report for a more detailed presentation of governmental fund balances.

The general fund is the primary operating fund of the City. The total fund balance of the general fund was \$10,759,455 of which \$9,123,839 is unassigned. Unassigned fund balance is the amount available for any purpose.

The fund balance of the City's general fund increased by \$2,777,193 during the current fiscal year. The budget estimated a net change in fund balance of \$(48,248), a positive variance of \$2,825,441.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the City's enterprise funds at the end of the year amounted to \$(457,375). Net position of the City's enterprise funds decreased by \$1,106,485 in the current year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$67,398,032 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities and infrastructure.

Major capital asset acquisitions occurring during the current fiscal year included the following:

Fire department machine and equipment	\$ 828,447
Computer network switches	71,777
Police vehicles	196,608
Animal shelter construction	25,218
Street department equipment	186,405
Street improvements / sidewalks	84,654
Tourism projects	51,710
Park improvements	244,467
Drainage department machine and equipment	362,290
Electric machine and equipment	35,000
Electric system improvements	2,028,484
Water department machinery/ equipment	379,685
Water / wastewater system improvements	6,439,893
Solid waste department design and airspace survey	867,633
Solid waste department machinery /equipment	247,855
EMS department machinery / equipment	351,270
Totals	<u>\$ 12,401,396</u>

Additional information on the City's capital assets can be found on pages 43-45 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total outstanding bonded debt of \$29,765,000. The entire amount of debt is backed in full faith and credit of the City.

The City carries bond ratings from Standards and Poor's of AA and from Moody's Investors Service of Aa3.

Additional information on the City's long-term liabilities can be found on pages 48-50 of this report.

PROPERTY TAXES

General Fund Property Tax Rate

In the budget for fiscal year-end September 30, 2020, the adopted property tax rate increased to \$.2273 from the prior year per \$100 of assessed valuation.

Tax Rate, Levy and Collection History

Fiscal Year Ended September 30,	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	Percentage of Current Collections	Percentage of Collections
2020	0.2273	0.1898	0.0375	\$ 4,913,299	93.32%	98.99%
2019	0.2256	0.1880	0.0376	4,422,710	92.29%	99.36%
2018	0.2256	0.1627	0.0629	4,255,938	93.94%	99.20%
2017	0.2400	0.2025	0.0375	3,893,409	92.87%	99.71%
2016	0.2313	0.1761	0.0552	3,545,858	92.65%	99.79%
2015	0.2482	0.1992	0.0490	3,495,943	93.40%	99.85%
2014	0.2600	0.1879	0.0721	3,439,885	92.52%	99.87%
2013	0.2647	0.1940	0.0707	3,420,570	92.03%	99.87%
2012	0.2444	0.1917	0.0527	3,172,700	92.20%	99.85%
2011	0.2365	0.1794	0.0571	3,059,441	91.92%	99.87%
2010	0.2319	0.1413	0.0906	3,040,062	90.48%	99.87%

CITY OF FREDERICKSBURG, TEXAS

BUDGET COMPARISON

For the years ended 2020 and 2019

	<u>Budget Year</u>		<u>Increase</u>	<u>Increase</u>
	<u>2020-2021</u>	<u>2019-2020</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Revenues:				
General fund	\$ 18,551,681	\$ 19,248,693	\$ (697,012)	-3.62%
Electric	11,251,711	12,077,700	(825,989)	-6.84%
Water and sewer	8,389,541	7,842,760	546,781	6.97%
Golf	139,614	133,334	6,280	4.71%
Landfill	2,753,521	2,725,700	27,821	1.02%
EMS	2,906,717	2,986,926	(80,209)	-2.69%
Drainage	619,900	612,000	7,900	1.29%
Emergency management	209,438	209,438	-	0.00%
Debt service	819,215	818,000	1,215	0.15%
Internal service fund	<u>2,014,297</u>	<u>1,962,965</u>	<u>51,332</u>	<u>2.62%</u>
Total revenues	<u>47,655,635</u>	<u>48,617,516</u>	<u>(961,881)</u>	<u>-1.98%</u>
Expenditures:				
General fund:				
Administrative	6,232,668	6,325,118	(92,450)	-1.46%
Police	5,640,275	5,409,724	230,551	4.26%
Fire	1,626,821	1,650,538	(23,717)	-1.44%
Street	2,196,755	2,395,469	(198,714)	-8.30%
Park	2,233,508	2,547,377	(313,869)	-12.32%
Development services	888,804	809,405	79,399	9.81%
Health	231,189	229,079	2,110	0.92%
Municipal court	191,145	191,298	(153)	-0.08%
Engineering	252,830	265,796	(12,966)	-4.88%
Food and wine festival	<u>76,360</u>	<u>169,400</u>	<u>(93,040)</u>	<u>-54.92%</u>
Total general fund expenditures	<u>19,570,355</u>	<u>19,993,204</u>	<u>(422,849)</u>	<u>-2.11%</u>
Electric	12,300,153	12,563,123	(262,970)	-2.09%
Water and sewer	22,226,507	27,404,273	(5,177,766)	-18.89%
Golf	139,614	133,334	6,280	4.71%
Landfill	2,818,462	3,790,261	(971,799)	-25.64%
EMS	2,906,717	2,986,926	(80,209)	-2.69%
Drainage	642,359	534,981	107,378	20.07%
Emergency management	209,438	209,438	-	0.00%
Debt service	812,841	810,800	2,041	0.25%
Internal service fund	<u>1,975,200</u>	<u>1,927,712</u>	<u>47,488</u>	<u>2.46%</u>
Total expenditures	<u>63,601,646</u>	<u>70,354,052</u>	<u>(6,752,406)</u>	<u>-9.60%</u>
 Budgeted revenues in excess (deficiency) of expenditures	 <u>\$ (15,946,011)</u>	 <u>\$ (21,736,536)</u>	 <u>\$ 5,790,525</u>	

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Laura Hollenbeak, Director of Finance, 126 West Main, Fredericksburg, Texas 78264 or call (830) 997-7521.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Government Accounting Standards Board (GASB).

The sets of statements include:

- Government–Wide Financial Statements
- Fund Financial Statements:
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF FREDERICKSBURG, TEXAS

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Busines-Type Activities	Total	Fredericksburg Convention and Visitor Bureau
Assets:				
Cash and cash equivalents	\$ 8,722,759	\$ 25,297,748	\$ 34,020,507	\$ 1,016,789
Investments - current	700,000	650,000	1,350,000	-
Tax receivables (net of allowances for uncollectibles):	1,252,999	-	1,252,999	-
Internal balances	221,149	(221,149)	-	-
Intergovernmental receivable	1,825,674	48,951	1,874,625	-
Due from others	-	2,410,942	2,410,942	-
Inventories	-	978,610	978,610	-
Prepaid expenses	-	-	-	1,606
Property and equipment (net of depreciation):				
Land	7,583,656	1,126,948	8,710,604	-
Buildings	4,225,762	3,293,228	7,518,990	-
Improvements	9,422,870	9,647,119	19,069,989	4,793
Machinery and equipment	2,168,979	29,929,470	32,098,449	74,042
Total assets	36,123,848	73,161,867	109,285,715	1,097,230
Deferred outflows of resources:				
Deferred outflow related to TMRS pension	1,014,207	783,900	1,798,107	-
Deferred outflow related to TESRS pension	18,220	-	18,220	-
Deferred outflow related to TMRS OPEB	72,791	56,264	129,055	-
Total deferred outflows of resources	1,105,218	840,164	1,945,382	-
Total assets and deferred outflows of resources	\$ 37,229,066	\$ 74,002,031	\$ 111,231,097	\$ 1,097,230

The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government			Component Unit
	Governmental	Busines-Type		Fredericksburg
	Activities	Activities	Total	Convention and Visitor Bureau
Liabilities and net position:				
Liabilities:				
Accounts payable	\$ 905,637	\$ 2,104,859	\$ 3,010,496	\$ 27,964
Accrued payroll	351,749	320,987	672,736	39,564
Intergovernmental payable	138,356	64,213	202,569	-
Accrued interest payable	37,276	143,742	181,018	-
Unearned revenues	297,175	-	297,175	-
Other current liabilities	-	730,104	730,104	-
Net pension liability - TMRS	5,758,259	4,450,663	10,208,922	-
Net pension liability - TESRS	147,484	-	147,484	-
OPEB liability - TMRS	369,197	285,361	654,558	-
Noncurrent liabilities:				
Due within one year	1,156,033	2,393,153	3,549,186	-
Due in more than one year	7,301,581	28,043,291	35,344,872	-
Total liabilities	<u>16,462,747</u>	<u>38,536,373</u>	<u>54,999,120</u>	<u>67,528</u>
Deferred inflows of resources:				
Deferred inflow related to TMRS pension	841,245	650,215	1,491,460	-
Deferred inflow related to TESRS	7,265	-	7,265	-
Deferred inflow related to TMRS OPEB	26,590	20,551	47,141	-
Total deferred inflows of resources	<u>875,100</u>	<u>670,766</u>	<u>1,545,866</u>	<u>-</u>
Net position:				
Net investment in capital assets	16,022,784	17,570,990	33,593,774	-
Restricted for:				
Long-term debt	26,420	4,872,284	4,898,704	-
Capital projects	-	12,808,993	12,808,993	-
Tourism	1,618,673	-	1,618,673	-
Court technology	16,943	-	16,943	-
Unrestricted	<u>2,206,399</u>	<u>(457,375)</u>	<u>1,749,024</u>	<u>1,029,702</u>
Total net position	<u>19,891,219</u>	<u>34,794,892</u>	<u>54,686,111</u>	<u>1,029,702</u>
Total liabilities, deferred inflows of resources and net position				
	<u>\$ 37,229,066</u>	<u>\$ 74,002,031</u>	<u>\$ 111,231,097</u>	<u>\$ 1,097,230</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS

STATEMENT OF ACTIVITIES

For the year ended September 30, 2020

Functions / Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Municipal court	\$ 218,780	\$ -	\$ -
Administration	2,413,625	13,031	-
Tourism	2,860,967	-	27,450
Engineering	303,232	-	-
Police	6,333,764	97,731	722,584
Fire	1,633,396	-	622,884
Emergency management	168,605	-	137,646
Streets	2,510,689	-	-
Parks	2,589,366	625,094	501,996
Health	295,094	107,897	55,130
Food and wine festival	141,246	124,764	6,300
Development services	1,119,510	232,164	-
Total government activities	<u>20,588,274</u>	<u>1,200,681</u>	<u>2,073,990</u>
Business-type activities:			
Electric	10,537,984	10,693,368	-
Water	6,977,517	8,662,424	-
Golf	211,335	523	-
Landfill	3,182,171	2,790,874	-
EMS	3,247,338	1,963,681	-
Drainage	567,324	613,759	-
Total business-type activities	<u>24,723,669</u>	<u>24,724,629</u>	<u>-</u>
Total primary government	<u>\$ 45,311,943</u>	<u>\$ 25,925,310</u>	<u>\$ 2,073,990</u>
Component unit:			
Fredericksburg Convention and Visitor Bureau	<u>\$ 2,532,847</u>		

General revenues:
Taxes:
Property taxes
Sales tax
Hotel occupancy tax
Other taxes
Miscellaneous revenue
Investment earnings
Transfers in (out)
Gain on retirement of capital assets
Total general revenues
Change in net position
Net position - beginning of year
Prior period adjustment
Net position - beginning, as restated
Net position - end of year

The accompanying notes are an integral part of these financial statements.

Changes in Net Position			Component Unit Fredericksburg Convention and Visitor Bureau
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (218,780)	\$ -	\$ (218,780)	
(2,400,594)	-	(2,400,594)	
(2,833,517)	-	(2,833,517)	
(303,232)	-	(303,232)	
(5,513,449)	-	(5,513,449)	
(1,010,512)	-	(1,010,512)	
(30,959)	-	(30,959)	
(2,510,689)	-	(2,510,689)	
(1,462,276)	-	(1,462,276)	
(132,067)	-	(132,067)	
(10,182)	-	(10,182)	
(887,346)	-	(887,346)	
<u>(17,313,603)</u>	<u>-</u>	<u>(17,313,603)</u>	
-	155,384	155,384	
-	1,684,907	1,684,907	
-	(210,812)	(210,812)	
-	(391,297)	(391,297)	
-	(1,283,657)	(1,283,657)	
-	46,435	46,435	
-	960	960	
<u>(17,313,603)</u>	<u>960</u>	<u>(17,312,643)</u>	
			<u>\$ (2,532,847)</u>
4,949,935	-	4,949,935	-
6,344,922	-	6,344,922	-
3,378,715	-	3,378,715	-
746,642	-	746,642	-
338,419	-	338,419	2,497,539
42,387	181,669	224,056	-
921,873	(921,873)	-	-
<u>20,460</u>	<u>(367,241)</u>	<u>(346,781)</u>	<u>-</u>
<u>16,743,353</u>	<u>(1,107,445)</u>	<u>15,420,214</u>	<u>2,497,539</u>
(570,250)	(1,106,485)	(1,676,735)	(35,308)
<u>20,578,616</u>	<u>36,077,098</u>	<u>56,655,714</u>	<u>1,065,010</u>
<u>(117,147)</u>	<u>(175,721)</u>	<u>(292,868)</u>	<u>-</u>
<u>20,461,469</u>	<u>35,901,377</u>	<u>56,362,846</u>	<u>1,065,010</u>
\$ 19,891,219	\$ 34,794,892	\$ 54,686,111	\$ 1,029,702

CITY OF FREDERICKSBURG, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2020

	Major Funds	Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	
Assets:				
Cash and cash equivalents	\$ 8,291,951	\$ 163,144	\$ 51,167	\$ 8,506,262
Investments	700,000	-	-	700,000
Taxes receivable (net of allowances for uncollectibles)	1,162,743	-	-	1,162,743
Receivable (net of allowances)	90,256	-	-	90,256
Intergovernmental receivables	1,820,929	-	-	1,820,929
Due from other funds	247,929	2,500	4,274	254,703
Total assets	\$ 12,313,808	\$ 165,644	\$ 55,441	\$ 12,534,893
Liabilities:				
Accounts payable	\$ 636,387	\$ -	\$ -	\$ 636,387
Wages and salaries payable	351,749	-	-	351,749
Compensated absences	11,323	-	-	11,323
Intergovernmental payable	138,356	-	-	138,356
Due to other funds	4,533	-	29,021	33,554
Deferred revenues	297,175	-	-	297,175
Total liabilities	1,439,523	-	29,021	1,468,544
Deferred inflows of resources:				
Unearned revenue - property taxes	114,830	-	-	114,830
Fund balances:				
Reserved for:				
Debt service	-	-	26,420	26,420
Capital improvements	-	165,644	-	165,644
Court technology	16,943	-	-	16,943
Tourism	1,618,673	-	-	1,618,673
Unassigned	9,123,839	-	-	9,123,839
Total fund balances	10,759,455	165,644	26,420	10,951,519
Total liabilities, deferred inflows of resources and fund balances	\$ 12,313,808	\$ 165,644	\$ 55,441	\$ 12,534,893

The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2020

TOTAL FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 10,951,519
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Amounts reported for governmental activities in the statement of net position are different because:

The City uses an internal service fund for health self insurance. The assets and liabilities are included in the governmental activities.	(48,008)
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,401,267
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	114,830
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Accrued vacation leave payable is not due and payable in the current period and, therefore not reported in the funds.	(902,134)
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Long-term liabilities, which includes certificates of obligation bonds, general obligation bonds, premiums and capital lease payable, are not due and payable in the current period and, therefore, not reported in the funds.	(7,544,127)
--	-------------

Net pension liability, other postemployment benefit liability, and related deferred inflows and outflows of resources are not due and payable in the current period and, therefore, not reported in the funds.	(6,044,852)
--	-------------

Accrued interest payable on general obligation bonds are not due and payable in the current period and, therefore, not reported in the funds.	<u>(37,276)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	<u>\$ 19,891,219</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

For the year ended September 30, 2020

	Major Funds	Nonmajor Funds		Total Governmental Funds
	General Fund	Capital Projects Fund	Debt Service Fund	
Revenues:				
General property taxes	\$ 4,122,016	\$ -	\$ 811,614	\$ 4,933,630
General sales and use taxes	6,344,922	-	-	6,344,922
Hotel occupancy taxes	3,378,715	-	-	3,378,715
Other taxes	410,154	-	-	410,154
Franchise fees	336,488	-	-	336,488
License and permits	232,164	-	-	232,164
Fines	97,731	-	-	97,731
Pavilion and camping fees	450,377	-	-	450,377
Rentals	107,611	-	-	107,611
Intergovernmental revenue	678,014	-	-	678,014
Grants	722,584	-	-	722,584
Investment earnings	39,080	136	121	39,337
Other revenues	<u>1,324,609</u>	<u>-</u>	<u>-</u>	<u>1,324,609</u>
Total revenues	<u>18,244,465</u>	<u>136</u>	<u>811,735</u>	<u>19,056,336</u>
Expenditures:				
Current:				
Municipal court	172,712	-	-	172,712
Administration	1,527,773	-	-	1,527,773
Tourism	2,812,742	-	-	2,812,742
Police	4,711,516	-	-	4,711,516
Fire	1,251,287	-	-	1,251,287
Emergency management	166,360	-	-	166,360
Streets	1,357,427	-	-	1,357,427
Parks and recreation	1,839,639	-	-	1,839,639
Health	219,175	-	-	219,175
Food and wine festival	141,246	-	-	141,246
Development services	895,963	-	-	895,963
Engineering	219,232	-	-	219,232
Debt service:				
Principal	467,506	-	625,000	1,092,506
Interest	7,824	-	185,644	193,468
Capital outlay	<u>1,661,299</u>	<u>-</u>	<u>-</u>	<u>1,661,299</u>
Total expenditures	<u>17,451,701</u>	<u>-</u>	<u>810,644</u>	<u>18,262,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>792,764</u>	<u>136</u>	<u>1,091</u>	<u>793,991</u>
Other financing sources (uses):				
Sale of real and personal property	20,460	-	-	20,460
Transfers in	1,829,700	-	-	1,829,700
Transfers out	(907,827)	-	-	(907,827)
Capital leases	<u>1,042,096</u>	<u>-</u>	<u>-</u>	<u>1,042,096</u>
Total other financing sources (uses)	<u>1,984,429</u>	<u>-</u>	<u>-</u>	<u>1,984,429</u>
Net change in fund balances	2,777,193	136	1,091	2,778,420
Fund balances at beginning of year	<u>8,099,409</u>	<u>165,508</u>	<u>25,329</u>	<u>8,290,246</u>
Prior period adjustment	<u>(117,147)</u>	<u>-</u>	<u>-</u>	<u>(117,147)</u>
Fund balance- beginning, as restated	<u>7,982,262</u>	<u>-</u>	<u>-</u>	<u>8,173,099</u>
Fund balances at end of year	<u>\$ 10,759,455</u>	<u>\$ 165,644</u>	<u>\$ 26,420</u>	<u>\$ 10,951,519</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2020

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 2,778,420

Amounts reported for governmental activities in the statement of activities are different because:

The City uses an internal service fund to charge the cost of health insurance. The net income (loss) of this fund is consolidated into governmental activities. (366,980)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$1,788,016) exceeded capital outlay (\$1,661,299). (126,717)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 16,305

The repayment and issuance of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net position. 87,397

The amortization of bond premium and losses on refunding do not require the use of current financial resources, and therefore, are not reported in the funds. 7,873

Change in net pension liability, other postemployment benefits liability, and related deferred inflows and outflows do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (2,912,245)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (54,303)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (570,250)

The accompanying notes are an integral part of these financial statements.

CITY OF FREDERICKSBURG, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Golf</u>
Current assets:			
Cash and cash equivalents	\$ 3,153,469	\$ 19,519,082	\$ 119,950
Investments	-	400,000	-
Due from other funds	680,676	-	-
Intergovernmental receivable	3,753	3,753	163
Accounts receivable (net of allowance)	992,171	760,018	4,412
Inventory	<u>699,328</u>	<u>279,282</u>	<u>-</u>
Total current assets	<u>5,529,397</u>	<u>20,962,135</u>	<u>124,525</u>
Noncurrent assets:			
Property and equipment:			
Land	89,475	522,525	305,399
Buildings	3,984,794	2,795,738	1,753,473
Improvements	-	-	3,206,010
Machinery and equipment	9,644,026	47,607,944	525,909
Less: accumulated depreciation	<u>(9,864,619)</u>	<u>(17,764,832)</u>	<u>(3,047,319)</u>
Total noncurrent assets	<u>3,853,676</u>	<u>33,161,375</u>	<u>2,743,472</u>
Deferred outflow of resources:			
Deferred outflow - TMRS pension	171,334	240,684	2,616
Deferred outflow - OPEB	<u>12,297</u>	<u>17,275</u>	<u>188</u>
Total deferred outflow of resources	<u>183,631</u>	<u>257,959</u>	<u>2,804</u>
 Total assets and deferred outflow of resources	 <u>\$ 9,566,704</u>	 <u>\$ 54,381,469</u>	 <u>\$ 2,870,801</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Landfill	EMS	Drainage	Enterprise Fund Total	Internal Service Fund
\$ 1,912,804	\$ 83,990	\$ 508,453	\$ 25,297,748	\$ 216,497
250,000	-	-	650,000	-
680,676	-	259	1,361,611	-
-	41,282	-	48,951	4,745
234,345	367,455	52,541	2,410,942	-
-	-	-	978,610	-
<u>3,077,825</u>	<u>492,727</u>	<u>561,253</u>	<u>30,747,862</u>	<u>221,242</u>
209,549	-	-	1,126,948	-
107,770	368,666	-	9,010,441	-
6,164,572	32,759	5,187,959	14,591,300	-
4,005,496	1,593,372	492,287	63,869,034	-
<u>(8,433,959)</u>	<u>(1,286,496)</u>	<u>(4,203,734)</u>	<u>(44,600,959)</u>	<u>-</u>
<u>2,053,428</u>	<u>708,301</u>	<u>1,476,512</u>	<u>43,996,764</u>	<u>-</u>
171,295	194,340	3,631	783,900	-
<u>12,295</u>	<u>13,949</u>	<u>260</u>	<u>56,264</u>	<u>-</u>
<u>183,590</u>	<u>208,289</u>	<u>3,891</u>	<u>840,164</u>	<u>-</u>
<u>\$ 5,314,843</u>	<u>\$ 1,409,317</u>	<u>\$ 2,041,656</u>	<u>\$ 75,584,790</u>	<u>\$ 221,242</u>

CITY OF FREDERICKSBURG, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS

September 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Golf</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 1,010,736	\$ 1,051,443	\$ 137
Accrued payroll	71,017	97,959	850
Intergovernmental payable	32,785	-	-
Accrued interest payable	4,600	128,802	-
Due to other funds	73,400	63,300	1,361,352
Other current liabilities	457,379	252,625	-
Capital leases payable	7,531	647,952	-
Bonds payable - current maturity:			
Revenue bonds	<u>265,000</u>	<u>850,000</u>	<u>-</u>
Total current liabilities	<u>1,922,448</u>	<u>3,092,081</u>	<u>1,362,339</u>
Noncurrent liabilities:			
Bonds payable:			
Revenue bonds	1,755,000	20,440,000	-
Capital leases payable	2,868	958,836	-
Net pension liability - TMRS	972,765	1,366,503	14,853
OPEB liability	62,371	87,615	952
Unamortized premiums on bonds	-	826,359	-
Compensated absences	175,362	220,740	3,967
Closure and post-closure liability	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>2,968,366</u>	<u>23,900,053</u>	<u>19,772</u>
Total liabilities	<u>4,890,814</u>	<u>26,992,134</u>	<u>1,382,111</u>
Deferred inflows of resources:			
Deferred inflow - TMRS pension	142,115	199,637	2,170
Deferred inflow - OPEB	<u>4,492</u>	<u>6,310</u>	<u>68</u>
Total deferred inflow of resources	<u>146,607</u>	<u>205,947</u>	<u>2,238</u>
Net position:			
Net investment in capital assets	1,823,277	9,438,228	2,743,472
Restricted for long-term debt	153,974	4,718,310	-
Restricted for capital projects	622,331	12,123,617	-
Unrestricted	<u>1,929,701</u>	<u>903,233</u>	<u>(1,257,020)</u>
Total net position	<u>4,529,283</u>	<u>27,183,388</u>	<u>1,486,452</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,566,704</u>	<u>\$ 54,381,469</u>	<u>\$ 2,870,801</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Landfill	EMS	Drainage	Enterprise Fund Total	Internal Service Fund
\$ 13,637	\$ 27,495	\$ 1,411	\$ 2,104,859	\$ 269,250
64,757	79,993	6,411	320,987	-
6,580	24,848	-	64,213	-
5,462	2,522	2,356	143,742	-
18,600	66,108	-	1,582,760	-
20,100	-	-	730,104	-
216,969	96,961	89,522	1,058,935	-
-	-	-	1,115,000	-
<u>346,105</u>	<u>297,927</u>	<u>99,700</u>	<u>7,120,600</u>	<u>269,250</u>
-	-	-	22,195,000	-
81,497	96,423	90,856	1,230,480	-
972,544	1,103,384	20,614	4,450,663	-
62,356	70,745	1,322	285,361	-
-	-	-	826,359	-
132,961	153,966	6,241	693,237	-
<u>3,317,432</u>	<u>-</u>	<u>-</u>	<u>3,317,432</u>	<u>-</u>
<u>4,566,790</u>	<u>1,424,518</u>	<u>119,033</u>	<u>32,998,532</u>	<u>-</u>
<u>4,912,895</u>	<u>1,722,445</u>	<u>218,733</u>	<u>40,119,132</u>	<u>269,250</u>
142,083	161,198	3,012	650,215	-
<u>4,491</u>	<u>5,095</u>	<u>95</u>	<u>20,551</u>	<u>-</u>
<u>146,574</u>	<u>166,293</u>	<u>3,107</u>	<u>670,766</u>	<u>-</u>
1,754,962	514,917	1,296,134	17,570,990	-
-	-	-	4,872,284	-
63,045	-	-	12,808,993	-
<u>(1,562,633)</u>	<u>(994,338)</u>	<u>523,682</u>	<u>(457,375)</u>	<u>(48,008)</u>
<u>255,374</u>	<u>(479,421)</u>	<u>1,819,816</u>	<u>34,794,892</u>	<u>(48,008)</u>
<u>\$ 5,314,843</u>	<u>\$ 1,409,317</u>	<u>\$ 2,041,656</u>	<u>\$ 75,584,790</u>	<u>\$ 221,242</u>

CITY OF FREDERICKSBURG, TEXAS

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS**

For the year ended September 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Golf</u>
Operating revenues:			
Electric sales	\$ 10,477,108	\$ -	\$ -
Water sales	-	4,534,519	-
Sewer sales	-	3,366,458	-
Garbage collection and tipping fees	-	-	-
EMS fees	-	-	-
Drainage utilities	-	-	-
Licenses and permits	20,082	25,607	-
Rents and royalties	29,537	1,460	-
Other revenue	<u>166,641</u>	<u>734,380</u>	<u>523</u>
Total operating revenues	<u>10,693,368</u>	<u>8,662,424</u>	<u>523</u>
Operating expenses:			
Salaries and wages	1,085,948	1,398,995	15,320
Employee benefits	889,564	1,270,140	12,561
Contracted services	84,058	47,092	-
Other operating expenses	8,077,011	1,652,524	7,055
Depreciation	<u>331,901</u>	<u>1,658,401</u>	<u>162,277</u>
Total operating expenses	<u>10,468,482</u>	<u>6,027,152</u>	<u>197,213</u>
Operating income (loss)	<u>224,886</u>	<u>2,635,272</u>	<u>(196,690)</u>
Nonoperating revenues (expenses):			
Investment income	14,108	148,962	5
Interest expense	(24,672)	(872,805)	(14,122)
Amortization of bond premium	-	(657)	-
Bond issuance cost	(44,830)	(76,903)	-
Transfers to other funds	(863,800)	(737,000)	-
Transfers from other funds	-	-	133,334
Gain (loss) on sale of fixed assets	<u>-</u>	<u>(367,241)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(919,194)</u>	<u>(1,905,644)</u>	<u>119,217</u>
Changes in net position	(694,308)	729,628	(77,473)
Total net position - beginning	<u>5,282,165</u>	<u>26,570,907</u>	<u>1,563,925</u>
Prior period adjustment	<u>(58,574)</u>	<u>(117,147)</u>	<u>-</u>
Total net position - beginning restated	<u>5,223,591</u>	<u>26,453,760</u>	<u>1,563,925</u>
Total net position - ending	<u>\$ 4,529,283</u>	<u>\$ 27,183,388</u>	<u>\$ 1,486,452</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Landfill	EMS	Drainage	Enterprise Fund Total	Internal Service Fund
\$ -	\$ -	\$ -	\$ 10,477,108	\$ -
-	-	-	4,534,519	-
-	-	-	3,366,458	-
2,787,853	-	-	2,787,853	-
-	1,268,889	-	1,268,889	-
-	-	613,759	613,759	-
-	-	-	45,689	-
-	-	-	30,997	-
3,021	694,792	-	1,599,357	2,013,040
<u>2,790,874</u>	<u>1,963,681</u>	<u>613,759</u>	<u>24,724,629</u>	<u>2,013,040</u>
933,380	1,265,780	100,819	4,800,242	-
881,113	1,004,231	52,863	4,110,472	-
23,879	8,932	-	163,961	-
723,638	765,680	99,179	11,325,087	2,383,070
613,773	200,026	312,107	3,278,485	-
<u>3,175,783</u>	<u>3,244,649</u>	<u>564,968</u>	<u>23,678,247</u>	<u>2,383,070</u>
<u>(384,909)</u>	<u>(1,280,968)</u>	<u>48,791</u>	<u>1,046,382</u>	<u>(370,030)</u>
15,426	49	3,119	181,669	3,050
(6,388)	(2,689)	(2,356)	(923,032)	-
-	-	-	(657)	-
-	-	-	(121,733)	-
(228,900)	-	-	(1,829,700)	-
-	774,493	-	907,827	-
-	-	-	(367,241)	-
<u>(219,862)</u>	<u>771,853</u>	<u>763</u>	<u>(2,152,867)</u>	<u>3,050</u>
(604,771)	(509,115)	49,554	(1,106,485)	(366,980)
860,145	29,694	1,770,262	36,077,098	318,972
-	-	-	(175,721)	-
860,145	29,694	1,770,262	35,901,377	-
<u>\$ 255,374</u>	<u>\$ (479,421)</u>	<u>\$ 1,819,816</u>	<u>\$ 34,794,892</u>	<u>\$ (48,008)</u>

CITY OF FREDERICKSBURG, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Golf</u>
Cash flows from operating activities:			
Cash received from customers	\$ 10,951,313	\$ 8,668,283	\$ 2,243
Cash payments to employees for services	(1,442,082)	(1,949,676)	(19,772)
Cash payments for suppliers	<u>(7,877,204)</u>	<u>(1,059,906)</u>	<u>(100,827)</u>
Net cash provided (used) by operating activities	<u>1,632,027</u>	<u>5,658,701</u>	<u>(118,356)</u>
Cash flows from noncapital financing activities:			
Operating transfers out	(863,800)	(737,000)	-
Operating transfers in	<u>-</u>	<u>-</u>	<u>133,334</u>
Net cash provided (used) by noncapital financing activities	<u>(863,800)</u>	<u>(737,000)</u>	<u>133,334</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(2,072,097)	(6,831,060)	-
Capital lease proceeds	8,612	219,535	-
Debt issuance proceeds	2,255,170	5,120,000	-
Principal paid on capital debt	(287,813)	(6,459,207)	-
Interest paid on capital debt	(20,072)	(893,967)	(14,122)
Proceeds from the sale of capital assets	<u>-</u>	<u>22,518</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(116,200)</u>	<u>(8,822,181)</u>	<u>(14,122)</u>
Cash flows from investing activities			
Interest received on investments	14,108	148,962	5
Net increase (decrease) in cash and cash equivalents	666,135	(3,751,518)	861
Cash and cash equivalents, beginning	<u>2,487,334</u>	<u>23,270,600</u>	<u>119,089</u>
Cash and cash equivalents, ending	<u>\$ 3,153,469</u>	<u>\$ 19,519,082</u>	<u>\$ 119,950</u>

SCHEDULE OF NONCASH ACTIVITIES

Actuarially determined change in net pension liability	\$ 202,158	\$ 283,984	\$ 3,088
Actuarially determined change in OPEB liability	12,207	17,146	186

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Landfill	EMS	Drainage	Enterprise Fund Total	Internal Service Fund
\$ 2,760,902	\$ 1,985,309	\$ 612,621	\$ 24,980,671	\$ 2,012,132
(1,291,292)	(1,663,981)	(138,597)	(6,505,400)	-
(479,166)	(809,409)	(142,390)	(10,468,902)	(2,154,264)
990,444	(488,081)	331,634	8,006,369	(142,132)
(228,900)	-	-	(1,829,700)	-
-	774,493	-	907,827	-
(228,900)	774,493	-	(921,873)	-
(1,119,075)	(355,576)	(362,291)	(10,740,099)	-
244,513	289,296	272,587	1,034,543	-
-	-	-	7,375,170	-
(219,372)	(179,905)	(92,209)	(7,238,506)	-
(7,507)	(1,352)	-	(937,020)	-
-	-	-	22,518	-
(1,101,441)	(247,537)	(181,913)	(10,483,394)	-
15,426	49	3,119	181,669	3,050
(324,471)	38,924	152,840	(3,217,229)	(139,082)
2,237,275	45,066	355,613	28,514,977	355,579
<u>\$ 1,912,804</u>	<u>\$ 83,990</u>	<u>\$ 508,453</u>	<u>\$ 25,297,748</u>	<u>\$ 216,497</u>

\$ 202,112	\$ 229,302	\$ 4,284	\$ 924,928	\$ -
12,202	13,844	259	55,844	-

CITY OF FREDERICKSBURG, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the year ended September 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric</u>	<u>Water</u>	<u>Golf</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 224,886	\$ 2,635,272	\$ (196,690)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	331,901	1,658,401	162,277
(Increase) decrease in operating assets:			
Accounts receivable	259,713	7,627	1,792
Interfund receivables	(1,768)	-	-
Due from other governments	46,860	(1,768)	(72)
Inventories	25,315	1,867	-
Increase (decrease) in operating liabilities:			
Accounts payable	186,591	616,363	(52)
Wages payable	17,583	(15,317)	218
Interest payable	-	-	-
Due to other funds	(6,700)	(400)	(93,720)
Due to other governments	(3,386)	-	-
Compensated absences payable	23,283	42,845	370
Net pension/OPEB liability	492,564	691,931	7,521
Landfill closure liability	-	-	-
Other current liabilities	<u>35,185</u>	<u>21,880</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 1,632,027</u>	<u>\$ 5,658,701</u>	<u>\$ (118,356)</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Landfill	EMS	Drainage	Enterprise Fund Total	Internal Service Fund
\$ (384,909)	\$ (1,280,968)	\$ 48,791	\$ 1,046,382	\$ (370,030)
613,773	200,026	312,107	3,278,485	-
(29,972)	41,070	(1,138)	279,092	(908)
46,860	-	-	45,092	-
-	(19,442)	(1)	25,577	-
-	-	-	27,182	-
(16,478)	12,205	(43,210)	755,419	228,806
13,870	19,476	1,526	37,356	-
-	-	-	-	-
(1,000)	(13,791)	-	(115,611)	-
221	(33,211)	-	(36,376)	-
16,881	27,856	3,120	114,355	-
492,450	558,698	10,439	2,253,603	-
232,048	-	-	232,048	-
6,700	-	-	63,765	-
<u>\$ 990,444</u>	<u>\$ (488,081)</u>	<u>\$ 331,634</u>	<u>\$ 8,006,369</u>	<u>\$ (142,132)</u>



NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies

The City of Fredericksburg, Texas, (the City), is a municipal corporation incorporated under Article XI, Section 4 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government and provides such services as are authorized by its code of ordinances and its inhabitants. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable.

Reporting entity

Component unit

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The City of Fredericksburg has one component unit displayed as a discretely presented component unit. The Fredericksburg Convention and Visitor Bureau (the "Bureau") is governed by a Board of Directors comprised of 11 members. Each member is appointed by the City Council of the City of Fredericksburg. The Bureau also provides the City with financial information, as required by City Council. In addition, the annual budget for the Bureau must be approved by City Council. These facts distinguish the Bureau as a discretely presented component unit of the City.

The Bureau's mission is to create a positive business environment, take a leadership role in community affairs, be an information resource for its members, help in providing a better quality of life for its citizens and increase growth of the overnight tourism and meeting industry in Fredericksburg.

Complete financial statements for the component unit may be obtained at the Fredericksburg Convention and Visitor Bureau's administrative office, which is located at 302 E. Austin Street, Fredericksburg, Texas 78624.

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The primary government is reported separately from the component unit within the government-wide statements.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Government-wide and fund financial statements (continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges of customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination.

The City reports the following major governmental fund:

The general fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

The City reports the following major proprietary funds:

The electric fund is used to account for electrical operations that are intended to be self-supporting.

The water and sewer fund is used to account for operations that are intended to be self-supporting water and sewer services through user charges.

The golf course fund is used to account for the golf course operations that are intended to be self-supporting through user charges.

The solid waste fund is used to account for the sanitary landfill operations that are intended to be self-supporting.

The emergency medical service (EMS) fund is used to account for the joint EMS services with the County of Gillespie. The operations are intended to be self-supporting.

The drainage fund is used to account for the drainage services that are intended to be self-supporting.

Additionally, the City reports an internal service fund to account for health insurance services provided to the departments of the government on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and investments

Cash and temporary investments consist of demand deposits, and balances in public funds investment pools. Short-term investments are stated at cost.

For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement Number 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Investments are stated at fair value and categorized by using the fair value hierarchy established by generally accepted accounting principles. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Cash and investments (continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of the interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). There were no balances that were considered "advanced to/from other funds" at September 30, 2020. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is based on historical collection rates.

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The Gillespie Central Appraisal District ("GCAD") establishes appraised values. Taxes are levied by the City Council based on the appraised values received from the GCAD. The Gillespie Central Appraisal District Tax Assessor performs billings and collection of tax levies.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventories in the proprietary funds are valued at cost (first-in, first-out method).

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets, (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets such as equipment are defined as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10 – 50 years
Improvements other than buildings	10 – 50 years
Equipment	5 – 15 years
Infrastructure	30 years

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused personal time off (PTO). Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Employees may only carry 480 hours of PTO over into the next calendar year. Expenditures are reported for these amounts.

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the year of issuance of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Fund balance

The City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the City Council to the City Manager.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City's council or its designated official has provided otherwise in its commitments or assignment actions.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Net position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and Texas Emergency Services Retirement System (TESRS) and additions to/deductions from TMRS's and TESRS's fiduciary net position have been determined on the same basis as they are reported by TMRS and TESRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other postemployment benefits (OPEB)

The OPEB liability has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB and OPEB expense.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. The reclassifications did not change total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, total fund equity, total revenue of funds and total expense/expenditures.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(2) Stewardship, compliance and accountability

Budgetary information

The City Council follows the following procedures in establishing the budgetary data reflected in the financial statements:

- At least 30 days prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The proposed budget includes estimated revenue and proposed expenditures for the general fund.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally adopted on a fund basis by the City Council.
- The City Council can adjust the budget during its formal City Council meetings.
- Actual expenditures cannot exceed the legally-adopted budget.
- Appropriations lapse at the end of the year.
- Budgets are adopted on a basis consistent with generally accepted accounting principles.

(3) Deposits and investments

As of September 30, 2020, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Investments recorded as cash equivalents		
TexPool - valued at amortized cost	\$ 476,061	38
Total investments recorded as cash equivalents	476,061	
Cash at bank	33,532,316	
Cash on-hand	12,130	
Total cash and cash equivalents	<u>\$ 34,020,507</u>	
Investments		
Certificates of deposits - valued at amortized cost	<u>\$ 1,350,000</u>	249
Portfolio weighted average maturity		70

The City's investment pools are 2a7-like pools. A 2a7 like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(3) Deposits and investments (continued)

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair market values by maintaining a weighted average days to maturity for the operating fund portfolio of less than 360 days. The maximum allowable maturity for any investment is 3 years.

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2020, the City had cash deposits at the bank of \$34,179,771. The total fair market value of pledged securities held as collateral amounted to \$39,529,440. In addition, \$250,000 of the deposits are covered by FDIC coverage.

Credit risk. It is the City's policy to limit its investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investments as of September 30, 2020, were rated as follows:

Investment Type	Rating	Rating Agency
TexPool	AAAm	Standard and Poor's

Under provisions of state and local statutes, the City's investment policies, and provisions of the City's depository contracts with an area financial institution, the City is authorized to place available deposits and investments in the following:

- Obligations of the U.S., its agencies and instrumentalities;
- Certificates of deposit issued by state and national banks or savings or loan associations domiciled in this state that are guaranteed or insured by the Federal Deposit Insurance Corporation or collateralized in accordance with Section 2256.010, the Texas Government Code, in face amount not to exceed \$250,000;
- No load money market mutual funds; and
- TexPool, Lone Star Investment Pool and MBIA Class.

The City Council has adopted a written investment policy regarding the investments of its funds as defined by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the City are in compliance with the Council's investment policies. The City did not have any derivative investment products during the current year. All significant legal and contractual provisions for investments were complied with during the year. Investments at year end are representative of the types of investments maintained by the City during the year.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(4) Receivables

Receivables as of year end for the government's individual major funds, nonmajor funds and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	Government Funds	Enterprises Funds						
	General	Electric	Water	Golf	Landfill	EMS	Drainage	Totals
Taxes	\$ 1,179,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,179,454
Due from other governments	1,820,929	3,753	3,753	163	-	41,282	-	1,869,880
Customer accounts	81,733	1,032,242	777,273	4,412	297,007	436,474	53,644	2,682,785
Interest	8,523	-	6	-	23	-	-	8,552
Gross receivables	3,090,639	1,035,995	781,032	4,575	297,030	477,756	53,644	5,740,671
Less: allowance for uncollectibles	16,711	40,071	17,261	-	62,685	69,019	1,103	206,850
Net total receivables	\$ 3,073,928	\$ 995,924	\$ 763,771	\$ 4,575	\$ 234,345	\$ 408,737	\$ 52,541	\$ 5,533,821

(5) Capital assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,583,656	\$ -	\$ -	\$ 7,583,656
Total capital assets, not being depreciated	7,583,656	-	-	7,583,656
Capital assets, being depreciated:				
Buildings	9,741,333	-	-	9,741,333
Improvements other than buildings	20,782,946	406,049	-	21,188,995
Equipment	7,298,844	1,255,250	(172,282)	8,381,812
Total capital assets, being depreciated	37,823,123	1,661,299	(172,282)	39,312,140
Less accumulated depreciation:				
Buildings	(5,204,378)	(311,193)	-	(5,515,571)
Improvements other than buildings	(10,870,632)	(895,493)	-	(11,766,125)
Equipment	(5,803,785)	(581,330)	172,282	(6,212,833)
Total accumulated depreciation	(21,878,795)	(1,788,016)	172,282	(23,494,529)
Total capital assets being depreciated, net	15,944,328	(126,717)	-	15,817,611
Governmental activities capital assets, net	\$ 23,527,984	\$ (126,717)	\$ -	\$ 23,401,267

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(5) Capital assets (continued)

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,126,948	\$ -	\$ -	\$ 1,126,948
Total capital assets, not being depreciated	<u>1,126,948</u>	<u>-</u>	<u>-</u>	<u>1,126,948</u>
Capital assets, being depreciated:				
Buildings and improvements	7,061,164	1,949,277	-	9,010,441
Improvements other than buildings	13,701,771	889,529	-	14,591,300
Equipment	<u>57,285,731</u>	<u>7,901,291</u>	<u>(1,317,988)</u>	<u>63,869,034</u>
Total capital assets, being depreciated	<u>78,048,666</u>	<u>10,740,097</u>	<u>(1,317,988)</u>	<u>87,470,775</u>
Less accumulated depreciation:				
Buildings and improvements	(5,436,265)	(280,948)	-	(5,717,213)
Improvements other than buildings	(4,625,644)	(318,537)	-	(4,944,181)
Equipment	<u>(32,111,890)</u>	<u>(2,679,000)</u>	<u>851,326</u>	<u>(33,939,564)</u>
Total accumulated depreciation	<u>(42,173,799)</u>	<u>(3,278,485)</u>	<u>851,326</u>	<u>(44,600,958)</u>
Total capital assets being depreciated, net	<u>35,874,867</u>	<u>7,461,612</u>	<u>(466,662)</u>	<u>42,869,817</u>
Business-type capital assets, net	<u>\$ 37,001,815</u>	<u>\$ 7,461,612</u>	<u>\$ (466,662)</u>	<u>\$ 43,996,765</u>

Depreciation expense was charged to the governmental functions as follows:

Governmental activities:	
Administration	\$ 132,246
Police	326,085
Fire	55,311
Streets	829,928
Parks	412,801
Health	1,159
Engineering	17,245
Emergency management	2,245
Tourism	<u>10,996</u>
Total depreciation expense - governmental activities	<u>\$ 1,788,016</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(5) Capital assets (continued)

Business-type activities	
Electric	\$ 331,901
Water and sewer	1,658,401
Golf	162,277
Landfill	613,773
EMS	200,026
Drainage utilities	<u>312,107</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 3,278,485</u></u>

(6) Interfund receivables, payables and transfers

	<u>Due To</u>	<u>Due From</u>
General fund:		
Electric - in lieu of taxes	\$ -	\$ 73,400
Water - in lieu of taxes	-	63,300
Landfill - in lieu of taxes	-	18,600
EMS	-	66,108
Drainage	259	-
Emergency management	-	-
Debt service	4,274	26,521
Electric fund:		
General fund - in lieu of taxes	73,400	-
Golf	-	680,676
Water and sewer fund:		
General fund - in lieu of taxes	63,300	-
Golf fund:		
Electric	680,676	-
Landfill	680,676	-
Landfill:		
General fund - in lieu of taxes	18,600	-
Golf	-	680,676
EMS:		
General fund	66,108	-
Drainage fund:		
General fund	-	259
Debt service:		
General fund	26,521	4,274
Capital projects	2,500	-
Capital projects:		
Debt service	<u>-</u>	<u>2,500</u>
 Total due to / due from	 <u><u>\$ 1,616,314</u></u>	 <u><u>\$ 1,616,314</u></u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(6) Interfund receivables, payables and transfers (continued)

The balances of \$680,676 due to the electric fund and the solid waste fund represent amounts that were lent to the golf course to fund 2011-12 renovations to the golf course. The note's terms include a 1% annual interest rate and a twenty year amortization period with a 10/1/2034 maturity date.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:		
Electric	\$ 863,800	\$ -
Water and sewer	737,000	-
Landfill	228,900	-
EMS	-	774,493
Emergency management	-	-
Golf	-	133,334
Electric fund:		
General fund	-	863,800
Water and sewer fund:		
General fund	-	737,000
Landfill:		
General fund	-	228,900
EMS:		
General fund	774,493	-
Golf:		
General fund	<u>133,334</u>	<u>-</u>
Total transfers	<u>\$ 2,737,527</u>	<u>\$ 2,737,527</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as the debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(6) Interfund receivables, payables and transfers (continued)

In the year ended September 30, 2020, the City made payments from various funds to the general fund in lieu of taxes. GASB 34 requires that these payments be treated as transfers. Transfers were made from the following funds:

Electric	\$ 863,800
Water and sewer	737,000
Landfill	<u>228,900</u>
 Total	 <u>\$ 1,829,700</u>

(7) Capital leases – direct borrowing

The government has acquired certain capital assets for governmental and business-type activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2021	\$ 332,032	\$ 1,112,845
2022	187,720	813,609
2023	109,347	463,328
2024	109,347	-
2025	109,347	-
Thereafter	<u>218,694</u>	<u>-</u>
 Total minimum lease payments	 1,066,487	 2,389,782
Less: amount representing interest	<u>71,830</u>	<u>100,366</u>
 Present value of minimum lease payments	 <u>\$ 994,657</u>	 <u>\$ 2,289,416</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(8) Long-term liabilities

The long-term liability activity for the year ended September 30, 2020, was as follows:

	Outstanding October 1, 2019	Increases	Decreases	Balance September 30, 2020	Amounts Due in One Year
Governmental activities:					
General obligation bonds	\$ 2,280,000	\$ -	\$ (145,000)	\$ 2,135,000	\$ 150,000
Unlimited tax notes	4,800,000	-	(480,000)	4,320,000	490,000
Add: unamortized premiums	102,343	-	(7,873)	94,470	7,873
Total bonds payable	7,182,343	-	(632,873)	6,549,470	647,873
Capitalized leases	420,067	1,042,096	(467,506)	994,657	279,788
Compensated absences	865,784	264,149	(216,446)	913,487	228,372
Total governmental activities	8,468,194	1,306,245	(1,316,825)	8,457,614	1,156,033
Business-type activities:					
Revenue bonds and notes:					
Revenue bonds	21,995,000	5,120,000	(5,825,000)	21,290,000	850,000
Revenue tax notes	-	2,300,000	(280,000)	2,020,000	265,000
Less: unamortized premium	825,702	-	657	826,359	45,909
Total revenue bonds and notes	22,820,702	7,420,000	(6,104,343)	24,136,359	1,160,909
Capitalized leases	2,388,378	1,034,542	(1,133,504)	2,289,416	1,058,935
Compensated absences	578,882	259,076	(144,721)	693,237	173,309
Total business-type activities	25,787,962	8,713,618	(7,382,568)	27,119,012	2,393,153
Total long-term liabilities	\$ 34,256,156	\$ 10,019,863	\$ (8,699,393)	\$ 35,576,626	\$ 3,549,186

During the year, the City issued Utility System Revenue Refunding Bonds, Series 2020 in the amount of \$5,120,000 to refund Utility System Revenue Bonds, Series 2013, in the amount of \$5,040,000, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the escrow cash account for the defeased bonds are not included in the City's financial statements. As a result of the refunding, the City reduced its total debt service requirements by \$396,865 which resulted in an economic gain of \$344,028. Bonds outstanding that are considered defeased as a result of the current year refunding total \$-0-.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(8) Long-term liabilities (continued):

Governmental activities long-term liabilities at September 30, 2020, consisted of the following:

Series	Governmental Activities		
	Original Issue	Interest Rate	Debt Outstanding
2010 general obligation refunding bonds	\$ 3,604,164	1.00 to 3.00%	\$ -
2012 general obligation bonds - privately placed	3,200,000	2.88%	2,135,000
2016 limited tax notes - privately placed	1,530,000	1.39%	1,035,000
2017 tax and limited pledge rev CO's	3,530,000	3.00%	3,285,000
Totals	\$ 11,864,164		\$ 6,455,000

Compensated absences are generally liquidated by the general fund. The funds utilized for the repayment of long-term liabilities for governmental activities are the debt service fund and the general fund.

Business-type activities long-term liabilities at September 30, 2020, consisted of the following:

Series	Business-Type Activities		
	Original Issue	Interest Rate	Debt Outstanding
2010 general obligation refunding bonds	\$ 2,465,836	1.00 to 3.00%	\$ -
2013 revenue bonds - privately placed	6,500,000	3.097%	-
2018 revenue bonds	17,305,000	2.07-3.87%	16,170,000
2020 revenue refunding bonds - privately placed	5,120,000	1.850%	5,120,000
2020 revenue notes - privately placed	2,300,000	1.775%	2,020,000
Totals	\$ 35,175,836		\$ 23,310,000

The annual debt service requirements to be paid on governmental activities long-term debt outstanding at September 30, 2020, are as follows:

Fiscal Year	Governmental Activities								
	Bonds Payable			Privately Placed Debt			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 150,000	\$ 100,975	\$ 250,975	\$ 490,000	\$ 71,864	\$ 561,864	\$ 640,000	\$ 172,839	\$ 812,839
2022	155,000	96,400	251,400	500,000	62,852	562,852	655,000	159,252	814,252
2023	160,000	91,675	251,675	510,000	53,105	563,105	670,000	144,780	814,780
2024	165,000	86,800	251,800	165,000	45,674	210,674	330,000	132,474	462,474
2025	170,000	81,775	251,775	170,000	40,855	210,855	340,000	122,630	462,630
2026-2030	925,000	328,245	1,253,245	925,000	126,951	1,051,951	1,850,000	455,196	2,305,196
2031-2035	1,075,000	176,620	1,251,620	410,000	11,940	421,940	1,485,000	188,560	1,673,560
2036-2037	485,000	17,061	502,061	-	-	-	485,000	17,061	502,061
Totals	\$ 3,285,000	\$ 979,551	\$ 4,264,551	\$ 3,170,000	\$ 413,241	\$ 3,583,241	\$ 6,455,000	\$ 1,392,792	\$ 7,847,792

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(8) Long-term liabilities (continued):

The annual debt service requirements to be paid on business-type activities long-term debt outstanding at September 30, 2020, are as follows:

Fiscal Year	Business-Type Activities								
	Bonds Payable			Privately Placed Debt			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 500,000	\$ 679,450	\$ 1,179,450	\$ 615,000	\$ 127,338	\$ 742,338	\$ 1,115,000	\$ 806,788	\$ 1,921,788
2022	525,000	653,825	1,178,825	630,000	116,066	746,066	1,155,000	769,891	1,924,891
2023	550,000	631,075	1,181,075	725,000	104,568	829,568	1,275,000	735,643	2,010,643
2024	570,000	611,475	1,181,475	740,000	91,379	831,379	1,310,000	702,854	2,012,854
2025	600,000	586,500	1,186,500	750,000	77,920	827,920	1,350,000	664,420	2,014,420
2026-2030	3,450,000	2,443,750	5,893,750	2,390,000	220,605	2,610,605	5,840,000	2,664,355	8,504,355
2031-2035	5,300,000	1,538,200	6,838,200	1,290,000	36,168	1,326,168	6,590,000	1,574,368	8,164,368
2036-2038	4,675,000	285,300	4,960,300	-	-	-	4,675,000	285,300	4,960,300
Totals	\$ 16,170,000	\$ 7,429,575	\$ 23,599,575	\$ 7,140,000	\$ 774,044	\$ 7,914,044	\$ 23,310,000	\$ 8,203,619	\$ 31,513,619

(9) Defined benefit pension plan

Plan description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(9) Defined benefit pension plan (continued)

Benefits provided (continued)

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 6%, and the City matching percent is currently 2 to 1.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	101
Inactive employees entitled to but not yet receiving benefits	68
Active employees	<u>167</u>
Total	<u>336</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the entry age normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.22% and 11.68% for calendar years 2020 and 2019 respectively. The City's contributions to TMRS for the year ended September 30, 2020 and 2019 were \$1,589,343 and \$1,146,021 and were equal to the required contributions in 2020 and 2019, respectively.

Net pension liability

The City's net pension liability (NPL) was measured as of December 31, 2019, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(9) Defined benefit pension plan (continued)

Net pension liability (continued)

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the general employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for annuity purchase rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(9) Defined benefit pension plan (continued)

Net pension liability (continued)

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability

The schedule below presents the changes in the net pension liability (asset) as of December 31, 2019:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 46,831,870	\$ 38,744,543	\$ 8,087,327
Changes for the year:			
Service cost	1,495,978	-	1,495,978
Interest	3,451,697	-	3,451,697
Changes in current period benefits	4,413,316	-	4,413,316
Difference between expected and actual experience	517,459	-	517,459
Changes of assumptions	(63,087)	-	(63,087)
Contributions - employer	-	1,216,750	(1,216,750)
Contributions - employee	-	520,884	(520,884)
Net investment income	-	5,990,998	(5,990,998)
Benefit payments, including refunds of employee contributions	(1,713,855)	(1,713,855)	-
Administrative expense	-	(33,845)	33,845
Other changes	-	(1,019)	1,019
Net changes	<u>8,101,508</u>	<u>5,979,913</u>	<u>2,121,595</u>
Balance at December 31, 2019	<u>\$ 54,933,378</u>	<u>\$ 44,724,456</u>	<u>\$ 10,208,922</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(9) Defined benefit pension plan (continued)

Net pension liability (continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 17,549,171	\$ 10,208,922	\$ 4,119,213

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2020, the City recognized pension expense of \$6,443,889.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 533,078	\$ 86,341
Changes in actuarial assumptions	13,707	49,916
Difference between projected and actual investment earnings	-	1,355,203
Contributions subsequent to the measurement date	1,251,322	-
Total	<u>\$ 1,798,107</u>	<u>\$ 1,491,460</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(9) Defined benefit pension plan (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

The City reported \$1,251,322 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>		
2021	\$	(267,787)
2022		(260,898)
2023		186,463
2024		(602,453)
2025		-
Thereafter		-
Total	\$	<u>(944,675)</u>

(10) Texas Emergency Services Retirement System

Background and reporting entity

The Texas Emergency Services Retirement System (TESRS) is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine member Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System.

The TESRS was created as a standalone agency by the 83rd Legislature via the passage of HB 220, effective September 1, 2013, to assume the functions of the abolished Office of the Fire Fighter's Pension Commissioner. While the agency is new, the system has been in existence since 1977. TESRS, which is under the authority of Title 8 Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested services, as well as their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org. The separately issued actuarial valuation which may be of interest are also available at the same link.

Information that is available in the annual financial report is not repeated in the allocation schedules and related notes.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(10) Texas Emergency Services Retirement System (continued)

Background and reporting entity (continued)

The preparation of the schedules of participating department allocations and collective pension amounts in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts during the reporting period. Actual results could differ from those estimates.

Schedule of participating department allocations

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate.

Participating department contributions for the fiscal year ended August 31, 2020 were used for purposes of preparing the allocation schedule. Adjustments were made in the following circumstances, with the treatment detailed below:

- For newly participating departments, lump sum contributions were eliminated and contributions were annualized;
- MTES contributions for legacy departments were eliminated;
- Prior service buybacks were eliminated
- Interest on contributions and administrative penalties were eliminated
- 13th checks, which are passed directly through to the participants, were eliminated.

TESRS has prepared the schedule of collective pension amounts. The collective pension expense based on TESRS' fiscal year ended August 31, 2020 is shown in the following table:

Service cost	\$ 10,915
Interest	64,346
Projected earnings on pension plan investments	(51,463)
Amortization of differences between projected and actual earnings on plan investments	695
Amortization of changes of assumptions	(156)
Amortizations of differences between expected and actual experience	(2,798)
Pension plan administrative expense	17,485
Changes in benefit provisions	-
Total pension expense	<u>\$ 39,024</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(10) Texas Emergency Services Retirement System (continued)

Schedule of participating department allocations (continued)

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to TESRS pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 7,024
Changes in actuarial assumptions	-	241
Difference between projected and actual investment earnings	800	-
Contributions subsequent to the measurement date	<u>17,420</u>	<u>-</u>
Total	<u>\$ 18,220</u>	<u>\$ 7,265</u>

Amounts reported a deferred outflows of resources related to pensions will be recognized in pension expense in future years as follows:

<u>Fiscal Year Ended August 31,</u>	
2021	\$ (6,275)
2022	(1,289)
2023	5,071
2024	<u>(3,972)</u>
Total	<u>\$ (6,465)</u>

Each participating department will need to calculate two additional types of deferred outflows of resources and deferred inflows of resources, which are participating department specific amounts. These amounts relate to differences between actual contributions made by a participating department and their proportionate share of total contributions calculated based on the allocation percentage.

The participating department's proportionate share of the collective pension expense for its fiscal year ended between September 1, 2020 and August 31, 2021 is equal to the collective pension expense multiplied by the participating department's allocation percentage for TESRS's fiscal year ended August 31, 2020 as shown in the schedule of participating department allocations. The City's allocation percentage is 0.585%. The proportionate share of the City's net pension liability at September 30, 2020 was \$147,484. Contributions at fiscal year September 30, 2020 were \$35,130.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(11) Other postemployment benefit plan

Plan description

The City participates in the single-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Benefit payments

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary calculated based on the employee's actual earnings, for the 12-month period preceding the month of death. Retired employees are insured for \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City contribution rate is equal to the cost of providing one-year term life insurance. The contribution rate for the City was 0.23% for calendar years 2020 and 2019. The City's contributions to TMRS were \$24,400 and \$23,429 for the fiscal year ended September 30, 2020 and 2019, respectively, and were equal to the required contributions.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	38
Active employees	<u>167</u>
Total	<u>280</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(11) Other postemployment benefit plan (continued)

OPEB liability

The City's OPEB liability of \$654,558 was measured as of December 31, 2019, and was determined by an actuary valuation as of that date.

Actuary assumptions

The OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Discount rate *	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2020

(11) Other postemployment benefit plan (continued)

OPEB liability (continued)

Changes in the OPEB liability:

Balance at December 31, 2018	\$ 526,467
Changes for the year:	
Service cost	17,710
Interest on the OPEB liability	19,783
Changes of benefit terms	-
Difference between expected and actual experience	(12,748)
Change of assumptions	107,513
Benefit payments	<u>(4,167)</u>
Net changes	<u>128,091</u>
Balance at December 31, 2019	<u><u>\$ 654,558</u></u>

Sensitivity of the OPEB liability to changes in the discount rate:

The following presents the OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

<u>1% Decrease in Discount Rate (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
<u>\$ 794,842</u>	<u>\$ 654,558</u>	<u>\$ 545,784</u>

OPEB expenses, deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$52,075.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(11) Other postemployment benefit plan (continued)

OPEB expenses, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ 20,355
Changes in actuarial assumptions	111,311	26,786
Contributions subsequent to the measurement date	<u>17,744</u>	<u>-</u>
Total	<u>\$ 129,055</u>	<u>\$ 47,141</u>

The City reported \$17,744 as deferred outflows of resources related to the OPEB liability resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to the OPEB liability will be recognized in OPEB expenses as follows:

<u>Year Ended September 30,</u>	
2021	\$ 14,582
2022	14,582
2023	14,582
2024	8,109
2025	12,315
Thereafter	<u>-</u>
Total	<u>\$ 64,170</u>

CITY OF FREDERICKSBURG, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

(12) Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates in the Texas Municipal League's General Liability Fund. In addition, the City participates in the Texas Municipal League's Workers' Compensation Fund to insure the City for workers' compensation claims. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgements is only reported in the government-wide financial statements because it is not expected to be liquidated with expendable available financial resources. However, none are reported at September 30, 2020.

(13) Contingent liabilities

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

(14) Closure and post-closure care costs

State and federal laws and regulations require that the City of Fredericksburg place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability must be recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill capacity used to date. Estimated liability for landfill closure and post-closure care costs has a balance of \$3,317,432 at September 30, 2020, which is based on 84.84% usage of current open cells and 46.66% usage of the entire landfill. The landfill is expected to be filled to capacity in 2043. The estimated total current cost of the landfill closure and post-closure care is based on a third party completing the actual work. The amount includes costs for equipment, facilities, and services required to close, monitor, and maintain the landfill as if purchased at September 30, 2020. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

(15) Prior period adjustment

During 2020 it was noted interest income was incorrectly reported in the prior year. This restatement decreased the beginning net position in the governmental activities and the business-type activities by \$117,147 and \$175,721 respectively, decreased the beginning fund balance of the general fund by \$117,147, and decreased the beginning net position in the electric fund and the water fund by \$58,574 and \$117,147 respectively.

(16) Subsequent events

The City has evaluated subsequent events through April 19, 2021, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.



CITY OF FREDERICKSBURG, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	Budget Amounts		GAAP Basis	Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
General property taxes	\$ 4,131,071	\$ 4,157,869	\$ 4,122,016	\$ (35,853)
General sales and use taxes	6,259,500	5,234,900	6,344,922	1,110,022
Hotel occupancy tax	3,600,000	2,900,000	3,378,715	478,715
Other taxes	411,100	415,600	410,154	(5,446)
Franchise fees	332,333	332,333	336,488	4,155
License and permits	271,600	237,200	232,164	(5,036)
Fines	79,200	79,200	97,731	18,531
Pavilion and camping fees	564,000	365,500	450,377	84,877
Rentals	102,500	78,100	107,611	29,511
Intergovernmental revenue	794,925	794,925	678,014	(116,911)
Grants	85,021	85,021	722,584	637,563
Investment earnings	118,900	118,900	39,080	(79,820)
Other revenues	<u>786,888</u>	<u>1,284,935</u>	<u>1,324,609</u>	<u>39,674</u>
Total revenues	<u>17,537,038</u>	<u>16,084,483</u>	<u>18,244,465</u>	<u>2,159,982</u>
Expenditures:				
Municipal court	189,938	184,738	172,712	12,026
Engineering	262,236	253,012	219,232	33,780
Administration	1,494,007	1,428,510	1,527,773	(99,263)
Tourism	3,475,410	2,928,837	2,812,742	116,095
Police	5,207,422	4,923,525	4,711,516	212,009
Fire	1,442,911	1,374,911	1,251,287	123,624
Emergency management	206,438	206,438	166,360	40,078
Streets	1,845,675	1,353,385	1,357,427	(4,042)
Parks	2,005,423	1,874,802	1,839,639	35,163
Health	227,819	226,269	219,175	7,094
Food and wine festival	169,400	169,400	141,246	28,154
Development services	804,885	970,885	895,963	74,922
Debt service:				
Principal	463,567	463,567	467,506	(3,939)
Interest and fiscal charges	10,497	10,497	7,824	2,673
Capital outlays	<u>1,249,422</u>	<u>693,713</u>	<u>1,661,299</u>	<u>(967,586)</u>
Total expenditures	<u>19,055,050</u>	<u>17,062,489</u>	<u>17,451,701</u>	<u>(389,212)</u>

CITY OF FREDERICKSBURG, TEXAS

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

For the year ended September 30, 2020

	<u>Budget Amounts</u>		<u>GAAP Basis</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,518,012)	\$ (978,006)	\$ 792,764	\$ 1,770,770
Other financing sources (uses):				
Sale of real and personal property	92,000	92,000	20,460	(71,540)
Transfers in	1,811,693	1,811,693	1,829,700	18,007
Transfers out	(973,935)	(973,935)	(907,827)	66,108
Proceeds from capital leases	<u>-</u>	<u>-</u>	<u>1,042,096</u>	<u>1,042,096</u>
Total other financing sources (uses)	<u>929,758</u>	<u>929,758</u>	<u>1,984,429</u>	<u>1,054,671</u>
Net change in fund balance	<u>(588,254)</u>	<u>(48,248)</u>	<u>2,777,193</u>	<u>2,825,441</u>
Fund balance - beginning of year	<u>8,099,409</u>	<u>8,099,409</u>	<u>8,099,409</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(117,147)</u>	<u>(117,147)</u>
Fund balance - beginning as restated	<u>8,099,409</u>	<u>8,099,409</u>	<u>7,982,262</u>	<u>(117,147)</u>
Fund balance - end of year	<u>\$ 7,511,155</u>	<u>\$ 8,051,161</u>	<u>\$ 10,759,455</u>	<u>\$ 2,708,294</u>

CITY OF FREDERICKSBURG, TEXAS

**TMRS NET PENSION LIABILITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

For the measurement year ended December 31,

	Measurement Year			
	2019	2018	2017	2016
Total Pension Liability				
Service cost	\$ 1,495,978	\$ 1,190,542	\$ 1,074,769	\$ 1,004,489
Interest (on the total pension liability)	3,451,697	2,981,765	2,674,435	2,528,093
Changes of benefit terms	4,413,316	1,917,387	-	-
Difference between expected and actual experience	517,459	(104,329)	301,986	(47,068)
Change of assumptions	(63,087)	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,713,855)</u>	<u>(1,630,273)</u>	<u>(1,316,569)</u>	<u>(1,388,695)</u>
Net change in total pension liability	8,101,508	4,355,092	2,734,621	2,096,819
Total pension liability - beginning	<u>46,831,870</u>	<u>42,476,778</u>	<u>39,742,157</u>	<u>37,645,338</u>
Total pension liability - ending (a)	<u>\$ 54,933,378</u>	<u>\$ 46,831,870</u>	<u>\$ 42,476,778</u>	<u>\$ 39,742,157</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,216,750	\$ 961,243	\$ 931,010	\$ 843,151
Contributions - employee	520,884	500,649	488,976	455,757
Net investment income	5,990,998	(1,202,616)	4,877,963	2,235,297
Benefit payments, including refunds of employee contributions	(1,713,855)	(1,630,273)	(1,316,569)	(1,388,695)
Administrative expense	(33,845)	(23,238)	(25,272)	(25,238)
Other	<u>(1,019)</u>	<u>(1,214)</u>	<u>(1,282)</u>	<u>(1,360)</u>
Net change in plan fiduciary net position	5,979,913	(1,395,449)	4,954,826	2,118,912
Plan fiduciary net position - beginning	<u>38,744,543</u>	<u>40,139,992</u>	<u>35,185,166</u>	<u>33,066,254</u>
Plan fiduciary net position - ending (b)	<u>\$ 44,724,456</u>	<u>\$ 38,744,543</u>	<u>\$ 40,139,992</u>	<u>\$ 35,185,166</u>
Net pension liability (a) - (b)	<u>\$ 10,208,922</u>	<u>\$ 8,087,327</u>	<u>\$ 2,336,786</u>	<u>\$ 4,556,991</u>
Plan fiduciary net position as a percentage of total pension liability	81.42%	82.73%	94.50%	88.53%
Covered payroll	<u>\$ 10,417,674</u>	<u>\$ 10,012,971</u>	<u>\$ 9,779,519</u>	<u>\$ 9,115,142</u>
Net pension liability as a percentage of total covered payroll	98.00%	80.77%	23.89%	49.99%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

CITY OF FREDERICKSBURG, TEXAS

**TMRS NET PENSION LIABILITY
SCHEDULE OF CONTRIBUTIONS***

For the year ended September 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contributions	\$ 1,589,343	\$ 1,146,021	\$ 958,161	\$ 914,856
Contributions in relation to the actuarially determined contributions	<u>1,589,343</u>	<u>1,146,021</u>	<u>958,161</u>	<u>914,856</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 10,608,762</u>	<u>\$ 10,307,595</u>	<u>\$ 10,003,972</u>	<u>\$ 9,685,874</u>
Contributions as a percentage of covered payroll	14.98%	11.12%	9.58%	9.45%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

CITY OF FREDERICKSBURG, TEXAS
SCHEDULE OF CHANGES IN TESRS NET PENSION
LIABILITY AND RELATED RATIOS*

For the measurement year ended August 31,

	Measurement Year			
	2019	2018	2017	2016
Total Pension Liability				
City's proportion of the net pension liability	0.585%	0.640%	0.731%	0.716%
City's proportionate share of net pension liability	<u>\$ 147,484</u>	<u>\$ 181,412</u>	<u>\$ 158,265</u>	<u>\$ 171,852</u>
Plan fiduciary net position as a percentage of the total pension liability	83.20%	80.20%	84.26%	81.40%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

CITY OF FREDERICKSBURG, TEXAS

**TESRS NET PENSION LIABILITY
SCHEDULE OF CONTRIBUTIONS***

For the year ended September 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 35,130	\$ 37,374	\$ 55,956
Contributions in relation to the actuarially determined contributions	<u>35,130</u>	<u>37,374</u>	<u>55,956</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will develop the schedule prospectively.

CITY OF FREDERICKSBURG, TEXAS

**SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT
BENEFIT PLAN LIABILITY AND RELATED RATIOS***

For the measurement year ended December 31,

	Measurement Year		
	2019	2018	2017
OPEB liability			
Service cost	\$ 17,710	\$ 22,029	\$ 18,581
Interest (on the OPEB liability)	19,783	18,323	17,987
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(12,748)	(14,581)	-
Change of assumptions	107,513	(39,852)	43,885
Benefit payments **	<u>(4,167)</u>	<u>(4,006)</u>	<u>(4,890)</u>
Net change in OPEB liability	128,091	(18,087)	75,563
OPEB liability - beginning	<u>526,466</u>	<u>544,553</u>	<u>468,990</u>
OPEB liability - ending	<u>\$ 654,557</u>	<u>\$ 526,466</u>	<u>\$ 544,553</u>
Covered payroll	<u>\$ 10,417,674</u>	<u>\$ 10,012,971</u>	<u>\$ 9,779,519</u>
OPEB liability as a percentage of total covered payroll	6.28%	5.26%	5.57%

*GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the third year of implementation of GASB 75. The City will develop the schedule prospectively.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

CITY OF FREDERICKSBURG, TEXAS

**OTHER POSTEMPLOYMENT BENEFIT PLAN LIABILITY
SCHEDULE OF CONTRIBUTIONS***

For the year ended September 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 24,400	\$ 23,429	\$ 22,286
Contributions in relation to the actuarially determined contributions	<u>24,400</u>	<u>23,429</u>	<u>22,286</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 10,608,762</u>	<u>\$ 10,307,595</u>	<u>\$ 10,003,972</u>
Contributions as a percentage of covered payroll	0.23%	0.23%	0.22%

*GASB 75 requires 10 fiscal years of data to be provided in this schedule. This is the third year of implementation of GASB 75. The City will develop the schedule prospectively.

CITY OF FREDERICKSBURG, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2020

(1) Budget information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. The City Manager may transfer budgeted amounts within departments within any fund; however, transfers between departments and funds must be approved by City Council.

(2) Schedule of contributions – net pension liability

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market, 12% soft corridor
Inflation	2.50%
Salary increases	3.5% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post Retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-Retirement: PUB (10) mortality tables, with the Public Safety table used for males and the general employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information:

Increased employee contributions rate from 5% to 6%.

CITY OF FREDERICKSBURG, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2020

(3) Schedule of contributions – other postemployment benefit liability

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

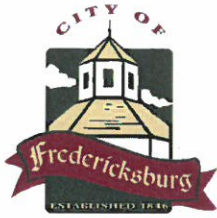
Methods and assumptions used to determine Contribution rates:

Inflation	2.50%
Salary increases	3.5% to 11.50% including inflation
Discount rate *	2.75%
Retiree' share of benefit related costs	\$-0-
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Other information:

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.



CITY COUNCIL MEMO

DATE: April 12, 2021

TO: Mayor and City Council

FROM: Shelley Goodwin, City Secretary

SUBJECT: HOT Application Allocations

Summary:

The City Council received the HOT information and previously discussed the applications at their April 5, 2021 Regular Meeting. This meeting is to vote on the allocations of HOT Recipients funding.

Recommendation:

Consider the allocation of HOT Recipients to be funded and the amount to fund.

Background / Analysis:

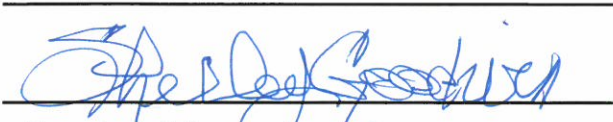
The HOT process began with a discussion at the March 3, 2021 City Council Workshop. There were two emails sent to past recipients, two ads were run in the Fredericksburg Standard, as well as all information was added to the City website.

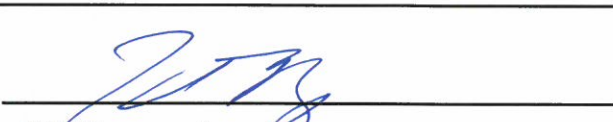
The City received 24 applications requesting funding. The amount budgeted is \$480,000 for awarding HOT funds, the total amount requested is \$513,457 (\$33,457 over budgeted amount).

All applicants were asked to be present at the meeting to address any questions you might have..

Attachments:

The City of Fredericksburg


Department Approval


City Manager Approval

Future Agenda Items

City Council

May 3, 2021

Regular Meeting

City Council = Red

3rd and 17th Regular Meetings @ 6p.m.

Planning & Zoning = Green 5-5-2021 @ 5:30 p.m.

Historic Review Board = Purple 5-11-2021 @ 5:30 p.m.

Board of Adjustment = Blue 5-13-2021 @ 5:30 p.m.

City Events

Election Day – May 1, 2021

175th Anniversary Events Begin – May 7, 2021

Memorial Day Holiday – May 31, 2021

Sun	Mon	Tues	Wed	Thur	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Proclamation

1. 175th Proclamation

Consent

1. 4-19-2021 City Council Regular Meeting Minutes

Ordinances

1. Revisit Tents in the Historic District
2. Pool Pass (possible 2nd reading)
3. Annexing and assigning a zoning of land located on the west side of South Eagle Street (possible 2nd reading)

Resolutions

- 1.

Public Hearing

- 1.

Approvals-Misc.

1. S. Hwy 16 (Across from Airport) – annexation agreement for services

Presentations, Discussions and Updates:

Executive Session

May 17, 2021

Regular Meeting

Proclamation

1.

Consent

1. 4-19-2021 City Council Regular Meeting Minutes

Ordinances

1.

Resolutions

1.

Public Hearing

1. Request for a Conditional Use Permit- Kevin Spraggins (and approve)
2. Request for change the Future Land Use Plan -Kevin Spraggins (and approve)
3. Request for voluntary annexation-Kevin Spraggins (and approve)
4. Requestion for voluntary annexation and zoning change- Klaerner (and approve)

Approvals-Misc.

1.

Presentations, Discussions and Updates:

1. Water Supply and Conservation Update Presentation

Executive Session