



NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF BURNET

Notice is hereby given that a **Regular Council Meeting** will be held by the governing body of the above named City on the **22nd day of May, 2018** at **6:00** p.m. in the Council Chambers, Burnet Municipal Airport, 2402 S. Water, Burnet, at which time the following subjects will be discussed, to-wit:

This notice is posted pursuant to the Texas Government Code, Chapter §551-Open Meetings.

CALL TO ORDER:

INVOCATION:

PLEDGE OF ALLEGIANCE:

PLEDGE TO TEXAS FLAG:

1. PUBLIC RECOGNITION/SPECIAL REPORTS:

3.1) Proclamation: Motorcycle Awareness Month: Mayor Crista Goble Bromley

3.2) Chamber of Commerce Report

2. CONSENT AGENDA ITEMS:

(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)

2.1) Approval of the May 8, 2017 Council Workshop Meeting minutes

2.1) Approval of the May 8, 2017 Regular Council Meeting minutes

2.3) Approval of the May 15, 2017 Special Council Meeting minutes

3. PUBLIC HEARING: None.

4. ACTION ITEMS:

4.1) Discuss and consider action: Appoint Mayor Pro Tem: K. Dix

4.2) Discuss and consider action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 BY ASSIGNING MEDIUM COMMERCIAL – DISTRICT C-2 ZONING TO LOT 1, SECTION 2 (1.409 ACRES) BURNET INDUSTRIAL PARK AND LOT 2, BLOCK 2, BURNET INDUSTRIAL PARK WHICH IS FURTHER DESCRIBED AS BEING IN THE 400 BLOCK OF INDUSTRIAL BOULEVARD; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: E. Milliorn

4.3) Discuss and consider action: SECOND AND FINAL READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE RESTORATION OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS: D. Vaughn

4.4) Discuss and consider action: SECOND AND FINAL READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE DEVELOPMENT OF A 21 ACRE BUSINESS, COMMERCIAL, AND/OR INDUSTRIAL PARK LOCATED AT 1500 POLK STREET; AND OTHER RELATED MATTERS: D. Vaughn

4.5) Discuss and consider action: Interlocal Agreement between the City of Burnet and the Burnet Consolidated Independent School District for (4) four School Resource Officers: P. Nelson

4.6) Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE BURNET ECONOMIC DEVELOPMENT CORPORATION AND SAN SABA WINE CELLARS, LLC FOR THE USE OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS: D. Vaughn

4.7) Discuss and consider action: AN ORDINANCE OF THE CITY OF BURNET, TEXAS, ORDERING AND DECLARING THE 2018 CHARTER AMENDMENTS ADOPTED: K. Dix

4.8) Discuss and consider action: A RESOLUTION BY THE CITY OF BURNET TO ENTER INTO A GRANT AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION (TXDOT) TO MAKE CERTAIN IMPROVEMENTS TO THE BURNET MUNICIPAL AIRPORT; AGREEING TO PROVIDE 10% OF THE TOTAL PROJECT COSTS; NAMING TXDOT AS THE AGENT FOR THE CITY; AND APPOINTING A DESIGNATED REPRESENTATIVE:

L.Baugh

4.9) Discuss and consider action: Award of Wastewater Rehabilitation Phase II (Project E): G. Courtney

5. REPORTS:

5.1) Addendum to the City Council Agenda: Department and Committee Reports/Briefings: The City Council may or may not receive a briefing dependent upon activity or change in status regarding the matter. The listing is provided to give notice to the public that a briefing to the Council on any or all subjects may occur.

Item 5.1(B.3): April 2018 Financial Report:

6. REQUESTS FROM COUNCIL FOR FUTURE REPORTS:

7. ADJOURN:

Dated this 18th, day, of May, 2018

CITY OF BURNET

CRISTA GOBLE BROMLEY, MAYOR

I, the undersigned authority, do hereby certify that the above NOTICE OF MEETING of the governing body of the above named City, BURNET, is a true and correct copy of said NOTICE and that I posted a true and correct copy of said NOTICE on the bulletin board, in the City Hall of said City, BURNET, TEXAS, a place convenient and readily accessible to the general public at all times, and said NOTICE was posted on May 18, 2018, at or before 5 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

Kelly Dix, City Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The City Council Chamber is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's office (512.756.6093) at least two working days prior to the meeting. Requests for information may be faxed to the City Secretary at 512.756.8560.

RIGHT TO ENTER INTO EXECUTIVE SESSION:

The City Council for the City of Burnet reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



Proclamation

OF THE MAYOR AND CITY COUNCIL FOR THE
CITY OF BURNET

Whereas, Motorcyclists are relatively unprotected and, therefore, more prone to injury or death in a crash than other vehicle drivers; and,

Whereas, All those who put themselves behind the wheel are responsible for being aware of motorcyclists, regarding them with the same respect as any other vehicle traveling our highways; and,

Whereas, It is the responsibility of riders and motorists alike to obey all traffic laws and safety rules; and,

Whereas, We encourage all Burnet County citizens to do their part to increase safety and awareness in our community and for motorcycle riders and motorists to give each other the mutual respect they deserve;



Now, therefore, be it proclaimed, that I, Crista Goble Bromley, Mayor of the City of Burnet on behalf of the City Council, of the City of Burnet, Texas, do hereby declare the month of May 2018 to be observed as

Motorcycle Safety Awareness Month

In witness thereof, I hereunto set my hand and caused the seal of the City of Burnet to be affixed this 22nd day of May 2018.

Crista Goble Bromley, Mayor

STATE OF TEXAS {}
COUNTY OF BURNET {}
CITY OF BURNET {}

On this the 8th day of May, 2018, the City Council of the City of Burnet convened in Workshop Session, at 5:00 p.m. at the Council Chambers, Burnet Municipal Airport, 2402 S. Water Street, Burnet, TX thereof with the following members present, to-wit:

Mayor	Crista Goble Bromley
Council Members	Paul Farmer, Tres Clinton, Joyce Laudenschlager, Milton Phair, Danny Lester
Absent	Cindia Talamantez
City Manager	David Vaughn
City Secretary	Kelly Dix

Guests: James B. Wilson, Mark Lewis, Evan Milliron, Gene Courtney, Mark Ingram, Patricia Langford, Paul Nelson, Connie Maxwell, Alan Burdell, Leslie Baugh, Jonny Simons, Craig Lindholm, Mary Jane Shanes, Bettye Foulds, Adrienne Field

Call to Order: Mayor Bromley called the meeting to order at 5:00 p.m.

Police Department Facility Project: D. Vaughn: City Manager David Vaughn reviewed the new construction cost estimates that have been received for the Police Facility. Mr. Vaughn discussed funding options and what the impact on the Fiscal year 2018/2019 proposed budget would be.

Adjourn: There being no further business the workshop was adjourned at 5:44 p.m.

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix , City Secretary

STATE OF TEXAS {}
COUNTY OF BURNET {}
CITY OF BURNET {}

On this the 8th day of May, 2018, the City Council of the City of Burnet convened in Regular Session, at 6:00 p.m., at the regular meeting place thereof with the following members present, to-wit:

Council Members Paul Farmer, Tres Clinton, Joyce Laudenschlager, Milton Phair,
 Danny Lester

Absent Cindia Talamantez

City Manager David Vaughn

City Secretary Kelly Dix

Guests: James B. Wilson, Mark Lewis, Evan Milliorn, Gene Courtney, Mark Ingram, Patricia Langford, Paul Nelson, Connie Maxwell, Alan Burdell, Leslie Baugh, Jonny Simons, Craig Lindholm, Mary Jane Shanes, Bettye Foulds, Adrienne Field, Ann Riddell, Herve Derek Fortin

CALL TO ORDER: The meeting was called to order by Mayor Bromley, at 6:00 p.m.

INVOCATION: Council Member Paul Farmer

PLEDGE OF ALLEGIANCE: Council Member Tres Clinton

PLEDGE TO TEXAS FLAG: Council Member Tres Clinton

PUBLIC RECOGNITION/SPECIAL REPORTS: None.

CONSENT AGENDA ITEMS:

(All of the following items on the Consent Agenda are considered to be self-explanatory by the Council and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member, staff member or citizen requests removal of the item from the consent agenda for the purpose of discussion. For removal of an item, a request must be made to the Council when the Consent Agenda is opened for Council Action.)

Approval of the April 24, 2018 Council Workshop Meeting minutes

Approval of the April 24, 2018 Regular City Council Meeting minutes

Council Member Milton Phair moved to approve the consent agenda as presented. Council Member Joyce Laudenschlager seconded, the motion carried unanimously.

PUBLIC HEARING:

Public Hearing: The City Council will conduct a public hearing regarding a request to rezone Lot 1, Block 2 (1.409 acres); Burnet Industrial Park and Lot 2, Block 2, Burnet Industrial Park which is further described as being in the 400 Block of Industrial Boulevard, from its present zoning designation of Single Family Residential –District R-1, to a designation of Medium Commercial – District C-2: M. Lewis: Mayor Bromley opened the public hearing and invited anyone interested in speaking in favor of or against the item to approach the podium. There being no one wishing to speak, Mayor Bromley closed the public hearing.

Public Hearing: The City Council will conduct a public hearing regarding a request to replat lots 13-H, 13-S, 13-T, 13-U, 13-V, 13-W, 13-X, and 13-Y, of Tract 13, Oak Vista for the purpose of creating the Final Consolidation of Replats of Tract 13, Oak Vista which is further described as being comprised of approximately 20.75 acres located in the 700 block of Scenic Oaks Drive: M. Lewis: Mayor Bromley opened the public hearing and invited anyone interested in speaking in favor of or against the item to approach the podium. There being no one wishing to speak, Mayor Bromley closed the public hearing.

ACTION ITEMS:

Discuss and consider action: FIRST READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 BY ASSIGNING MEDIUM COMMERCIAL – DISTRICT C-2 ZONING TO LOT 1, SECTION 2 (1.409 ACRES) BURNET INDUSTRIAL PARK AND LOT 2, BLOCK 2, BURNET INDUSTRIAL PARK WHICH IS FURTHER DESCRIBED AS BEING IN THE 400 BLOCK OF INDUSTRIAL BOULEVARD; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: M. Lewis: Council Member Joyce Laudenschlager made a motion to approve the first reading of Ordinance 2018-09 as presented. Council Member Paul Farmer seconded, the motion carried unanimously.

Discuss and consider action: City Council will discuss and consider action regarding a request to replat lots 13-H, 13-S, 13-T, 13-U, 13-V, 13-W, 13-X, and 13-Y, of Tract 13, Oak Vista for the purpose of creating the Final Consolidation of Replats of Tract 13, Oak Vista which is further described as being comprised of approximately 20.75 acres located in the 700 block of Scenic Oaks Drive: M. Lewis: Council Member Milton Phair made a motion to approve the replat of lots 13-H, 13-S, 13-T, 13-U, 13-V, 13-W, 13-X, and 13-Y, of Tract 13, Oak Vista for the purpose of creating the Final Consolidation of Replats of Tract 13, Oak Vista as presented. Council Member Tres Clinton seconded, the motion carried unanimously.

Discuss and consider action: Approve a Master Service Agreement with Change Healthcare for supplemental payment recovery assistance services: M. Ingram: Council Member Milton Phair made a motion to approve a Master Service Agreement with Change Healthcare for supplemental payment recovery assistance services. Council Member Joyce Laudenschlager seconded, the motion carried unanimously.

Discuss and consider action: Authorize the waiver of permit fees for the Badger Building Project: D. Vaughn: Council Member Joyce Laudenschlager moved to authorize the waiver of the permit fees for the Badger Building Project. Council Member Milton Phair seconded, the motion carried unanimously.

Discuss and consider action: A RESOLUTION BY THE CITY OF BURNET, TEXAS RESTRICTING THE USE OF CERTAIN FUNDS FOR CAPITAL PROJECTS AND AUTHORIZING THE USE OF SUCH FUNDS FOR PROJECT F, SELECTED FULL LENGTH REHABILITATION PROJECT: D. Vaughn: Council Member Danny Lester made a motion to approve and adopt Resolution R2018-06 as presented. Council Member Tres Clinton seconded, the motion carried unanimously.

Discuss and consider action: Award of Street Paving Project Bid: G. Courtney: Council Member Danny Lester made a motion to award the Street Paving Project Bid to Fuquay, Inc. Council Member Paul Farmer seconded, the motion carried unanimously.

Discuss and consider action: FIRST READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE RESTORATION OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS: D. Vaughn: Council Member Danny Lester made a motion to approve the first reading of Resolution No. R2018-07 as presented. Council Member Milton Phair seconded, the motion carried unanimously.

Discuss and consider action: FIRST READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE DEVELOPMENT OF A 21 ACRE BUSINESS, COMMERCIAL, AND/OR INDUSTRIAL PARK LOCATED AT 1500

POLK STREET; AND OTHER RELATED MATTERS: D. Vaughn: Council Member Milton Phair made a motion to approve the first reading of Resolution No. R2018-08 as presented. Council Member Tres Clinton seconded, the motion carried unanimously.

Discuss and consider action: Authorization to proceed with financing for the Police Department Facility Project: D. Vaughn: Council Member Danny Lester made a motion to authorize the City Manager to proceed with obtaining a bond rating for the City and to prepare the budget for the May 29th, 2018 Budget Retreat with the Police Department Facility Project as presented. Council Member Tres Clinton seconded, the motion carried unanimously.

REPORTS: None.

Addendum to the City Council Agenda: Department and Committee Reports/Briefings: The City Council may or may not receive a briefing dependent upon activity or change in status regarding the matter. The listing is provided to give notice to the public that a briefing to the Council on any or all subjects may occur.

REQUESTS FROM COUNCIL FOR FUTURE REPORTS: None.

ADJOURN: There being no further business a motion to adjourn was made by Council Member Joyce Laudenschlager at 6:27 p.m., seconded by Council Member Milton Phair. The motion carried unanimously.

ATTEST:

Crista Goble Bromley, Mayor

Kelly Dix, City Secretary

STATE OF TEXAS {}
COUNTY OF BURNET {}
CITY OF BURNET {}

On this the 15th day of May, 2018, the City Council of the City of Burnet convened in a Special Session, at 5:30 p.m. at the Council Chambers, Burnet Municipal Airport, 2402 S. Water Street, Burnet, TX thereof with the following members present, to-wit:

Mayor	Crista Goble Bromley
Council Members	Paul Farmer, Tres Clinton, Joyce Laudenschlager, Milton Phair, Danny Lester
Absent	Cindia Talamantez
City Manager	David Vaughn
City Secretary	Kelly Dix

Guests: Savanna Gregg, Mark Lewis, Evan Milliron, Patricia Langford, Paul Nelson, Leslie Baugh, Mary Jane Shanes, Bettye Foulds, Doug Fipps

Call to Order: Mayor Bromley called the meeting to order at 5:30 p.m.

Invocation: Led by Paul Farmer

Pledge of Allegiance: Led by Milton Phair

Pledge to Texas Flag: Led by Milton Phair

CANVASS ELECTION:

Discuss and consider action: A RESOLUTION AND ORDER BY THE CITY COUNCIL, OF THE CITY OF BURNET, TEXAS, CANVASSING THE RETURNS AND DECLARING THE RESULTS OF THE CITY OF BURNET, MAY 5, 2018 SPECIAL ELECTION: K. Dix: City Secretary, Kelly Dix reviewed the May 5, 2018 Special Election results with Council. Sixteen of the seventeen propositions passed. Proposition "K" which was an amendment to the City Charter removing the requirements of a comprehensive plan, failed by two votes. Council Member Paul Farmer made a motion to approve the resolution canvassing the returns and declaring the results of the May 5, 2018 Special Election. Council Member Milton Phair seconded. The motion carried unanimously.

RECOGNITION:

Recognition of Council Member Milton Phair: Mayor Crista Goble Bromley: Mayor Crista Goble Bromley presented Council Member Milton Phair a plaque thanking him for his dedicated service to the City of Burnet. Mr. Phair thanked the Council, City Manager and Staff for their support and expressed how much his service to the City meant to him.

OATH OF OFFICE:

The Oath of Office will be administered to, Danny Lester, Council Member: K. Dix: A Certificate of Election was presented to Danny Lester by City Secretary, Kelly Dix, and the Oath of Office was administered. Danny Lester was sworn in as Council Member for a term of two years.

The Oath of Office will be administered to, Joyce Laudenschlager, Council Member: K. Dix: A Certificate of Election was presented to Joyce Laudenschlager by City Secretary, Kelly Dix, and the Oath of Office was administered. Joyce Laudenschlager was sworn in as Council Member for a term of two years.

The Oath of Office will be administered to, Mary Jane Shanes, Council Member: K. Dix: A Certificate of Election was presented to Mary Jane Shanes by City Secretary, Kelly Dix, and the Oath of Office was administered. Mary Jane Shanes was sworn in as Council Member for a term of two years.

ADJOURN: There being no further business a motion to adjourn was made by Council Member Joyce Laudenschlager at 5:40 p.m., seconded by Council Member Mary Jane Shanes seconded, the motion carried unanimously.

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix , City Secretary



City Secretary

ITEM 4.1

Kelly Dix
City Secretary
(512)-756-6093 ext.3209
kdix@cityofburnet.com

Agenda Item Brief

Meeting Date:	May 22, 2018
Agenda Item:	Discuss and consider action: Appoint Mayor Pro Tem: K. Dix
Background:	Per the City of Burnet Home Rule Charter, Section 3.06: A Mayor Pro-tem shall be elected by the City Council as soon as practicable after each regular City election, or in the event of a vacancy in the Mayor Pro-tem position. The Mayor Pro-tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the rights conferred upon the Mayor.
Information:	It will be necessary for the Council to nominate a Council Member to serve as Mayor Pro Tem.
Fiscal Impact:	None
Recommendation:	To be determined by Council



Administration

ITEM 4.2

Evan Milliorn
Asst. Administrative Services
(512)-715-3200
emilliorn@cityofburnet.com

Agenda Item Brief

Meeting Date: May 22, 2018

Agenda Item: Discuss and Consider Action: SECOND AND FINAL READING OF AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 BY ASSIGNING MEDIUM COMMERCIAL – DISTRICT C-2 ZONING TO LOT 1, SECTION 2 (1.409 ACRES) BURNET INDUSTRIAL PARK AND LOT 2, BLOCK 2, BURNET INDUSTRIAL PARK WHICH IS FURTHER DESCRIBED AS BEING IN THE 400 BLOCK OF INDUSTRIAL BOULEVARD; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE: E. Milliorn

Background: The attached ordinance, if approved by City Council, will assign Medium Commercial – District C-2 zoning to the property described in the above caption.

Information: All necessary precursor actions in the zoning process, including public notice, Planning and Zoning Commission public hearing, and City Council public hearing have been completed. It is appropriate that Council take action on the zone change ordinance at this time.

There have been no changes to the Ordinance since the first reading on May 8, 2018.

Fiscal Impact: None

Recommendation: Approve and adopt Ordinance 2018-09 as presented.

ORDINANCE NO. 2018-09

AN ORDINANCE AMENDING ORDINANCE NO. 2012-06 BY ASSIGNING MEDIUM COMMERCIAL – DISTRICT C-2 ZONING TO LOT 1, BLOCK 2 (1.409 ACRES) BURNET INDUSTRIAL PARK AND LOT 2, BLOCK 2, BURNET INDUSTRIAL PARK WHICH IS FURTHER DESCRIBED AS BEING IN THE 400 BLOCK OF INDUSTRIAL BOULEVARD; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, The Planning and Zoning Commission of the City of Burnet, on May 7, 2018, did conduct a public hearing for the purpose of taking public comment regarding the proposal to assign Medium Commercial – District C-2 zoning to Lot 1, Block 2 (1.409 acres); Burnet Industrial Park and Lot 2, Block 2, Burnet Industrial Park which is further described as being in the 400 Block of Industrial Boulevard; and

WHEREAS, The City Council of the City of Burnet, on May 8, 2018 did conduct its own public hearing for the purpose of taking public comment regarding the proposal to assign Medium Commercial – District C-2 zoning to that same Lot 1, Block 2 (1.409 acres); Burnet Industrial Park and Lot 2, Block 2, Burnet Industrial Park; and

WHEREAS, The City Council, based on due consideration of the Planning and Zoning Commission recommendation as well as its own deliberations did determine that assigning Medium Commercial – District C-2 zoning to Lot 1, Block 2 (1.409 acres); Burnet Industrial Park and Lot 2, Block 2, Burnet Industrial Park to be consistent with the City of Burnet Future Land Use Plan, consistent with development patterns in the surrounding area and consistent with the best public interest of the City;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Zoning Changed. Lot 1, Block 2 (1.409 acres); Burnet Industrial Park and Lot 2, Block 2, Burnet Industrial Park is hereby assigned a zoning designation of Medium Commercial – District C-2.

Section 3. Repealer. Other ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent that they are in conflict.

Section 4. Severability. Should any provisions of this ordinance be held void or unconstitutional, it is hereby provided that all other parts of the same which are not held void or unconstitutional shall remain in full force and effect.

Section 5. Effective Date. This ordinance is effective upon final passage and approval.

Section 6. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meeting Act, Chapter. 551, Loc. Gov't. Code.

PASSED AND APPROVED on First Reading this 8th day of May 2018.

FINALLY PASSED AND APPROVED on this 22nd day of May, 2018.

CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



City Manager

ITEM 4.3

David Vaughn
City Manager
(512)-715-3208
dvaughn@cityofburnet.com

Agenda Item Brief

Meeting Date: May 22, 2018

Agenda Item: Discuss and consider action: SECOND AND FINAL READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE RESTORATION OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS: D. Vaughn

Background:

Information: The attached resolution is required to be adopted at two reading for authorization of the Badger Building Project. This will be the final reading

Fiscal Impact: The cost of the project is currently estimated at up to \$2 million dollars.

Recommendation: Staff recommends approval and adoption of Resolution R2018-07 as presented.

RESOLUTION NO: R2018-07

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET
APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC
DEVELOPMENT CORPORATION ("BEDC") FOR THE RESTORATION
OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE
STREET; AND OTHER RELATED MATTERS.**

WHEREAS, the Burnet Economic Development Corporation ("BEDC") Board of Directors ("Board") is authorized under the Texas Economic Development Act and other laws of the State of Texas, particularly Sec. 505.158, Texas Local Government Code, to undertake and accomplish the Project; and

WHEREAS, the Board desires to designate as a project ("Project") the expenditures of funds for the improvement, restoration and preservation of the historic Badger Building located at 229 S. Pierce Street, Burnet, Texas 78611; and

WHEREAS, pursuant to Sections 505.159 of Texas Local Government Code, the Board published notice on May 4, 2018 in a paper of general circulation and conducted a hearing on May 7, 2018 at 3:00pm at the Burnet City Council Chambers, located at 2402 South Water Street, Burnet, Texas, to invite members of the public to provide testimony and comments on the Project.

WHEREAS, the Board is authorized under the Texas Economic Development Act and other laws of the State of Texas, particularly Sec. 505.158, Texas Local Government Code, to undertake and accomplish the Project; and

WHEREAS, the Board determined the Project will promote new and/or expanded business development by initiating revitalization to the historic courthouse square; and

WHEREAS, the BEDC Board of Directors approved the Project by resolution dated May 7, 2018, and has requested approval and authorization of such Project by the City Council of the City of Burnet ("City Council"), as required by Sec. 501.073, Texas Local Government Code; and

WHEREAS, it is the desire of the City Council to approve and authorize the Project and to direct City Staff to assist the BEDC to the extent necessary to implement and accomplish the Project;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET,
THAT:**

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The City Council hereby approves and authorizes the Project described as improvements and preservation of the historic Badger Building located at 229 S. Pierce Street, Burnet, Texas 78611, including the use of sales tax funds to pay the cost of the Project or for approximately \$2 million dollars in debt service on one or more series of obligations related to the Project. The City Council further directs city staff to assist the BEDC, to the extent necessary, to implement and accomplish the Project

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code.*

First Reading on the 8th day of May, 2018

Second Reading on the 22nd day of May, 2018

ADOPTED AND APPROVED on this, the 22nd day of May, 2018.

CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



City Manager

ITEM 4.4

David Vaughn
City Manager
(512)-715-3208
dvaughn@cityofburnet.com

Agenda Item Brief

Meeting Date: May 22, 2018

Agenda Item: Discuss and consider action: SECOND AND FINAL READING OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE DEVELOPMENT OF A 21 ACRE BUSINESS, COMMERCIAL, AND/OR INDUSTRIAL PARK LOCATED AT 1500 POLK STREET; AND OTHER RELATED MATTERS : D. Vaughn

Background:

Information: The attached resolution is required to be adopted at two reading for authorization of the development for a twenty-one acre business, commercial, and/or industrial park 1500 Polk Street. This will be the second and final reading of the resolution.

Fiscal Impact: To be determined.

Recommendation: Staff recommends approval and adoption of Resolution R2018-08 as presented.

RESOLUTION NO: R2018-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET APPROVING A TYPE B PROJECT BY THE BURNET ECONOMIC DEVELOPMENT CORPORATION ("BEDC") FOR THE DEVELOPMENT OF A 21 ACRE BUSINESS, COMMERCIAL, AND/OR INDUSTRIAL PARK LOCATED AT 1500 POLK STREET; AND OTHER RELATED MATTERS.

WHEREAS, the Burnet Economic Development Corporation ("BEDC") Board of Directors ("Board") is authorized under the Texas Economic Development Act and other laws of the State of Texas, particularly Sec. 505.158, Texas Local Government Code, to undertake and accomplish the Project; and

WHEREAS, the Board desires to designate as a project ("Project") the expenditures of funds for engineering, design and construction of roadway, sidewalks, subsurface utilities, including water and wastewater, above-ground utilities, water run-off control, including detention and retention facilities, signage, landscaping, and all other improvements necessary or useful for the development of a 21 acre business, commercial, and/or industrial park that is owned by the Burnet Economic Development Corporation and is located at 1500 Polk Street, Burnet, Texas 78611; and

WHEREAS, pursuant to Sections 505.159 of Texas Local Government Code, the Board published notice on May 4, 2018 in a paper of general circulation and conducted a hearing on May 7, 2018 at 3:00pm at the Burnet City Council Chambers, located at 2402 South Water Street, Burnet, Texas, to invite members of the public to provide testimony and comments on the Project.

WHEREAS, the Board is authorized under the Texas Economic Development Act and other laws of the State of Texas, particularly Sec. 505.158, Texas Local Government Code, to undertake and accomplish the Project; and

WHEREAS, the Board determined the Project will promote new and/or expanded business development; and

WHEREAS, the BEDC Board of Directors approved the Project by resolution dated May 7, 2018, and has requested approval and authorization of such Project by the City Council of the City of Burnet ("City Council"), as required by Sec. 501.073, Texas Local Government Code; and

WHEREAS, it is the desire of the City Council to approve and authorize the Project.

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The City Council hereby approves and authorizes the Project described as engineering, design and construction of roadway, sidewalks, subsurface utilities, including water and wastewater, above-ground utilities, water run-off control, including detention and retention facilities, signage, landscaping, and all other improvements necessary or useful for the development of a 21 acre business, commercial, and/or industrial park to be located at 1500 Polk Street, Burnet, Texas 78611. The City Council further authorizes the use of sales tax funds to pay the cost of the project or for approximately \$2 million dollars in debt service on one or more series of obligations related to the Project.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

First Reading on the 8th day of May, 2018

Second Reading on the 22nd day of May, 2018

ADOPTED AND APPROVED on this, the 22nd day of May, 2018.

CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



Police Department

ITEM 4.5

Paul Nelson
Police Chief
(512)-756-6404
pnelson@cityofburnet.com

Agenda Item Brief

Meeting Date:	May 22, 2018
Agenda Item:	Discuss and consider action: Interlocal Agreement between the City of Burnet and the Burnet Consolidated Independent School District for (4) Four School Resource Officers: P. Nelson
Background:	This will be the fifth year for this Interlocal Agreement. There's a great working relationship between the City of Burnet and the Burnet Consolidated Independent School District.
Information:	The attached proposed Interlocal Agreement is intended to address the majority of potential issues that have been identified at this time related to the joint use of the police officer and ensure all parties receive their proportionate benefit from the officer.
Fiscal Impact:	Under the proposed agreement, we have negotiated an arrangement whereby the cost to the city is less than if we had only added a third SRO. Cost for the city will be \$60,730.81 for the 2018-2019 Budget.
Recommendation:	Staff recommends approval.

INTERLOCAL AGREEMENT
BETWEEN
BURNET CONSOLIDATED INDEPENDENT SCHOOL DISTRICT AND THE CITY OF
BURNET

This Agreement is made the 22nd day of May, 2018, between the Burnet Consolidated Independent School District ("District") and the City of Burnet ("City").

Pursuant to the authority granted by the "Texas Interlocal Cooperation Act", Chapter 791 Texas Government code providing for the cooperation between local governmental bodies, the parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

WHEREAS, the contract is made under the authority of Section 791 of the Texas Government Code; and,

WHEREAS, the parties, in performing governmental functions or in paying for the performance of governmental function hereunder shall make that performance or those payments from current revenues legally available to that party;

WHEREAS, the governing bodies of each party find that the subject of this contract is necessary for the benefit of the public and that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this agreement; furthermore, the governing bodies find that the performance of this contract is in the common interest of both parties; and that the division of cost fairly compensates the performing party.

WITNESSETH:

NOW THEREFORE, in consideration of the foregoing promises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. City will provide Four (4) Burnet Police Department (BPD) police officers to the District to serve as a School Resource Officer (SRO) on campuses located within the City of Burnet, in accordance with Exhibit "A" and under the policies and procedures of the City and the District as amended from time to time.
2. The Term of this Agreement is from August 20, 2018 through May 23, 2019 (Term).
3. District shall pay to City the amount of Two Hundred Seventy-seven Thousand One Hundred Ninety Two Dollars and 64/100's (\$277,192.64) for Compensation Reimbursement of all salaries, benefits, training, and vehicle expenses of said (4)

Four officers during the Term of this agreement, payable in nine equal installments of Thirty Thousand Seven Hundred Ninety Nine dollars and 18/100's (\$30,799.18) payable by the last day of each month, beginning in September 2018.

4. City and District agree that City in performing this Agreement shall act as an independent contractor and shall have control of its own work and the manner in which it is performed. District, acting through its designated administrator, will have the right to allocate the officer's time amongst District's various facilities as it sees fit, however City will control assignment of specific officers to those positions and will maintain supervisory control over all officers in the performance of their duties as peace officers. SRO's shall not work more than forty (40) hours per week without prior authorization by the City.
5. District agrees that its Board of Trustees will, pursuant to Section 37.081 of the Texas Education Code, designate officers of BPD as District peace officers. The Parties further recognize that the officers shall remain City employees, and shall wear the uniform and equipment of the BPD.
6. The City reserves the right to temporarily reassign the SRO, when, in the sole judgment of the City, their services are required in response to a citywide or major emergency.
7. In the event of an extended period of leave, or time-off, by the SRO during the school year, the City and the District shall cooperate in good faith to provide a temporary replacement SRO, as BPD staffing levels allow.
8. Nothing herein shall be deemed in any manner to constitute a waiver of sovereign, governmental, or any other immunity or affirmative defense that may be asserted by District or City, nor shall this Agreement be in any manner construed to create a cause of action for the benefit of any person not a party to this Agreement, or to create any rights for the benefit of any person not a party to this Agreement not otherwise existing at law.
9. No assignment by a party hereto of any rights under or interests in this Agreement will be binding on another party hereto without the written consent of the other party.
10. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, however if any provision of this Agreement is prohibitive or invalid under applicable law, such provision shall be ineffective to the extent of such provision or invalidity, without

invalidating the remainder of such provision or the remaining provisions of this Agreement.

11. Formal notices, demands, and communications between Parties shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, to the principal offices of the Parties and addressed to:

City of Burnet
Attn: City Manager
P.O. Box 1369
Burnet, Texas 78611

BCISD
Attn: Superintendent
208 E. Brier
Burnet, Texas 78611

12. This Agreement may be terminated for convenience at any time by either party upon sixty (60) days written notice, at which time all parties shall be relieved of their obligations under this Agreement.

13. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Texas.

14. This Agreement and all obligations created hereunder shall be performable in Burnet County, Texas.

In witness whereof, the parties have hereunto set their hands and signatures on the date first above mentioned.

Burnet Consolidated Independent School District,

By: _____
Keith McBurnett, Superintendent

City of Burnet,
A Texas Municipal Corporation

By: _____
David Vaughn, City Manager



City Manager

ITEM 4.6

David Vaughn
City Manager
(512)-715-3208
dvaughn@cityofburnet.com

Agenda Item Brief

Meeting Date: May 22, 2018

Agenda Item: Discuss and consider action: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE BURNET ECONOMIC DEVELOPMENT CORPORATION AND SAN SABA WINE CELLARS, LLC FOR THE USE OF THE HISTORIC BADGER BUILDING LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS: D. Vaughn

Background:

Information: The BEDC Board and Wedding Oak Winery have approved the attached lease, however the lease must be approved by the City Council before it can become effective.

Fiscal Impact: The cost to renovate the Badger Building has been estimated between \$1.5-\$2m.

Recommendation: Staff recommends approval and adoption of Resolution R2018-11 as presented.

RESOLUTION NO: R2018-11

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET
AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE BURNET
ECONOMIC DEVELOPMENT CORPORATION AND SAN SABA WINE
CELLARS, LLC FOR THE USE OF THE HISTORIC BADGER BUILDING
LOCATED AT 229 S. PIERCE STREET; AND OTHER RELATED MATTERS.**

WHEREAS, the Burnet Economic Development Corporation ("BEDC") has undertaken a project for the improvement, restoration and preservation of the historic Badger Building located at 229 S. Pierce Street, Burnet, Texas 78611; and

WHEREAS, the Burnet Economic Development Corporation Board of Directors ("Board") desires to enter into a lease with a tenant that will help promote new or expanded business opportunities and revitalization to the historic courthouse square; and

WHEREAS, the City of Burnet City Council ("City Council") desires to approve and authorize the Board to enter into such a lease with San Saba Wine Cellars, LLC, dba Wedding Oak Winery.

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The City Council hereby finds that the attached lease, as further shown in Exhibit "A", represents a fair market lease and further approves and authorizes the Board to enter into the lease agreement with San Saba Wine Cellars, LLC for the use of the historic Badger Building located at 229 S. Pierce.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

ADOPTED AND APPROVED on this, the 22nd day of May, 2018.

CITY OF BURNET, TEXAS

ATTEST:

Crista Goble Bromley, Mayor

Kelly Dix, City Secretary

Exhibit “A”

LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into by the BURNET ECONOMIC DEVELOPMENT CORPORATION, as "Landlord", and San Saba Wine Cellars, LLC d/b/a Wedding Oak Winery LLC., a Texas Limited Liability Company, as "Tenant". Individually referred to herein as "Party" or collectively as "Parties".

SECTION 1. BUSINESS TERMS AND AGREED DEFINITIONS

The following terms shall have the indicated meanings when used in this Lease, unless the context otherwise clearly requires.

A. **Land.** The Land is approximately 0.211 acres of land described as Lot No. 3A, Block 7 of the Peter Kerr Addition to the City of Burnet, as further shown on **Exhibit "A"**. The physical address of the Land is 229 South Pierce Street, Burnet, Texas 78611.

B. **Building.** Buildings located on 229 South Pierce Street collectively referred to as the Badger Building, pursuant to this Lease on the Land and the driveways and sidewalks (if any) which service the Building.

C. **Leased Premises.** The Building and the Land, together with any other improvements situated thereon.

D. **Removable Trade Fixtures.** Removable Trade Fixtures shall mean the following: all of Tenant's signs, counters, tables, chairs, desks, racks, merchandisers and displayers, standards, wall brackets, hang rods, shelves, mirrors, cash registers and other business machines, wall brackets, tanks, barrels and other equipment used by Tenant in its business operations that can be removed without materially damaging the Leased Premises.

E. **Commencement Date.** Landlord will tender possession of the Leased Premises to Tenant on the Commencement Date which shall be when the following has occurred: (1) a Certificate of Occupancy or temporary Certificate of Occupancy has been obtained, (2) Landlord has Substantially Completed Landlord's Work, and (3) Landlord has given Tenant the keys to the Leased Premises. Landlord and Tenant shall execute a Base Rent schedule in a form substantially similar to **Exhibit "B"**, specifying the month and year of the Commencement Date and further specifying the month and year of each subsequent monthly Base Rent payment as provided for herein.

F. **Term.** The Initial Term shall be the period that begins on the Commencement Date and continuing for a period of sixty (60) full calendar months after the Commencement Date ("Initial Term"). Tenant may, upon written notice prior to the end of the forty-eighth (48) calendar month of the Initial Term, elect to extend this Lease for an additional sixty (60) calendar month period ("Renewal Term"). The Initial Term and Renewal Term shall be referred to herein individually and collectively as the Term ("Term"), as applicable.

G. Rent. All sums required to be paid by Tenant under this Lease constitute "Rent." The term "Rent" or "Rental", when used in this Lease, includes Base Rent, Percentage Rent, and all other sums payable hereunder combined. Tenant's Rent payments shall be made to Landlord at Landlord's stated address, or at any other address that Landlord may specify by written notice to Tenant, as provided for herein. No payment made by Tenant, or received by Landlord, in an amount less than the amount herein stipulated shall be deemed to be other than a partial payment, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent or any other sum payable hereunder be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such amount from Tenant or to pursue any other remedy in this Lease or provided by law.

Base Rent shall be as follows:

(1) Commencing on the 1st full calendar month through the 12th full calendar month following the Commencement Date ("Lease Year 1"), the Base Rent shall be **\$48,000.00** per year, payable in equal monthly installments of **\$4,000.00** per month. If the Commencement Date does not fall on the first day of a month, the first partial month's Base Rent will be prorated based on the following formula: \$4,000 divided by the number of days in the month, times the number of days remaining in the month; and

(2) Commencing on the 13th full calendar month following the Commencement Date through the 24th full calendar month following the Commencement Date ("Lease Year 2"), the Base Rent shall be **\$54,000.00** per year, payable in equal monthly installments of **\$4,500.00** per month; and

(3) Commencing on the 25th full calendar month following the Commencement Date through the 36th full calendar month following the Commencement Date ("Lease Year 3"), the Base Rent shall be **\$60,000.00** per year, payable in equal monthly installments of **\$5,000.00** per month; and

(4) Commencing on the 37th full calendar month following the Commencement Date through the 48th full calendar month following the Commencement Date ("Lease Year 4"), the Base Rent shall be **\$66,000.00** per year, payable in equal monthly installments of **\$5,500.00** per month; and

(5) Commencing on the 49th full calendar month following the Commencement Date through the 60th full calendar month following the Commencement Date ("Lease Year 5"), the Base Rent shall be **\$72,000.00** per year, payable in equal monthly installments of **\$6,000.00** per month.

Tenant agrees to pay Landlord the Base Rent in advance, without notice or demand, on or before the first day of every month during the Term of this Lease. In the event Tenant fails to pay Base Rent on or before the 1st day of the month, a late penalty of Twenty and

No/100 Dollars (\$20.00) per day for each day said Base Rent is not paid shall be paid by Tenant to Landlord.

H. Renewal. The Renewal Term shall be subject to the same terms and conditions as the Initial Term, and the following Base Rent schedule:

- (1) Commencing on the 61st full calendar month through the 72nd full calendar month following the Commencement Date ("Lease Year 6"), the Base Rent shall be **\$75,000.00** per year, payable in equal monthly installments of **\$6,250.00** per month; and
- (2) Commencing on the 73th full calendar month following the Commencement Date through the 84th full calendar month following the Commencement Date ("Lease Year 7"), the Base Rent shall be **\$78,000.00**, payable in equal monthly installments of **\$6,500.00** per month; and
- (3) Commencing on the 85th full calendar month following the Commencement Date through the 96th full calendar month following the Commencement Date ("Lease Year 8"), the Base Rent shall be **\$81,000.00**, payable in equal monthly installments of **\$6,750.00** per month; and
- (4) Commencing on the 97th full calendar month following the Commencement Date through the 108th full calendar month following the Commencement Date ("Lease Year 9"), the Base Rent shall be **\$84,000.00**, payable in equal monthly installments of **\$7,000.00** per month; and
- (5) Commencing on the 109th full calendar month following the Commencement Date through the 120th full calendar month following the Commencement Date ("Lease Year 10"), the Base Rent shall be **\$87,000.00**, payable in equal monthly installments of **\$7,250.00** per month.

I. Percentage Rent.

For the purposes of this section, (1) Gross Receipts shall mean the total amounts the Tenant received from all sources during the Lease Year generated at, or attributable to, the Leased Premises, without subtracting any costs or expenses ("Gross Receipts"). Gross Receipts shall not include sales taxes collected. (2) "Lease Year" shall mean each period of twelve (12) consecutive calendar months during the Term of the Lease, as provided for herein.

Percentage Rent is the result of ten (10%) percent of Gross Receipts for the each Lease Year minus the Base Rent paid by Tenant during the Lease Year ("Percentage Rent").

No later than forty-five (45) days after the end of the Lease Year, Tenant shall pay Landlord the Percentage Rent and provide copies of all monthly sales tax returns for the

Lease Year and a statement of all Gross Receipts for the Lease Year signed by both Tenant and Tenant's bookkeeper or accountant.

Tenant shall maintain complete records of its Gross Receipts during the Lease Period. In order to verify any statement made pursuant to subsection 5(c)(2), Tenant shall allow Landlord to inspect during normal business hours all the records of Tenant's Gross Receipts, including any reports to any governmental agency. No more frequently than once per Lease Year, Landlord may retain an independent certified public accountant to conduct an audit of Tenant's business records. If such audit results in a positive deviation in the Gross Receipts amounts greater than +10% of Tenant's statements to Landlord, Tenant shall pay the additional Percentage Rent due, if any, and the cost of the audit to Landlord with thirty (30) days, otherwise, Landlord shall pay the cost of the audit.

J. Guarantor. None.

K. Permitted Use. Tenant's use of the Leased Premises is for the operation of a winery facility and retail space for sales and events, and usual activities in connection with Tenant's business as a winery ("Permitted Use"). For the purposes of this Lease, Permitted Use may also include food service or restaurant use. Tenant also agrees that it will not use, or suffer or permit any person to use the said Leased Premises or any portion or portions thereof for any use or purpose, other than the Permitted Use, or in violation of the laws of the United States, the State of Texas or other governmental subdivision having jurisdiction, or restrictive covenants and neither suffer nor permit nuisances upon said Leased Premises.

L. Tenant's Address. Tenant's address for notice purposes shall be:

Tenant Name: San Saba Wine Cellars, LLC.
Attention: Mike McHenry, Managing Member
Address: 301 East Wallace Street, Suite 205
San Saba, Texas 76877
Phone: (325) 628-3285

M. Landlord's Address. Landlord's address for notice purposes shall be:

Landlord Name: Burnet Economic Development Corporation
Attention: Cary Johnson, President
Address: 1001 Buchanan Drive, Suite 4
P.O. Box 1369
Burnet, TX 78611
Phone: (512) 756-6093
Fax: (512) 756-8560

N. Security Deposit. Prior to the Commencement Date, Tenant shall pay a security deposit of Five Thousand and No/100s Dollars (\$5,000.00) ("Security Deposit"). If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default. Landlord agrees to return the Security Deposit to Tenant, less

itemized deductions, if any, on or before the sixtieth (60th) day after the date Tenant surrenders the Premises.

SECTION 2. LANDLORD'S WORK.

A. Landlord, at Landlord's sole cost and expense, shall perform the construction and other work in and on the Leased Premises which is provided for in the architectural plans for the Building's renovation, attached hereto as **Exhibit "C"** ("Landlord's Work"). The finish-out of the Leased Premise shall be completed by Landlord in a manner that is architecturally appropriate to the historical nature of the Building, appropriate use of the space, and generally equivalent to that shown on **Exhibit "D"** or as otherwise agreed upon by the Parties.

B. Subject to the provisions provided for herein, Landlord shall proceed diligently to cause the Landlord's Work to be Substantially Complete on or before **April 1, 2019** (the "Projected Completion Date"). The Parties hereby agree that due to the nature of the project and difficulties involved in preserving/restoring the Buildings, the Project Completion Date may be extended by the Landlord, without penalty. Landlord shall advise Tenant of such delays in writing. "Substantial Completion" shall mean when the Landlord's Work has occurred such that the Leased Premises are ready for occupancy by Tenant for the Permitted Use. Substantial Completion shall be deemed to have occurred notwithstanding a requirement to complete punch list items, which does not materially interfere with Tenant's occupancy. Landlord shall not be liable for any monetary damages for delays in completion.

C. Landlord shall, if possible, allow Tenant access to the Leased Premises prior to the Commencement Date for Tenant to install various equipment and machinery; provided, however, that in doing so Tenant shall coordinate and cooperate with Landlord and Landlord's contractors to prevent any delay. Tenant shall have no right to occupy the Leased Premises prior to the Commencement Date other than for purposes of installing Tenant's equipment and machinery. Landlord shall not be liable for any damage caused to Tenant's property located on the Leased Premises prior to the Commencement Date.

D. Within thirty (30) days of the Commencement Date, Landlord and Tenant will conduct a final walk-through of the Leased Premises to determine if any part of the Landlord's Work remains. Tenant shall have ten (10) business days after the date that Landlord has notified Tenant that the punch list items have been completed to notify Landlord in writing of any punch list items which Tenant does not believe have been completed and arrange a walk through the Leased Premises to identify any deficiencies. In the event that the Tenant does not provide such notice within the ten (10) business day period, Tenant shall be deemed to have confirmed that all punch list items have been completed and that the Leased Premises are suitable in all respects.

E. Landlord, at Landlord's cost, shall be responsible for obtaining, if required for Tenant's occupancy, a certificate of occupancy from the applicable governmental

agency (collectively, the "Certificate of Occupancy") so that Tenant may occupy the Leased Premises. If necessary, Tenant will assist Landlord in obtaining such Certificate of Occupancy.

F. If Tenant hereafter desires Landlord to do any work different from or in excess of the Landlord's Work ("Additional Work"), Tenant shall submit to Landlord detailed proposed plans of such Additional Work. Such proposed plans shall be subject to Landlord's sole discretion and approval. Landlord shall have no obligation to perform any Additional Work absent express approval and agreement to do so. If Landlord does approve such proposed plans, Landlord's obligation to perform the Additional Work shall be conditioned upon Landlord and Tenant having executed a written agreement as to the cost of the Additional Work and the terms and conditions upon which such cost will be paid by Tenant.

G. All of Landlord's Work shall be done by Landlord in a good and workmanlike manner. Landlord shall, at Landlord's sole expense, obtain all building permits, approvals and certificates required by any governmental authority and shall, upon request of Tenant, promptly deliver copies of same to Tenant.

H. Landlord shall allow Tenant and Tenant's agents and representatives' reasonable access to the Leased Premises, at Tenant's sole risk, throughout the period of construction.

I. Landlord agrees that upon completion of Landlord's Work, the Leased Premises and the other parts of Landlord's Work will comply with all applicable building codes.

J. Upon Substantial Completion, Landlord shall remove all of Landlord's waste materials and rubbish from and about the Leased Premises as well as Landlord's tools, construction equipment, machinery and surplus materials, and leave the same in broom clean condition, ready for occupancy.

K. Landlord shall, or cause Landlord's contractor to, maintain in good order at the site one record copy of drawings, specifications, change orders and other modifications, marked currently to record changes made during construction, and Tenant shall have reasonable access to such items. A copy of these items shall be delivered to the Tenant upon request.

L. Tenant may not construct any alterations or make any changes to the Leased Premises unless Tenant has received the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

M. All improvements, additions, equipment, and fixtures installed in the Leased Premises, except for Removable Trade Fixtures which are actually removed in accordance with this Lease at the termination of Tenant's right to possession hereunder, shall belong to Landlord.

SECTION 3. TAXES .

Landlord shall be responsible for and shall pay all real property taxes on the Leased Premises. Tenant shall be responsible for and shall pay all personal property taxes on the Leased Premises. Additionally, Tenant shall pay the full amount of all taxes, assessments, impositions, levies, charges, excises, fees, licenses and other sums levied, assessed, charged or imposed by any governmental authority or other taxing authority upon Tenant's leasehold interest under this Lease and all alterations, additions, fixtures, including Removable Trade Fixtures (hereafter defined), inventory and other property installed or placed or permitted at the Leased Premises by Tenant. Within thirty (30) days after notice from Landlord, Tenant shall furnish Landlord a true copy of receipts received by Tenant from the governmental authority or other taxing authority assessing such charge evidencing such payment.

SECTION 4. UTILITIES.

Tenant shall contract directly with utility providers and shall pay for all water, sewer, gas, electricity, garbage, telephone and other utilities used in the Leased Premises during the Term. Landlord shall not be liable for any cessation or interruption of utility services to the Leased Premises. No cessation or interruption of utilities shall modify any of the obligations of Tenant under this Lease.

SECTION 5. USE.

Tenant shall use the Leased Premises solely for the Permitted Use, as defined herein. Tenant shall obtain, at Tenant's own cost and expense, any and all licenses and permits necessary for such use, except the Certificate of Occupancy, if applicable, which shall be the Landlord's responsibility. Tenant shall comply with all federal, state, municipal, and other laws, ordinances, rules and regulations of any governmental authority that apply to the use, renovation, repair, operation, or occupancy of the Leased Premises or to Tenant's business. Outside storage is prohibited without Landlord's prior written consent. All renovations, additions, physical changes or other improvements to the Leased Premises must be approved in writing by Landlord. Tenant shall comply with such reasonable safety recommendations and reasonable loss prevention and loss reduction recommendations, as long as such recommendations do not unreasonably interfere with Tenant's use of the Leased Premises, as Landlord or Landlord's insurance carriers (or both) may, from time to time, request; and Tenant shall not make any unlawful use of the Leased Premises or permit any unlawful use thereof; and Tenant shall not commit any act which is a significant public nuisance or unreasonable annoyance to Landlord, or which might in the reasonable judgment of Landlord, injure or depreciate the Leased Premises.

SECTION 6. SIGNAGE.

Tenant shall be responsible for the purchase, installation, and maintenance of any signage in the Leased Premises or on the exterior of the Leased Premises. Any sign erected upon the Leased Premises must be made in accordance with applicable laws and regulations and must be approved by Landlord prior to installation, for which such consent shall not be unreasonably withheld.

SECTION 7. REPAIRS

A. Landlord's Obligations. Only the following portions of the Leased Premises constitute Landlord's repair obligation: roof, foundation, and load-bearing columns ("Structural Members"). Landlord shall have no obligation to perform these repair or maintenance activities with regard to such portions of the Leased Premises (reasonable wear and tear excepted) unless and until Tenant has given Landlord written notice of need of repair to these items. In the event Landlord disagrees with Tenant's request, Landlord shall provide Tenant with a written explanation of why the foundation, structural walls and roof of the building are not in need of repair or maintenance. Should Landlord and Tenant not agree as to the necessity of repair or maintenance of the Structural Members, Landlord and Tenant shall agree on a mutually acceptable design professional who will resolve such dispute by certifying in writing whether any such repairs are required and, if so, the method required to address any such defect. The Party whom the design professional decides against will pay the design professional in full.

B. Tenant's Obligations. Tenant shall repair and maintain in good repair and order and keep clean and orderly all portions of the Leased Premises (excluding Structural Members), including, without limitation: window and door glass; interior partition walls; doors; windows; floor coverings; exterior and interior side of structural walls; down spouts; lights; electrical system and equipment; plumbing systems and equipment; heating ventilating and air conditioning systems and equipment; fire protection systems and equipment; and all equipment used in connection with the Leased Premises. Landlord shall have the right to perform any obligations of Tenant under this Section, in addition to any other remedies available to Landlord, if Tenant fails to perform any such obligation for a period of ten (10) days after Landlord has given Tenant written notice thereof (unless Tenant commences to cure and diligently pursues the curing of the same) and Tenant shall pay to Landlord reasonable cost thereof. Landlord shall not be required to give notice if an emergency exists.

SECTION 8. CASUALTY DAMAGE.

A. Repairs. In the event of a fire or other casualty in the Leased Premises, Tenant shall immediately give notice thereof to Landlord. Landlord shall be responsible for rehabilitation and repair after a casualty loss, only to the extent such rehabilitation or repair is covered through its insurance proceeds. Failure to rehabilitate or repair the Leased Premises, as provided for herein, shall be a breach of Landlords' obligations under this Lease. If the Building, or any portion thereof, shall be partially destroyed by fire or other

casualty so as to render the Building, or any portion thereof, untenable and such portion is not actually used by Tenant for Tenant's normal intended use, the Base Rent shall proportionately abate thereafter until such time as the Leased Premises, or any portion thereof, are made tenable; provided, however, there shall be no abatement of Base Rent and/or any abatement of Rental shall cease as to the portion of the Building actually used by Tenant for Tenant's normal intended use. No damages, compensation, or claims shall be payable by Landlord for any inconvenience, loss of business, or annoyance arising from any casualty loss, except that Base Rent shall be abated in proportion to the portion of the Leased Premises that is not useable by Tenant for Tenant's normal intended use and in proportion to the amount of time that any or all of the Leased Premises is not useable for Tenant's normal intended use.

SECTION 9. CONDEMNATION.

If (i) twenty-five percent (25%) or more of the Leased Premises, other than the Building or (ii) any part of the Building is condemned (or conveyed to a governmental authority in lieu of condemnation), then Landlord or Tenant may elect to terminate this Lease or to continue the Lease in effect. If Landlord or Tenant elects to terminate this Lease, then the Term shall terminate on the date that possession of such portion of the Leased Premises or the Building is condemned or taken by the governmental authority. All condemnation awards for a taking of either the Leased Premises or the Building shall belong to Landlord. Provided however, Tenant may make a separate claim for loss of its own property or other damages to the extent permitted by applicable law, and provided such separate claim shall not operate to prejudice the claims of Landlord or otherwise diminish any award claimed by Landlord. If neither Landlord nor Tenant elects to exercise their above right to terminate this Lease, the Lease shall remain in full force and effect and the Base Rent, if a portion of the Leased Premises is taken, will be reduced in proportion to the square footage of the Building that has been taken.

SECTION 10. INSURANCE AND INDEMNITY

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, visitors, customers or to any person or entity whomsoever, for injury to person or damage to or loss of property on or about the Leased Premises caused by the occupancy and use by Tenant, its officers, partners, employees, agents, subtenants, licensees, concessionaires, visitors, customers or any other person entering the Leased Premises under the express or implied invitation of Tenant, or arising out of the use of the Leased Premises by Tenant and the conduct of its business therein, or arising out of any breach or default by Tenant in the performance of its obligations hereunder and TENANT HEREBY AGREES TO INDEMNIFY LANDLORD AND HOLD IT HARMLESS FROM ANY LOSS, EXPENSE, CLAIMS OR ACTIONS ARISING OUT OF SUCH DAMAGE OR INJURY (INCLUDING WITHOUT LIMITATION ANY COURT COSTS AND ATTORNEYS' FEES). The provisions of this Section shall survive the termination of this Lease with respect to any claims or liability occurring prior to such termination. Notwithstanding anything to the contrary, Landlord shall be responsible and shall pay all damages caused by the

negligence or willful misconduct of Landlord's and its partners, affiliates, officers, agents, servants and employees.

Landlord shall procure and maintain Real Property Coverage for the Leased Premises. The Valuation Method for Loss Adjustment shall be "Replacement Cost", as defined in the Landlord's insurance policy. Landlord, in its discretion, may choose a policy with, or without, a coinsurance clause. The Coverage Basis shall be "Special Form". "Special Form" provides coverage for loss or damage to property as a result of Fire, Lightning, Windstorm or Hail, Explosion, Smoke, Vehicles or Aircraft, Riot, Riot Attending Strike or Civil Commotion, Vandalism & Malicious Mischief, Sprinkler Leakage, Theft, Collapse, and coverage for risks of loss or damage not specifically excluded.

Tenant shall carry insurance coverage as follows:

1. Causes of loss – special form insurance on Tenant's leasehold improvements and personal property in the Leased Premises in an amount equal to the full replacement cost.
2. Commercial general liability insurance, including contractual liability insurance coverage, covering Tenant's operations within the Premises, with combined single limits of not less than \$1,000,000.00 per occurrence for bodily injury or property damage, naming Landlord as additional insured.
3. Worker's compensation insurance in the amount of \$500,000.00 with a waiver of subrogation in favor of Landlord.

B. Each of Landlord and Tenant hereby releases the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise from any loss or damage to property or other losses caused by fire or any other perils covered in extended risk policies of casualty insurance or such other insurance as may be required under this Lease, even if such loss or damage shall have been caused by the fault or negligence of the other Party, or anyone for whom such Party may be responsible, including any other tenants or occupants of the Leased Premises. Tenant agrees that it will cause its insurance carriers to include in its policies a clause or endorsement to the effect that such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Said release shall be null and void if Tenant fails to comply with any obligations of this section.

SECTION 11. ASSIGNMENT AND SUBLETTING.

A. Tenant may not assign this Lease or sublease all or any part of the Leased Premises, without the prior written consent of Landlord, which shall not be unreasonably withheld, delayed or conditioned. Tenant may not mortgage, pledge, cause or allow a lien on its leasehold interest in the Leased Premises. Any attempt by Tenant to do any of these actions directly, indirectly (such as through a conveyance of an ownership interest in

Tenant), without the prior written consent of Landlord or by operation of law shall be void from its inception and of no force or effect. For purposes of this Lease, "Assigning" or an "Assignment" shall include, but shall not be limited to, the following: (i) a transfer of the majority (whether the same is accomplished in one or more transactions) of the voting stock in Tenant or any corporation which is a partner in Tenant; (ii) a transfer of a majority (whether the same is accomplished in one or more transactions) of the ownership interest in Tenant (whether or not Tenant is a corporation); and (iii) any sale of all or substantially all of Tenant's assets, merger, share exchange, consolidation, or dissolution to which Tenant is a party. This prohibition against Assigning or subletting shall be construed to include a prohibition against any Assignment or subletting by operation of law.

B. Landlord may assign, convey or otherwise transfer its rights, title and interest hereunder and/or in the Leased Premises, or any portion thereof, without the consent of Tenant, provided that Tenant's rights hereunder shall not be diminished and Tenant shall not be disturbed in Tenant's quiet enjoyment of the Leased Premises. The term "Landlord" so far as covenants or obligations on the part of Landlord are concerned shall be limited to mean only the owner of the Leased Premises at the time in question. Upon any transfer of the title thereto, former Landlord automatically shall be relieved from all liability with respect to any obligation on the part of Landlord thereafter to be performed, provided former Landlord shall render to the transferee any funds it then holds in which Tenant has an interest. Any right, title or interest of Landlord assigned hereunder may be assigned and reassigned in like manner by any assignee thereof, provided that Tenant's rights hereunder shall not be diminished and Tenant shall not be disturbed in Tenant's quiet enjoyment of the Leased Premises.

SECTION 12. DEFAULT; REMEDIES.

A. Events of Default. Each of the following acts of Tenant constitutes an event of default ("Event of Default") under this Lease:

(1) Tenant's failure to pay the required amount of Rent when due or the required amount of any other monetary sum when due under this Lease;

(2) Tenant's failure to comply with any covenant, duty or obligation of Tenant under this Lease that is not cured within ten (10) days after written notice of such failure from Landlord;

(3) Tenant's failure to comply with any covenant, duty or obligation of Tenant under this Lease (other than those referred to in clauses [1] and [2], above) that is not cured within thirty (30) days after Tenant receives a written notice of such failure from Landlord, provided that if such default is not capable of being cured within such thirty (30) day period and Tenant commences curing within such thirty (30) day period and diligently pursues curing of the same thereafter, the same shall not be a default so long as Tenant is diligently pursuing the curing of such default, for a period not to exceed sixty (60) days;

(4) any voluntary petition or similar pleading under any bankruptcy act or under any law seeking reorganization or an arrangement with creditors or adjustment of debts, is filed by or against Tenant, or if any such petition or pleading is involuntary, and it is not adjudicated favorably to Tenant within sixty (60) days;

(5) the leasehold of Tenant is levied upon or attached by process of law and Tenant does not vigorously contest same by appropriate proceedings and remove or vacate the same within sixty (60) days from the date of its creation, service or filing;

(6) Tenant admits its inability to pay its debts, or if a receiver, trustee or other court appointee is appointed for all or a substantial part of Tenant's property;

(7) Tenant makes an Assignment for the benefit of creditors, or if any proceedings are filed by or against tenant to declare Tenant insolvent or unable to meet its debts; or

(8) a receiver or similar type of appointment or court appointee or nominee of any name or character is made for Tenant or its property and Tenant does not vigorously contest the same by appropriate proceedings and remove or vacate same within sixty (60) days from the date of appointment.

B. Landlord's Remedies. If an Event of Default should occur under this Lease, then Landlord may do any of the following (in conjunction with or in addition to pursuing any or all of the other rights and remedies provided to Landlord under this Lease, by law, or in equity):

(1) terminate this Lease by sending a written termination notice to Tenant at the address as provided for herein (in which event, Tenant will immediately surrender possession of the Leased Premises to Landlord);

(2) enter upon and take possession of the Leased Premises and expel or remove Tenant and any other occupant therefrom and terminate Tenant's right to possession of the Leased Premises with or without terminating this Lease (in which event, Tenant shall immediately surrender possession of the Leased Premises to Landlord);

(3) remedy the Event of Default on behalf of Tenant (in which event, Tenant must pay to Landlord all of Landlord's reasonable costs and expenses so incurred immediately upon receipt of Landlord's invoice);

(4) recover all amounts then owing (and, after the passage of time, that become owing) under the Lease without terminating this Lease or Tenant's right to possession of the Leased Premises; and/or

(5) exercise any rights or remedies available to Landlord at law or equity.

Landlord's exercise of any of the remedies available to Landlord under this Lease shall not constitute Landlord's acceptance of surrender of the Leased Premises by Tenant, whether by agreement or by operation of law, it being understood that such surrender can be effected only by the written agreement of Landlord and Tenant. Tenant hereby acknowledges that Landlord shall have the right, after an Event of Default which involves a failure to timely pay any Rent, without any notice to Tenant (to the extent allowed by law), to alter locks and other security devices at the Leased Premises, remove Tenant's property and the property of others located within the Leased Premises, and post a "For Lease" and/or "For Sale" sign on the Property. Landlord may require full payment of the Rent then due to Landlord under this Lease as a condition to Tenant's entitlement to a key to new or altered locks that Landlord may have placed on the Leased Premises after an Event of Default which involves a failure to pay Rent. All claims for damages **(INCLUDING CLAIMS FOR DAMAGES BASED UPON NEGLIGENCE, BUT NOT INCLUDING CLAIMS BASED ON WILLFUL MISCONDUCT OF LANDLORD OR LANDLORD'S AGENTS OR CONTRACTORS)** by reason of such lawful reentry and/or repossession are hereby waived. Further, all claims for damages by reason of such lawful alteration of locks or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Tenant agrees that any reentry by Landlord may be pursuant to a judgment obtained in forcible detainer proceedings or other legal proceedings or without any legal proceedings, as Landlord may elect; and Landlord shall not be liable in trespass or otherwise. To the extent of any inconsistency between this Lease and the provisions of Section 93.002 of the Texas Property Code (as it may be hereafter amended or recodified), it is the agreement of the Parties that this Lease shall prevail.

If Landlord elects to terminate the Lease by reason of an Event of Default, or if Landlord elects to terminate Tenant's right to possession of the Leased Premises without terminating this Lease, or if Landlord exercises any other remedy, Landlord may hold Tenant liable for all Rent and other indebtedness accrued to the date of such termination (or other remedy exercised), plus such Rent and other indebtedness as would otherwise have been required to be paid by Tenant to Landlord during the period following termination of the Term (or Tenant's right to possession of the Leased Premises or other remedy exercised, as the case may be) measured from the date of such termination by Landlord until the date which would have been the date of expiration of the Term as provided for herein (had Landlord not elected to terminate the Lease or Tenant's right to possession on account of such Event of Default) diminished by any net sums (if any) thereafter received by Landlord through re-letting the Leased Premises during said period (after deducting expenses incurred by Landlord as provided in the succeeding paragraph). Following the date of notice of termination of this Lease or the termination of Tenant's right to possession, without the termination of this Lease, Landlord shall make Reasonable Commercial Attempts to Relet the Leased Premises or portions thereof. As used herein, "Reasonable Commercial Attempts to Relet" shall mean: (a) advertising the Leased Premises for lease in a paper of general circulation in Burnet County, Texas (b) entertaining but not necessarily accepting any offers to lease, and (c) to the extent allowed by law or applicable deed restrictions, placing "For Lease" signs on the Leased Premises. Actions to

collect amounts due by Tenant provided for in this Section may be brought from time to time by Landlord during the aforesaid period, on one or more occasions, without the necessity of Landlord's waiting until expiration of such period; and in no event shall Tenant be entitled to any excess of Rent (or Rent plus other sums) obtained by re-letting over and above the Rent herein reserved.

In addition to all other amounts and other obligations for which Tenant is liable upon an Event of Default, in case of an Event of Default, Tenant shall also be liable for and shall pay to Landlord, in addition to any sum provided to be paid above: reasonable broker's fees and all other reasonable costs and fees incurred by Landlord in connection with re-letting, or attempting to re-let, the whole or any part of the Leased Premises; the reasonable costs of removing and storing Tenant's or other occupant's property; the reasonable costs of repairing, altering, remodeling, or otherwise putting the Leased Premises into a condition acceptable to a new tenant or tenants; reasonable costs associated with the execution of any lease with a new tenant or tenants (including, without limitation, reasonable attorneys' fees); and all expenses incurred by Landlord in enforcing Landlord's remedies (including, without limitation, reasonable attorneys' fees). Past due Rent and other past due payments shall bear interest from maturity until paid at the lesser of: (i) the highest non-usurious rate permitted by law or (ii) eighteen percent (18%) per annum.

SECTION 13. HOLDOVER.

If Tenant should remain in possession of the Leased Premises after the end of the Term, then Tenant shall be occupying the Leased Premises as a tenant-at-sufferance, under all of the terms and conditions of this Lease, except that the Base Rent payable during the holdover period shall be equal to one hundred twenty-five percent (125%) of the Base Rent last applicable during the Term.

SECTION 14. SURRENDER OF PREMISES.

Should Landlord terminate this Lease for cause prior to its full Term or upon the termination of Tenant's right to possession of the Leased Premises, Tenant shall surrender and deliver up to Landlord the Leased Premises broom-clean and in the same condition in which it existed on the Commencement Date, except for (i) reasonable wear and tear; or (ii) damage caused by "force majeure". Prior to the end of the Term or upon the termination of Tenant's right to possession of the Leased Premises or termination of this Lease, Tenant shall remove Removable Trade Fixtures (excluding, however, ducts, conduits, wiring, pipes, paneling or other wall coverings or floor coverings, or fixed bars), and, in addition to other applicable provisions of this Lease regarding such removal, the following shall apply: Tenant must not be in default of any obligation or covenant under this Lease at the time of such removal; and such removal must be effected without material damage to the Leased Premises and Tenant must promptly repair all damage caused by such removal.



If Tenant fails to remove any Removable Trade Fixtures or if Landlord requests in writing that Tenant remove any or all alterations, additions, fixtures, equipment and property installed or placed by Tenant, or any such sublessee or assignee, in the Leased Premises (not constituting Removable Trade Fixtures) and Tenant fails to comply with such request prior to the expiration or termination of the Term of this Lease, or if Tenant fails to repair any damage to the Leased Premises and/or the Building caused by its removal of any of the aforesaid, then Landlord shall have the right (but shall not be obligated) to remove such Removable Trade Fixtures and/or such other alterations, additions, fixtures, equipment or property installed or placed by Tenant in the Leased Premises (Tenant hereby waiving any damage caused thereby) or repair any such damage to the Leased Premises and/or Building are a part and thereupon Tenant shall, at Landlord's election, on demand pay (or reimburse Landlord for) any and all costs or damages the Landlord incurs as a result of said election. Removable Trade Fixtures remaining in, or on, the Leased Premises after the expiration of this Lease shall be deemed abandoned by the Tenant and Landlord shall have the option, in its' sole discretion, to take possession of the Removable Trade Fixtures.

All plumbing or electrical wiring connections exposed as a result of the removal of Tenant's Removable Trade Fixtures, or other alterations, additions, fixtures, equipment and property installed or placed by it in the Leased Premises (if such removal is so requested by Landlord) shall be capped by Tenant in a safe and workmanlike manner.

SECTION 15. NOTICE.

Notices given under this Lease must be in writing and delivered by U. S. certified mail, return receipt requested, or by a recognized national delivery service, such as Federal Express or UPS. Notices given to Landlord by U. S. certified mail must be sent to Landlord at Landlord's address stated above. Either Party may change its address by giving the other Party written notice of such change. A signed return receipt shall be conclusive evidence that the notice was delivered in the due course of mail. Notice that is properly addressed, with adequate postage prepaid and mailed by certified mail, return receipt requested, shall be deemed received upon the earlier of refusal or actual receipt, as indicated on the signed, returned receipt card, or three (3) business days after the same is deposited in the mail or with a national delivery service. Notice given by a national delivery service will be deemed received on the business day when the delivery service's records indicate that delivery was affected. No change of address of either Party shall be binding on the other Party until notice of such change of address is given in writing to the other Party.

SECTION 16. LIMITATION OF LANDLORD'S LIABILITY.

Except as otherwise provided herein, Tenant waives and relinquishes all rights to claim any nature of lien against Rent. All liability of Landlord for damages for breach of any covenant, duty or obligation of Landlord hereunder may be satisfied only out of the interest of Landlord in the Leased Premises and applicable insurance existing at the time the events occurred which gave rise to Landlord's liability. Provided however, Landlord's liability arising from its willful misconduct or arising from the willful misconduct of

Landlord's employees, agents or contractors, shall not be so limited. The term "Landlord" shall mean only the owner for the time being of the Leased Premises, and in the event of the transfer by such owner of its interest in the Leased Premises, such owner shall thereupon be released and discharged from all covenants and obligations of Landlord thereafter accruing, but such covenants and obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership.

SECTION 17. INSPECTION AND ACCESS TO LEASED PREMISES.

Landlord shall have the right to enter upon the Leased Premises during normal business hours after reasonable notice for the purpose of evaluating Tenant's performance under this Lease, inspecting the same, making repairs or additions to the Leased Premises or showing the Leased Premises to prospective purchasers, lessees, or lenders. Landlord shall be required to give no notice in connection with making repairs or additions to the Leased Premises if an emergency exists. An emergency shall be deemed to exist if a condition or circumstance exists which, if left unchanged, could damage the Leased Premises, the property of any person or entity in an amount in excess of \$500.00, or impair any mechanical, electrical and plumbing systems of the Building or endanger the life, health or safety of any person at the Leased Premises. In any circumstances where Landlord is permitted to enter upon the Leased Premises during the Term, no such entry shall constitute an eviction or disturbance of Tenant's use and possession of the Leased Premises or a breach by Landlord of any of its obligations hereunder or render Landlord liable for damages for loss of business or otherwise entitle Tenant to be relieved from any of its obligations hereunder or grant Tenant any right of set-off or recoupment or other remedy, and in connection with any such entry incident to performance of repairs, replacements, maintenance or construction, all of the aforesaid provisions shall be applicable notwithstanding that Landlord may elect to take building materials in, to or upon the Leased Premises that may be required or utilized in connection with such entry by Landlord.

SECTION 18. MISCELLANEOUS.

A. **Independent Covenants.** The obligation of Tenant to pay Rent and perform Tenant's other covenants and duties under this Lease are independent, unconditional obligations that are to be performed at all times provided for in this Lease.

B. **Waiver.** Except for Tenant's right to quiet enjoyment of the Leased Premises, Tenant waives and relinquishes any right to assert that Landlord is bound to perform (or is liable for nonperformance of) any implied covenants or duties of Landlord that are not stated in this Lease. Tenant agrees that Landlord shall incur no liability to Tenant due to any apparent or latent defect in the Leased Premises, but Landlord shall remain liable for its repair obligations pursuant to this Lease. Except as expressly provided herein with regard to the Landlord's Work, Landlord makes no express or implied warranty regarding the condition or any other feature of the Leased Premises, including the Building, or this Lease, and Tenant hereby waives all such warranties.

C. **Entire Agreement.** It is expressly agreed by Tenant and Landlord, as a material consideration for the execution of this Lease, that this Lease, with the specific references to written extrinsic documents, is the entire agreement of the Parties, that there are, and were, no verbal representations, warranties, understandings, stipulations, agreements or promises pertaining to this Lease or to the expressly mentioned written extrinsic documents not incorporated in writing in this Lease.

D. **Estoppel Certificate.** Tenant shall execute and return to Landlord estoppel certificates in the form attached hereto as **Exhibit "E"** and made part hereof or such other form that may be reasonably requested by Landlord or by any current or prospective purchaser of the Leased Premises or any part thereof or lienholder within ten (10) business days following such request, provided that Tenant may make modifications to accurately state the circumstances and Tenants rights under this Lease shall not be diminished. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one (1) month's Base Rent has been paid in advance. Tenant's failure to timely deliver an estoppel certificate shall constitute a default by Tenant under this Lease.

E. **Lienholder Remedy.** If Landlord advises Tenant in writing of the existence of a lien on the Leased Premises, Tenant shall allow such lienholder to exercise all of Landlord's entry and curative rights under this Lease, but the lienholder shall have thirty (30) days following written notice from Tenant in which to attempt to cure Landlord's default, but shall be under no obligation to do so or such longer period as agreed to by Tenant in any nondisturbance, subordination and attornment agreement entered into with the lienholder.



F. Time is of the Essence. Time is of the essence of this Lease. If any date for performance of any term, condition or provision hereof shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day.

G. Binding Effect. This document shall bind and inure to the benefit of the respective heirs, executors, administrators, successors and permitted assigns of the Parties (without altering the provisions of this Lease regarding Assignment and subletting).

H. Non-Waiver. Neither acceptance of any Rent nor any other amount by Landlord nor failure by Landlord or Tenant to complain of any action, non-action or default of Tenant or Landlord, as applicable, shall constitute a waiver as to any breach of any covenant or condition of Tenant or Landlord, as applicable, contained herein nor a waiver of any of Landlord's or Tenant's rights hereunder, as applicable. Waiver by Landlord of any right for any default of Tenant shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. Waiver by Tenant of any right for any default of Landlord shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. No right or remedy of Landlord or Tenant hereunder or covenant, duty or obligation of Tenant or Landlord hereunder shall be deemed waived by Landlord or Tenant unless such waiver is in writing and signed by Landlord or Tenant, as applicable.

I. Relationship. The relation created by this Lease is that of Landlord and Tenant. No provision of this Lease shall be construed in such a way as to constitute Landlord and Tenant joint venturers or co-partners or to make Tenant the agent of Landlord or to make Landlord liable for the debts of Tenant.

J. Captions. The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

K. Venue and Choice of Law. All obligations of Landlord and Tenant under the terms of this Lease shall be payable and performable in Burnet, Burnet County, Texas. The laws of the State of Texas shall govern the construction, interpretation, validity, performance, and enforcement of this Lease.

L. Severability. If any provision of this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

M. Gender. With respect to terminology in this Lease, each number (singular or plural) shall include all numbers, and each gender (male, female or neuter) shall include all genders.



N. **Broker.** The Parties represents to the other that no brokerage commission will be due as a result of such Party's acts in connection with this transaction, and each Party agrees to indemnify, defend and hold harmless the other Party from and against any and all liabilities or expenses arising out of claims for commissions or fees from such Party's acts.

O. **Acts of God and Force Majeure.** Landlord and Tenant, as applicable, shall not be required to perform any non-financial covenant or obligation in this Lease, or be liable in damages to the other Party, so long as the performance or non-performance of the covenant or obligation is delayed, caused by or prevented by an act of God or force majeure. For purposes of this Lease, an "act of God" or "force majeure" is defined as strikes, material or labor shortages, or restrictions on material or labor by any governmental authority, riots, floods, explosions, earthquakes, fire, storms, weather (including wet grounds or inclement weather which prevents construction), acts of the public enemy, wars, insurrections and any other cause not reasonably within the control of Landlord or Tenant, as applicable, and which by the exercise of due diligence Landlord or Tenant, as applicable, is unable, wholly or in part, to prevent or overcome.

P. **No Recordation.** Tenant shall not record this Lease without the prior written consent of Landlord.

Q. **Construction of Lease.** Tenant and Landlord declare that each has read and understands all parts of this Lease, including all printed parts hereof. It is agreed that, in the construction and interpretation of the terms of this Lease, the rule of construction that a document is to be construed most strictly against the Party who prepared the same will not be applied, it being agreed that both Parties hereto have participated in the preparation of the final form of this Lease.

R. **Limitation of Warranties.** LANDLORD AND TENANT EXPRESSLY AGREE THAT EXCEPT FOR THE WARRANTIES RELATED TO THE LANDLORD'S WORK AND ADDITIONAL WORK, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THOSE EXPRESSLY SET FORTH IN THIS LEASE.



S. **Effective Date.** This Agreement shall be effective upon notice by Landlord to Tenant that Landlord secured financing necessary to complete Landlord's Work as contemplated in Section 2.A and upon Tenants notice to Landlord that Tenant has secured a Basic Winery Permit issued by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and a Winery G Permit issued by the Texas Alcoholic Beverage Commission (TABC). In the event that Landlord is unable to secure such financing by August 15, 2018, Landlord shall notify Tenant and this Agreement shall be void and neither Party shall have any further obligation to the other. Additionally, in the event that Tenant is unable to secure such permits by August 15, 2018, Tenant shall notify Landlord and this Agreement shall be void and neither Party shall have any further obligation to the other.

[SIGNATURES ON NEXT PAGE]

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke.A handwritten signature in black ink, consisting of a few sharp, angular strokes.

EXECUTED in multiple counterparts, each having the force and effect of an original,
on _____, 2018.

LANDLORD:

BURNET ECONOMIC DEVELOPMENT
CORPORATION

By: _____

Name: Cary Johnson

Title: President

TENANT:

SAN SABA WINE CELLARS LLC D/B/A
WEDDING OAK WINERY LLC

By: _____

Name: Mike McHenry

Title: Managing Member

Tenant Federal I. D. #:45-3022839

APPROVED:

CITY OF BURNET

By: _____

Name: Crista Goble Bromley

Title: Mayor

Exhibit "A"

STATE OF TEXAS
COUNTY OF BURNET

WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ **DAY OF** _____ **2014.**

STATE OF TEXAS
COUNTY OF BURNET

THE ATTACHED "A" SHORT FORM REPEAT OF LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS, HAS BEEN SUBMITTED TO AND CONSIDERED BY THE CITY ENGINEER AND HAS BEEN FOUND TO COMPLY WITH THE SUBMISSION REQUIREMENTS OF THE CITY OF BURNET, TEXAS, AND THE DIRECTOR OF PLANNING AND DEVELOPMENT FOR THE CITY OF BURNET, TEXAS, HAVE APPROVED THIS PLAN ON _____ DAY OF _____ 2014. THIS SHORT FORM PLAN SHALL BE FILED WITH THE CLERK AND RECORDS OFFICE FOR BURNET COUNTY, TEXAS.

DIRECTOR OF PLANNING AND DEVELOPMENT
CITY OF BURNET, TEXAS

STATE OF TEXAS
COUNTY OF BURNET

1. THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAN OF "A" SHORT FORM REPEAT OF LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS, WAS MADE ON THE GROUNDS UNDER MY SUPERVISION, AND THAT I AM A MEMBER IN GOOD STANDING OF THE TEXAS SURVEYORS ASSOCIATION. I HAVE BEEN A MEMBER OF THE TEXAS SURVEYORS ASSOCIATION SINCE _____ DAY OF _____ 2014.

WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

STATE OF TEXAS
COUNTY OF BURNET

1. THE UNDERSIGNED, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THIS PLAN OF "A" SHORT FORM REPEAT OF LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS, WAS MADE ON THE GROUNDS UNDER MY SUPERVISION, AND THAT I AM A MEMBER IN GOOD STANDING OF THE TEXAS SURVEYORS ASSOCIATION. I HAVE BEEN A MEMBER OF THE TEXAS SURVEYORS ASSOCIATION SINCE _____ DAY OF _____ 2014.

WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS

THE ATTACHED "A" SHORT FORM REPEAT OF LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS, WAS MADE ON THE GROUNDS UNDER MY SUPERVISION, AND THAT I AM A MEMBER IN GOOD STANDING OF THE TEXAS SURVEYORS ASSOCIATION. I HAVE BEEN A MEMBER OF THE TEXAS SURVEYORS ASSOCIATION SINCE _____ DAY OF _____ 2014.

WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS

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WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS

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WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS

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WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS

THE ATTACHED "A" SHORT FORM REPEAT OF LOT 3A, BLOCK 7, PETER KERR ADDITION TO THE CITY OF BURNET, TEXAS, WAS MADE ON THE GROUNDS UNDER MY SUPERVISION, AND THAT I AM A MEMBER IN GOOD STANDING OF THE TEXAS SURVEYORS ASSOCIATION. I HAVE BEEN A MEMBER OF THE TEXAS SURVEYORS ASSOCIATION SINCE _____ DAY OF _____ 2014.

WITNESSES BY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____ 2014.

Exhibit "B"

Base Rent Schedule

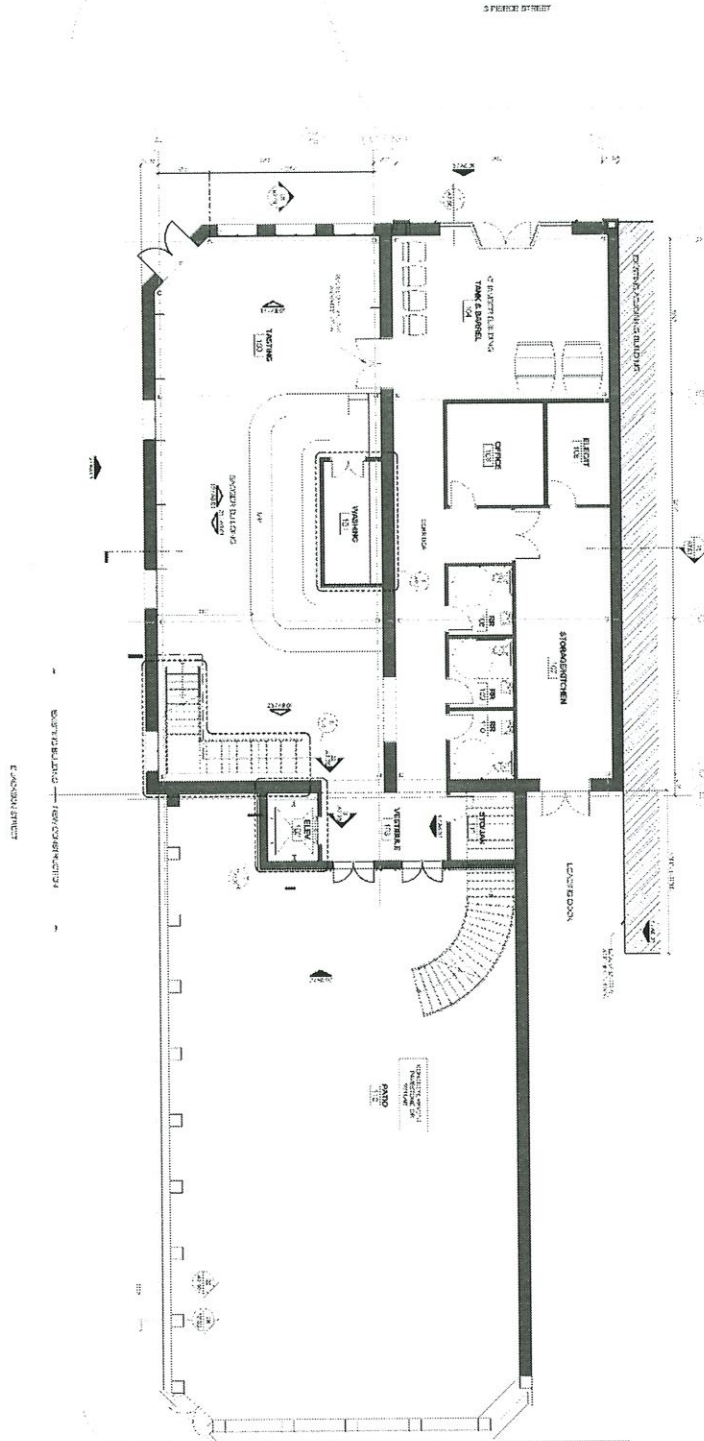
Commencement Date _____

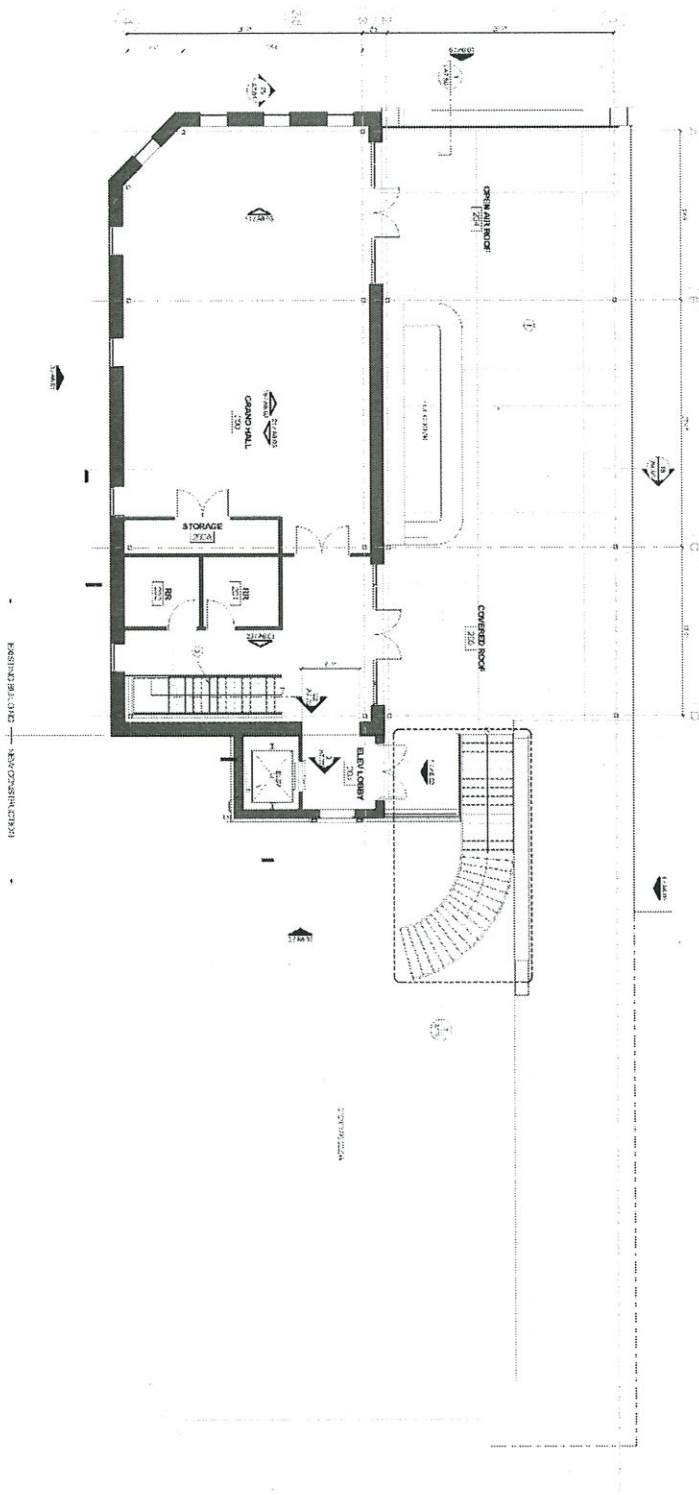
Lease Month	Calendar Month	Year	Lease Year	Monthly Base Rent
Partial Month	March	2019		Prorated
1	April	2019	1	\$4,000
2	May	2019	1	\$4,000
3	June	2019	1	\$4,000
4	July	2019	1	\$4,000
5	August	2019	1	\$4,000
6	September	2019	1	\$4,000
7	October	2019	1	\$4,000
8	November	2019	1	\$4,000
9	December	2019	1	\$4,000
10	January	2020	1	\$4,000
11	February	2020	1	\$4,000
12	March	2020	1	\$4,000
13	April	2020	2	\$4,500
14	May	2020	2	\$4,500
15	June	2020	2	\$4,500
16	July	2020	2	\$4,500
17	August	2020	2	\$4,500
18	September	2020	2	\$4,500
19	October	2020	2	\$4,500
20	November	2020	2	\$4,500
21	December	2020	2	\$4,500
22	January	2021	2	\$4,500
23	February	2021	2	\$4,500
24	March	2021	2	\$4,500
25	April	2021	3	\$5,000
26	May	2021	3	\$5,000
27	June	2021	3	\$5,000
28	July	2021	3	\$5,000
29	August	2021	3	\$5,000
30	September	2021	3	\$5,000
31	October	2021	3	\$5,000
32	November	2021	3	\$5,000
33	December	2021	3	\$5,000
34	January	2022	3	\$5,000
35	February	2022	3	\$5,000
36	March	2022	3	\$5,000

Exhibit "C"

FLOOR PLAN LEVEL 1

CITY OF BLUNT
BADGER BUILDING RENOVATION
DESIGN REVIEW 1 JANUARY 3, 2008 1.2



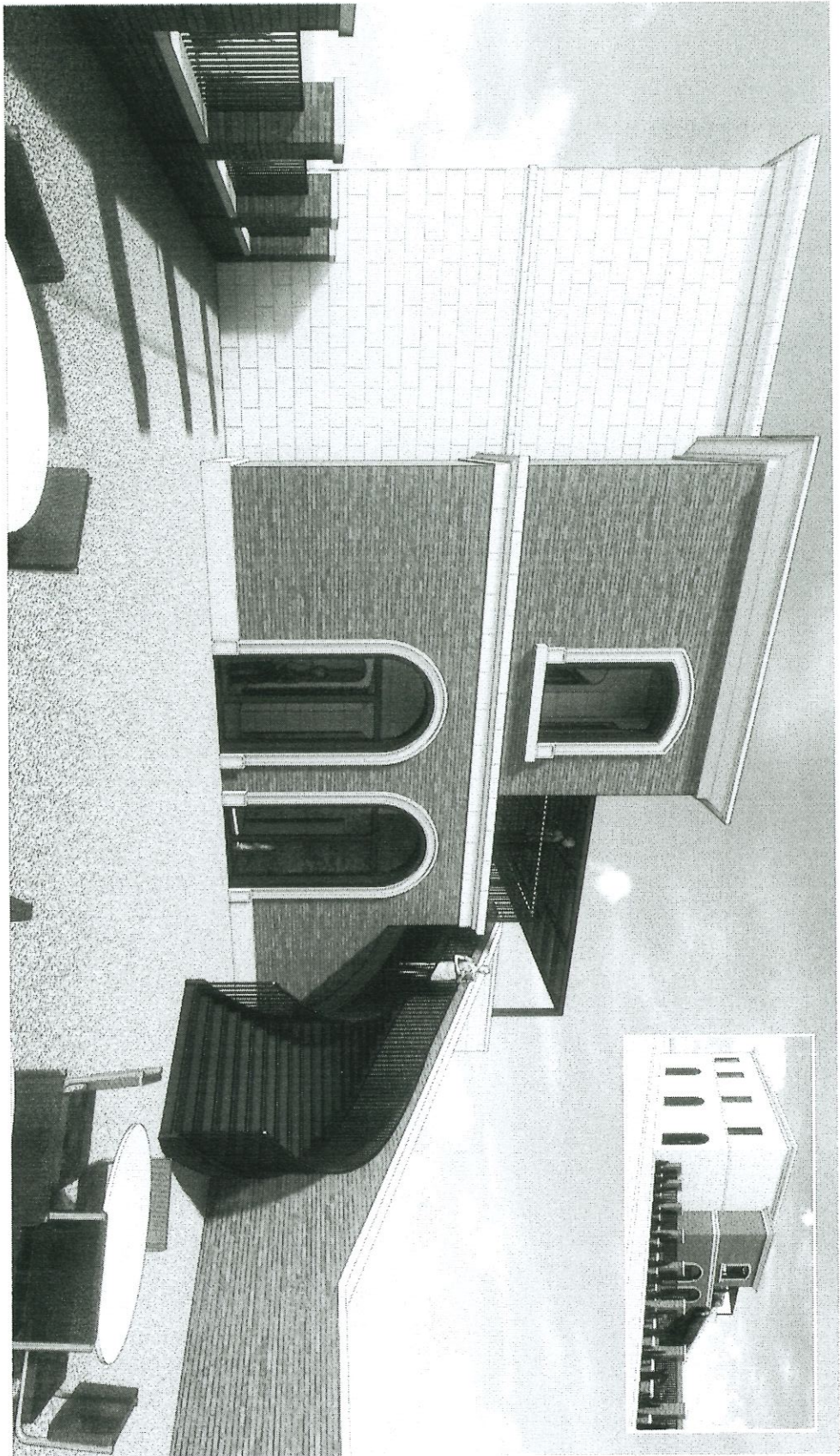




CHAMBER BUILDING ENTRY

CITY OF BURNETT
BADGER BUILDING RENOVATION
DESIGN REVIEW | JANUARY 3, 2018 | 4





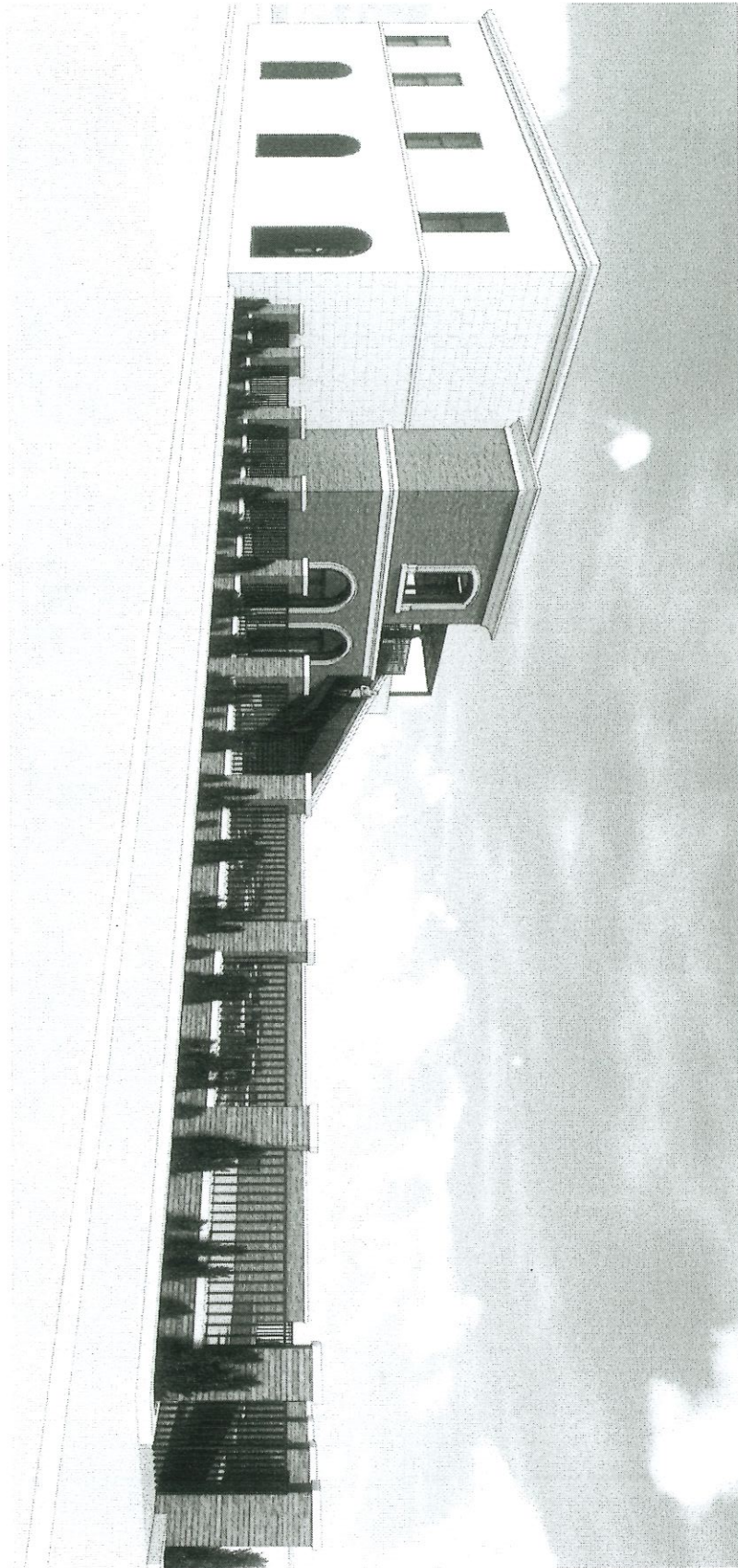
REAR PATIO ENTRY



CITY OF BURNET
BADGER BUILDING RENOVATION
 DESIGN REVIEW | JANUARY 3, 2018 | 4



[Handwritten signature]



REAR PATIO VIEW



CITY OF BURNET
BADGER BUILDING RENOVATION
DESIGN REVIEW | JANUARY 3, 2018 | 5



Exhibit "D"

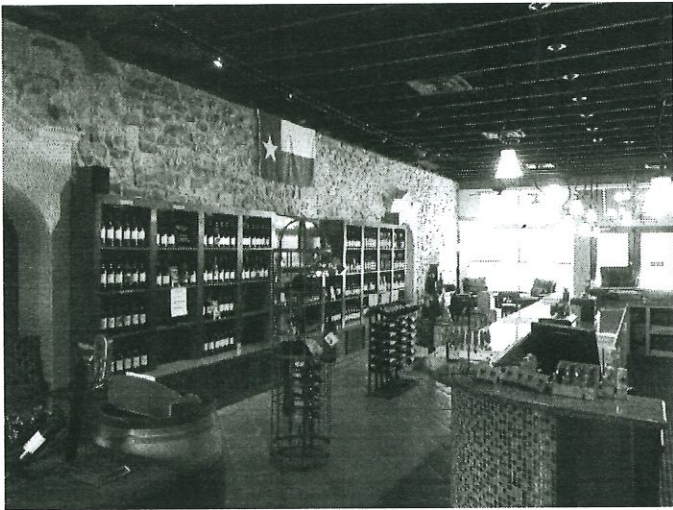


Exhibit "E"

ESTOPPEL CERTIFICATE FOR PROSPECTIVE PURCHASER

Date:

Landlord: Burnet Economic Development Corporation

Tenant: San Saba Wine Cellars, LLC d/b/a Wedding Oak Winery LLC, a Texas
Limited Liability Company

Premises: 229 S. Pierce Street, Burnet, Burnet County, Texas 78611

Addressee:

Tenant certifies to Addressee that—

1. Tenant has accepted and is in possession of the Premises.
2. All required improvements have been completed to the satisfaction of Tenant.
3. Neither Landlord nor Tenant is in default in the performance of the Lease.
4. No rent under the Lease has been paid more than thirty days in advance of its due date.
5. Tenant, as of this date, has no claim of offset against the rent.
6. Tenant understands that Addressee is relying on the representations in this certificate.
7. The current monthly base rent is \$[**amount**]. The next payment is due on [**date**].
8. The Lease is valid, enforceable, and unmodified [**include if applicable: except as follows: [list any modifications]**].

San Saba Wine Cellars LLC, dba Wedding
Oak Winery, LLC

By: 
Name: Mike McHenry
Title: Managing Member

Date: _____



Administration

ITEM 4.7

Kelly Dix
City Secretary
(512)-756-6093 ext. 3209
kdix@cityofburnet.com

Agenda Item Brief

Meeting Date:	May 22, 2018
Agenda Item:	Discuss and consider action: AN ORDINANCE OF THE CITY OF BURNET, TEXAS, ORDERING AND DECLARING THE 2018 CHARTER AMENDMENTS ADOPTED: K. Dix
Background:	The Charter Committee reviewed the City Charter beginning in October and completed the review in January 2015. The committee recommended seventeen propositions to be placed on the May 5 th , 2018 special election ballot for citizen consideration.
Information:	Sixteen of the seventeen propositions passed. Proposition K- presented to the voters as "The Amendment of the City Charter eliminating the requirement of the creation of a comprehensive plan" failed with a vote of 57 for, and 59 against. There will be no change to section 9.04 of the City Charter.
Fiscal Impact:	No impact.
Recommendation:	Staff recommends adoption of Ordinance 2018-10 ordering and declaring the 2018 charter amendments adopted.

ORDINANCE NO. 2018-10

AN ORDINANCE OF THE CITY OF BURNET, ORDERING AND DECLARING THE 2018 CHARTER AMENDMENTS ADOPTED.

WHEREAS: On May 05, 2018 the City of Burnet held an election on the adoption of amendments to the City's Home Rule Charter; and

WHEREAS: On May 15, 2018 City Council canvassed the votes of said election; and

WHEREAS: Texas Local Government Code Section 9.05 (b) provides that an amendment to a charter does not take effect until the governing body of the municipality enters an order in the records of the municipality declaring that the amendment is adopted; and

WHEREAS: pursuant to notice of a public meeting held in compliance with the Texas Open Meetings Act, the City Council of the City of Burnet, Texas, convened into a regular meeting of the City Council on the 22nd day of May, 2018 for the purpose of entering an order into the records of the City and declaring that the amendments to the City Charter are adopted; and

WHEREAS: In order to ensure compliance with the requirements of Texas Local Government Code Section 9.05 (b) the City Council desires to adopt the order declaring the Charter Amendments adopted.

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. That an election was duly called and held on May 09, 2015 and final votes were canvassed on May 19, 2015 on the question of the adoption of amendments to the City of Burnet Home Rule Charter.

Section 3. Adoption of Amendments. It is hereby ordered that the following measures are hereby declared to be adopted based on the canvassing of the following elections:

City of Burnet City Charter:

Section 3.04. - Judge of Election Qualifications.

The City Council shall be the judge of the qualifications of its members.

Section 3.05. - Compensation.

The Mayor and Council Members may be compensated. The rate of compensation may be established or changed by the City Council; however, no increase in the rate of compensation shall take effect unless ratified by a majority of the voters in the next regular City election. The Mayor and Council Members shall be entitled, with approval by the City Council, to be reimbursed for reasonable expenses incurred in the performance of specific duties. Levels of reimbursement shall be determined by the City Council.

Section 3.06. - Mayor and Mayor Pro-tem.

The Mayor shall be the official head of the City government. The Mayor shall be the Chair and shall preside at all meetings of the City Council. The Mayor may make motions and may vote on every proposition before the City Council. While the Mayor or alternate presiding officer shall have no power to veto, he/she shall have the power to declare a delay of the initial vote on a matter until the next Council meeting. The Mayor shall, except as provided otherwise by the City Council, sign all official documents such as ordinances, resolutions, conveyances, grant agreements, official plats, contracts and bonds. The Mayor shall appoint special committees as advisable and as instructed by the City Council. The Mayor shall perform such other duties consistent with this Charter or as may be imposed by the City Council.

Section 3.07. –Vacancies, Forfeiture, and Filing of Vacancies.

A. **Vacancies.** The office of a City Council Member or the Mayor shall become vacant upon the death, incapacity, resignation, or removal from office in any manner authorized by law, or forfeiture of office by the office holder.

B. **Forfeiture of Office.** If the Mayor or any City Council Member

1. fails to maintain the qualifications set forth in Section 3.03 of this Charter (unless the residence of a member of the Council is de-annexed, then the member shall serve the remainder of his/her term of office), or
2. has been found by at least five (5) affirmative votes of the City Council to have violated any express prohibition of this Charter, or
3. is convicted of a crime involving moral turpitude or a felony, or
4. fails to attend three (3) consecutive regular Council meetings without being excused by the City Council, then the City Council shall, at its next regular meeting, declare the office to be vacant and shall fill such vacancy as set forth below, or

the City Council shall, at its next regular meeting, declare the office to be vacant and shall fill such vacancy as set forth below.

C. **Resignation by filing or another elected position**

If a City Council Member or the Mayor has more than one year remaining on their term and files to run for another elected position within the City government then

said filing shall be considered a resignation of their current position. However, the resigning individual shall holdover in their current position until their successor is sworn in to office.

D. Filling of Vacancies.

1. When a single or double vacancy occurs in the City Council, the remaining members of the City Council shall:
 - a. If the remaining term(s) is less than one year in duration either appoint a qualified person to fill the unexpired term(s) or hold a special election to fill the unexpired term(s). An appointment must be approved by an affirmative vote of at least five (5) members of the City Council members; or
 - b. If the remaining term(s) is one year or more, order an election to fill the unexpired term(s) at the next regular general election.
2. Should three (3) vacancies exist on City Council at the same time then City Council shall order an election to fill the vacancies on the next available uniform election date as provided by law.
3. All appointments to City Council shall serve until the next regular election.
4. All appointments to City Council shall be qualified to serve pursuant to Section 3.03 of this Charter and shall take office immediately upon appointment.

Section 3.14. - Ordinances and Resolutions.

The enacting clause of all ordinances shall be: "Be it ordained by the City Council of the City of Burnet, Texas..." Ordinances, and formal resolutions that establish programs, adopt policy, provide any rule or regulation applicable to the general public, or establish requirements for any general administrative function of the City, shall be introduced in the City Council only in written or printed form and shall contain only one subject each. Resolutions that give directions to the City Manager on a business matter, approve an administrative action, contract or bid, and that approve plans and actions in the course of the day-to-day business of the City, will be sufficient if shown by recording the motion and vote in the minutes of the City Council. Ordinances making appropriations shall be confined to appropriations.

Any reference to the reading of an ordinance made in this Charter shall be understood to mean the reading of the caption of the ordinance only unless a specific request is made by any Council Member for the ordinance to be read in part or in full. Any ordinance that levies a fine or penalty or deals with the budget, taxes, franchises or public utilities or the setting of their rates shall be read at two (2) meetings. Such Ordinances shall be published in full or by caption with a summary in two (2) successive issues of a newspaper of general circulation in the City of Burnet and as files available for download via the Internet with the first publication at least fourteen (14) days before the final reading and passage of the Ordinance.

No ordinance that is not an emergency ordinance, shall be finally passed until it has been read on two (2) separate days not less than twenty-four (24) hours apart.

Section 3.16 Council Investigative Body; Hearings; Process.

A. *General.* In addition to any other specific authority of investigation and hearing provided for in this Charter, the City Council shall have the power to inquire into the official conduct of any department, agency, office, officer, employee, or contract service provider of the City, and for that purpose shall have the power to administer oaths and subpoena witnesses, compel the attendance of witnesses and the production of books, papers and other evidence material to the inquiry. The City Council shall by ordinance provide the process, procedures and requirements for the subpoena of persons, books, papers and other evidence, the giving of notice, and the fine or penalty for the failure or refusal of any person to comply with a subpoena, and shall have the power to punish the misconduct in the manner provided by the ordinance.

B. Hearings Process for Forfeitures of Office and Prohibitions.

1. All hearings held under this subsection shall be conducted in open session, except that the City Council may conduct a closed session to get advice from its attorney pursuant to the Texas Open Meetings Act;
2. The officer holder subject to any investigation and/or hearing under this section shall be entitled to written notice, delivered by certified mail return receipt requested, of the allegations of forfeiture and/or the alleged violation of this Charter as applicable; delivery shall be complete on the fifth business day following upon deposit of the written notice, postpaid and properly addressed, in the mail.
3. A special meeting shall be called to hold the hearing; said special meeting to be held no earlier than fourteen (14) days subsequent from the delivery of written notice and no later than ninety (90) days after delivery of written notice, unless otherwise agreed to by a majority of the City Council and the individual subject to the hearing.
4. A Member of City Council who initiated or is the subject of the investigation or hearing shall not sit at the dais and shall not participate in deliberation or vote;
5. City Council shall adopt by ordinance rules of procedures to be followed;
6. The City Council shall state the nature of the hearing and the allegations to be considered, shall be provided the results of any investigation and a presentation of the evidence against the office holder including, but not limited to testimony from individuals;
7. The individual who is subject to the hearing shall be provided a copy of the results of the investigation, including any written testimony acquired during the

investigation, an opportunity to respond to the allegations and present any relevant evidence including, but not limited to, testimony from individuals;

8. City Council may ask questions of any individual giving testimony;

9. No Public comment shall be allowed;

10. In the case of a violation of Section 3.07 of this Charter City Council shall vote on the forfeiture and on the affirmative vote of two-thirds of the City Council declare the office of said office holder to be forfeited and vacant;

11. In the case of a violation of Section 3.09 of this Charter City Council may on the affirmative vote of a majority of the City Council may take any of the following actions: directing further investigation, requesting further information, take a vote of censure; or, upon the affirmative vote of two-thirds of City Council, declare the office of said office holder to be forfeited and vacant; and

12. Any Investigation conducted pursuant to this section shall be conducted by an outside, independent third party.

Section 4.10. - Boards and Commissions.
Remove in its entirety.

Section 5.05. - Official Ballot.
Remove in its entirety.

Section 5.07. - Taking of Office.

Each newly elected person to the City Council shall be inducted into office at the City Council meeting canvassing the votes.

Section 6.02. - Power of Initiative.

Subject only to the limitations provided in this Article, the people of the City shall have the power to propose legislation on any local government issue, except legislation appropriating money, levying taxes, affecting zoning, annexing land, or setting rates, fees or charges, and, if the City Council fails to adopt an ordinance so proposed, to adopt or reject the proposed legislation at an election. An initiated ordinance may be submitted to the City Council by a petition signed by at least two hundred (200) registered voters of the City or five percent (5%) of the number of voters registered to vote in the previous municipal election whichever number is greater.

Section 6.03. - Power of Referendum.

The voters of this City shall have the power to approve or reject at the polls any ordinance enacted by the City Council that is subject to the Referendum process under this Charter, except for bonds that have been legally awarded to a successful bidder or other legal obligations. The petition for Referendum shall require the signatures of at least two hundred (200) registered voters or five percent (5%) of the number of voters registered to vote in the previous municipal election whichever number is greater.

Section 6.10. - Power of Recall.

The people of the City reserve the power to recall any elected officer of the City and may exercise the power by filing with the City Secretary a petition stating cause for the removal of the elected officer. Such petitions shall be signed by the greater of either five hundred (500) registered voters or ten percent (10%) of the registered voters of the City registered to vote at the last general election. Within fifteen (15) business days after a recall petition is filed, the City Secretary shall determine whether it is properly signed by the requisite number of registered voters residing within the City and shall verify the petition as sufficient or insufficient. If the certificate of the City Secretary shows a Recall Petition to be insufficient, the City Secretary shall notify in writing the persons filing the petition. The written notification shall detail the defects that must be corrected if the petition is to be found sufficient. The petition may then be amended within fifteen (15) business days from the date of such notice by the filing of a supplementary petition and the submitting of additional papers that are signed and filed as prescribed for the original petition. Within fifteen (15) business days after the amendment is filed, the City Secretary shall examine the amended petition and certify as to its sufficiency. If the amended petition is then found to be insufficient, no further proceedings shall be had with regard to it. A separate petition shall be required for each officer to be recalled.

Section 7.02. - Submission of Budget and Budget Message.

On or before the 15th day of August of each fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year, a five (5) year projected operating budget, five (5) year capital program and an accompanying message.

Section 7.10. - Overspending of Appropriations Prohibited.

No payment shall be made or obligation incurred against any allotment or appropriation except in accordance with authorized appropriations and unless the City Manager or his designee first certifies that there is a sufficient unencumbered balance in such allotment or appropriation and that sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. Any authorization of payment or incurring of obligation in violation of the provisions of this Charter shall be void and any payment made shall be illegal. A violation of this provision shall be cause for removal of any officer who knowingly authorized or made such payment or incurred such obligation. Such officer may also be liable to the City for any amount so paid. Except as prohibited by law, however, nothing in this Charter shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed in whole or in part by the issuance of bonds or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year.

Section 7.14 –Bonds.

Remove in its entirety

Section 7.15. - Capital Program.

Remove in its entirety

Section 7.16. - City Council Action on Capital Program.
Remove in its entirety.

Section 8.05. - Consent of Property Owners.
Remove in its entirety.

Section 8.10. - Municipally Owned Utilities, Public Services and Proprietary Enterprises.
Remove in its entirety.

Section 9.04. - Comprehensive City Plan
No change to Section 9.04-Proposition failed

Section 10.02. – Prohibitions
Remove Sections A. & B.

Section 10.03. - Ethics.
Replace section C. Nepotism with this statement:
City Council shall adhere to and comply with the applicable nepotism laws provided by State law.

Section 10.04. - Oath of Office.
Remove in its entirety.

Section 10.05. - Exemption From Execution, Garnishment and Assignment.
Remove in its entirety.

Section 10.07. - Security or Bond Not Required.
Remove in its entirety.

Section 10.08. - Notice of Claim.

A. The City shall never be liable for any personal injury, whether resulting in death or not, unless the person injured or someone in his behalf, or in the event the injury results in death, the person or persons who may have a cause of action under the law by reason of such death injury, shall file a notice in writing with the City Manager within ninety (90) days after the same has been received, stating specifically in such notice when, where and how the exact injury occurred and the full extent thereof, together with the amount of damages claimed or asserted. The notice requirements provided for herein do not apply if the City has actual notice that death has occurred, or that the claimant has received some injury. Further, should the claimant provide good cause for failure to comply with the notice requirements herein then said notice requirements shall not apply.

B. The City shall never be liable for any claim for damage or injury to personal property unless the person whose personal property has been injured or damaged or someone in his behalf, shall file a claim in writing with the City Manager within ninety (90) days after said damage or injury has occurred and the full extent thereof, and the

amount of damage sustained. The City shall never be liable for any claim for damage or injury to real property caused by negligent act or omission of its officers, servants, agents, or employees, unless the person whose real property has been injured or damaged or someone in his behalf, shall file a claim in writing with the City Manager within ninety (90) days after said damage or injury has occurred, stating specifically when, where and how the injury or damage occurred and the amount of damage claimed. The notice requirements provided for herein do not apply if the City has actual notice that the claimant's property has been damaged. Further, should the claimant provide good cause for failure to comply with the notice requirements herein then said notice requirements shall not apply.

Section 10.10. - Sale or Lease of Real Property Other than Public Utilities or Real Property Acquired by Tax Sale.
Remove in its entirety.

Section 10.11. - Abandonment of Streets, Alleys and Rights of Way.
Remove in its entirety.

Article XI. - Charter Amendments
Remove in its entirety.

Section 11.02. - Election.
Remove in its entirety.

Section 11.03. - Adoption of Amendments.
Remove in its entirety.

Section 4. Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance or Section of the Code which this ordinance is contained and the remainder of this Section of the Code and ordinance shall be enforced as written.

PASSED AND APPROVED this, the 22nd, day of May, 2018.

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



Administration

ITEM 4.8

Leslie Baugh
Airport Manager
(512)-715-3217
lbaugh@cityofburnet.com

Agenda Item Brief

Meeting Date: May 22, 2018

Agenda Item: Discuss and consider action: A RESOLUTION BY THE CITY OF BURNET TO ENTER INTO A GRANT AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION (TXDOT) TO MAKE CERTAIN IMPROVEMENTS TO THE BURNET MUNICIPAL AIRPORT; AGREEING TO PROVIDE 10% OF THE TOTAL PROJECT COSTS; NAMING TXDOT AS THE AGENT FOR THE CITY; AND APPOINTING A DESIGNATED REPRESENTATIVE: L.Baugh

Background: At the October 24, 2017 regular City Council meeting, Staff discussed with Council acquisition of land owned by the Big Leaf LTD, adjacent to the western boundary of the airport to ensure future growth and expansion of the airport.

Information: Big Leaf LTD has agreed to the sale of approximately a 61.34 acre tract, adjacent to the western boundary of the airport, similar to the tract highlighted in blue on Exhibit "A."

To fund the purchase of Big Leaf LTD property, the Airport would like to partner with TxDOT Grant Program Funding in a Non-Primary Entitlement (NPE) grant agreement in the amount of \$500,000. The NPE grant is a 90/10 grant match from TxDOT Aviation. The Airport's 10% match of \$50,000 is included in the grant agreement amount of \$500,000.

The City participated in the NPE grant program in 2009, 2011 and 2012 to fund improvements to the Burnet Municipal Airport.

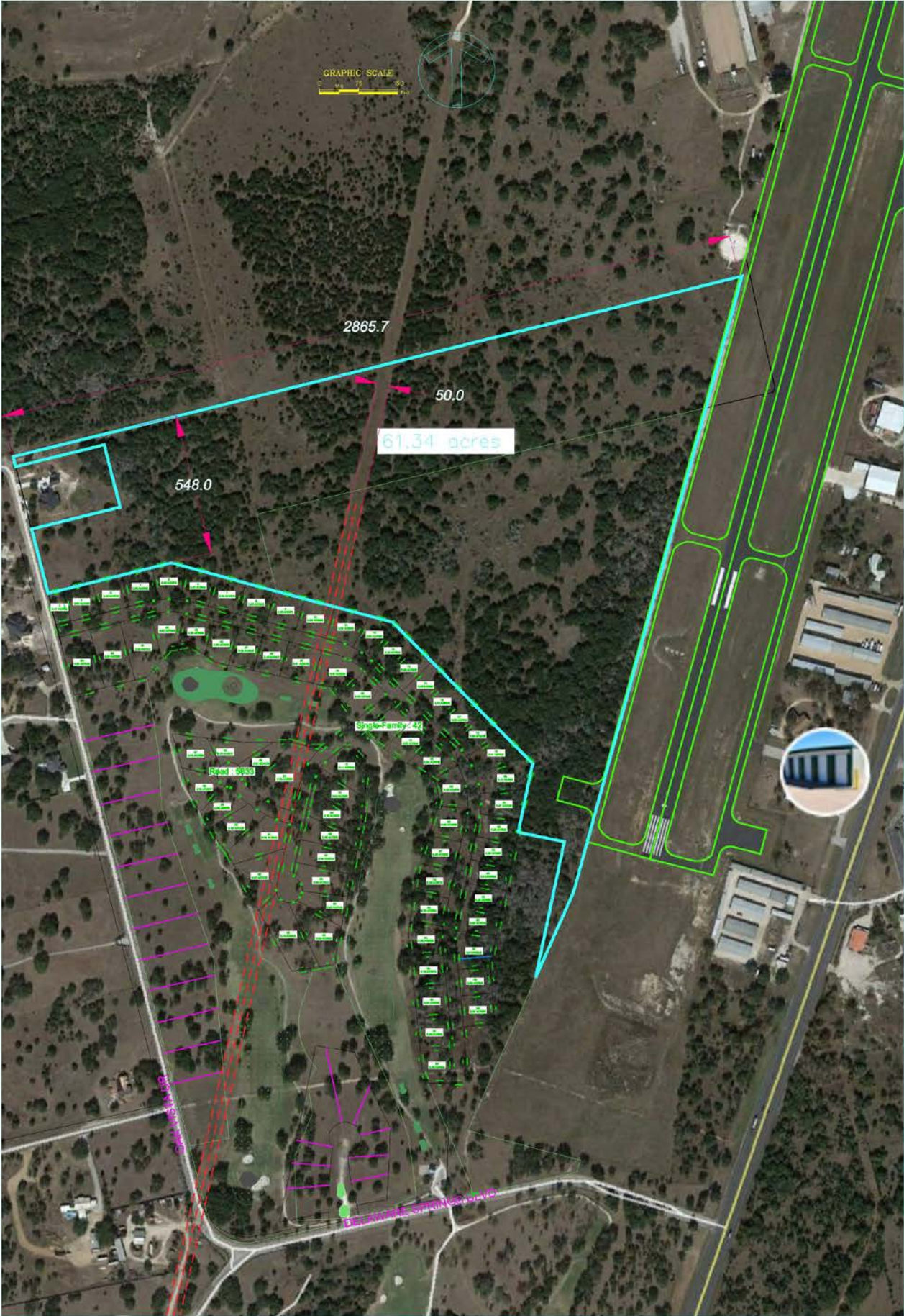
City Council approval by resolution is procedure required by TxDOT Aviation to grant NPE funding.

Fiscal Impact: \$50,000 and any project costs exceeding \$500,000 up to \$150,000.

The Airport would be responsible for 100% of costs exceeding \$500,000 until the fiscal year 2019 NPE grant funds are available and TxDOT will be able to reimburse up to \$150,000 of the exceeded project costs.

Recommendation: Staff recommends approval of Resolution No. R2018-12 as presented.

Exhibit "A"



RESOLUTION NO. R2018-12

A RESOLUTION BY THE CITY OF BURNET TO ENTER INTO A GRANT AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION (TXDOT) TO MAKE CERTAIN IMPROVEMENTS TO THE BURNET MUNICIPAL AIRPORT; AGREEING TO PROVIDE 10% OF THE TOTAL PROJECT COSTS; NAMING TXDOT AS THE AGENT FOR THE CITY; AND APPOINTING A DESIGNATED REPRESENTATIVE.

WHEREAS, the City of Burnet intends to make certain improvements to the Burnet Municipal Kate Craddock Field; and

WHEREAS, the general description of the project is described as: Improvements to Burnet Municipal Airport - Kate Craddock Field; and

WHEREAS, the City of Burnet intends to request financial assistance from the Texas Department of Transportation for these improvements; and

WHEREAS, total project cost are estimated to be \$500,000 and the City of Burnet will be responsible for 10% of the total project costs currently estimated to be \$50,000; and

WHEREAS, the City of Burnet names the Texas Department of Transportation as its agent for the purposes of applying for, receiving and disbursing all funds for these improvements and for the administration of contracts necessary for the implementation of these improvements;

NOW, THEREFORE, BE IT RESOLVED, that:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The City Council of the City of Burnet hereby finds; The City of Burnet hereby directs the City Manager to execute on behalf of the City of Burnet, at the appropriate time and with the appropriate authorizations of this governing body, all contracts and agreements with the State of Texas, represented by the Texas Department

of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Burnet Municipal Airport - Kate Craddock Field.

The City of Burnet hereby designates David Vaughn, City Manager, as the authorized representative for the project, who shall have the authority to make approvals and disapprovals as required on behalf of the City of Burnet.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED this the 22nd day of May, 2018.

CITY OF BURNET, TEXAS

Crista Goble Bromley, Mayor

ATTEST:

Kelly Dix, City Secretary



Public Works

ITEM 4.9

Gene Courtney
Public Works Director
(512)-756-2402
gcourtney@cityofburnet.com

Agenda Item Brief

- Meeting Date:** May 22, 2018
- Agenda Item:** Discuss and consider action: Award of Wastewater Rehabilitation Phase II (Project E): G. Courtney
- Background:** In 2012 -2014 the city completed Phase I of this project which consisted of installing a sewer line from the Sewer Plant along Hamilton Creek to Hwy 281 and Bluebonnet Dr.
- Information:** On April 11, 2018 the city went out for bid Phase II of the Wastewater Rehabilitation Project. Phase II will continue up Hamilton creek starting at Hwy 281 and Bluebonnet and stop on the north side of 963 in between the bus barn and Rhomberg apartments. Below is a list of the seven companies that we received bids from on May 2, 2018.

<u>COMPANY NAME</u>	<u>BASE BID</u>	<u>BASE BID W/ALTERNATE</u>
Hoover Construction	\$ 712,695.74	\$ 796,993.00
QRO MLX Construction	\$ /19,163.40	\$ /99,/16.15
Royal Vista	\$ 829,436.00	\$ 935,088.50
Denbow Company	\$ 849,671.60	\$ 986,090.40
M&C Fonseca Construction	\$ 911,879.90	\$ 1,002,872.65
Skyblue Utilities	\$ 1,068,313.94	\$ 1,186,211.05
Atlas Construction	\$ 1,165,455.00	\$ 1,293,255.00

- Fiscal Impact:** Contingent on Council approval of contractor
- Recommendation:** Staff recommends awarding the base bid with alternate of the Wastewater Rehabilitation Phase II project (Project E) to Hoovers Construction Company, Inc.

City of Burnet Financial Update

May 22, 2018



Year to Date through April 2018

Patricia Langford
Finance Director

Connie Maxwell
Budget Director



FINANCIAL HIGHLIGHTS

General Fund Revenue

Ad Valorem Taxes = \$2,215,906, increase of 16.29% over last year

Sales Tax = \$937,873 , 2.13% decrease from last year. Last year's number includes \$50,000 received as the result of an audit adjustment received from a taxpayer.

EMS Patient Billing Collections = \$980,560 compared to \$962,599 at this time last year. The total EMS call volume is currently 2,527 runs compared to 2,418 for the same period last year.

Allocation Transfers = \$1,448,416 , 54.94% of annual budget

Use of Fund Balance = \$651,029 , 33.33% of annual budget; determined by expenditures

Golf Course Revenue

Fees for Services = \$614,335 , \$44,452 increase over last year

Operating Transfer from General Fund = \$0 compared to \$29,313 last year. Last year's number has been restated to refund a portion of the transfer after a profit in March and April, 2017. The year-to-date profit for the current year is \$57,362 .

Airport Revenue

Net Fuel Sales = \$111,082 (sales minus the fuel purchased) compared to \$129,418 last year.

Electric Fund Revenue

Net Fees for Services = \$1,969,213 compared to \$1,877,722 at this time last year.

Use of Fund Balance = \$75,753 , will increase as capital project expenditures are incurred



Water/Wastewater Fund Revenue

Fees for Water Services net of Cost of Water = \$1,194,452 compared to \$1,150,481 last year.

Fees for Sewer Services = \$1,058,635 compared to \$1,035,420 last year.

Use of Fund Balance = \$0 , will be used as capital project expenditures are incurred



Financial Report for the Period Ending April 2018

Overview

The monthly financial report is directed at providing a snapshot of revenues and expenditures as well as other important financial information through the month of April 2018. Attached to this report are financial summaries that indicate the annual budget, year-to-date budget, financial activity for the fiscal year-to-date and comparison to the prior year at the same time.

General Fund

Revenues

As of April 2018, General Fund revenues total \$7,574,465 or 62.30% of the annual budget. The majority of property tax revenue is collected during the months of December - February. Since this is a large source of income for the General Fund, the timing of collections has a significant impact on the overall revenue collections. During the budgeting process, the Central Appraisal District sends the City a certified tax roll that is used to calculate the anticipated property taxes to be levied and collected in the next budget cycle. This year, that tax roll contained a 15% increase mainly as the result of new property added and valuation changes that had occurred and that has been reflected in the budget for FY 2017-18. \$2,215,906 of property taxes have been collected which is 16.29% more than last year.

Sales Tax is another large source of income for the fund. Currently, the City has received \$937,873 of Sales Tax revenue which is an decrease of 2.13% compared to the same period last year.

EMS Billing Collections are not only a significant source of revenue, but can be very volatile and difficult to predict. Many factors can influence collections such as the number of EMS runs each month, the number of private pay patients vs the number of patients with insurance, insurance rule changes, and the type of insurance the patient may have. When these collections are below budget, it has a major effect on the overall revenue and it becomes important to offset the reduced revenue with a reduction in expenses. Collections are currently \$980,560 representing a \$17,961 or 1.87% increase from last year at the same time.

The final major revenue source for the General Fund is the Allocation Transfers. The majority of this revenue comes from fees assessed to the Electric Fund and the Water/Wastewater Fund in the form of Return on Investment, In-Lieu of Property Tax and In-Lieu of Franchise Tax. Since these utilities are owned by the City they are not assessed taxes that would be required if they were held by private ownership. The fees are based on the revenue and/or customer consumption numbers of the utility fund and help maintain the health of the General Fund. Other fees are assessed to funds for a proportionate amount of the Administration and Mayor and Council departments and the Shop Department. The current revenue is \$1,448,416 or 54.94% of the annual budget.

Expenditures

General Fund Expenditures total \$6,382,893 and are in line with budget. The major variable to the expenditures is the Transfers to Other Funds. These transfers are going to the Golf Course to cover the Administration Allocation and operating losses in the fund, and to the Capital Project Funds for Golf and General Government. Timing of the capital projects will have a significant effect on the actual year to date expenditures reported. The Golf Course currently has a net profit of \$57,362 compared to a year to date transfer of \$29,313 in March of last year. The transfer number for last year has been restated to reflect profit made in March and April, 2017.



General Fund Expenditures

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Personnel	\$ 5,914,485	\$ 3,497,772	\$ 3,343,494	56.53%	\$ 3,311,011
Supplies	\$ 532,853	\$ 315,094	\$ 319,935	60.04%	\$ 315,594
Repairs & Maintenance	\$ 438,350	\$ 241,109	\$ 236,653	53.99%	\$ 258,070
Services	\$ 2,521,891	\$ 1,482,715	\$ 1,535,736	60.90%	\$ 1,447,696
Other Expense	\$ 12,250	\$ 1,956	\$ 1,672	13.65%	\$ 3,812
Property Acquisition	\$ —	\$ —	\$ 770	100.00%	\$ —
Capital Outlay	\$ 22,500	\$ 11,415	\$ 35,495	157.76%	\$ 39,355
Transfers to Other Funds	\$ 2,221,955	\$ 1,112,082	\$ 909,138	40.92%	\$ 672,400
Total	\$ 11,664,284	\$ 6,662,143	\$ 6,382,893	54.72%	\$ 6,047,938

Delaware Springs Golf Course

Revenues

The total operating revenue for the Golf Course is currently \$903,267. The Golf Course is showing a profit for the year of \$57,362. The transfer number for last year has been restated to reflect the profit made in March and April, 2017 which reduced the transfer from the General Fund to \$29,313.

Two other revenue categories are showing significant increases over last year. Fees for Services are \$614,335 which is \$44,452 more than last year. Snack Bar sales are \$20,027 greater than last year. However, Sales of Merchandise is showing a decrease of \$19,212 from last year.

Expenditures

Expenditures are \$845,905 and well within the year to date budget of \$896,280 . This also represents a decrease of \$40,120 from last year at the same time.

Electric Fund

Revenues

Total revenues from Electric Sales are \$4,617,145 which is an increase of \$263,736 over last year. Each dollar of Electric Sales is made up of two components. The first is the LCRA (Lower Colorado River Authority) purchase price derived by dividing the total dollar amount billed by LCRA by the kWh purchased. That rate is applied to each class of electric customers equally and can vary depending on the charges from LCRA. The second component of the amount is the Customer Distribution Charge or CDC. This charge was adopted by Council several years ago and remains consistent until the Council votes to make a change. The CDC represents the cost of providing electric service to our customers and vary by Customer Class. Customer Class is determined by the type of use and the kWh used by the individual customer.



City of Burnet

Finance Department

Since a portion of the monthly electric rate is simply a pass-through to the customer based on what the City has been charged by LCRA, the Net Sales amount is a more valuable measurement than just looking at the sales dollars. Net Sales are exactly what they imply: total sales dollars less the cost of power. The result is the true amount that the City receives to cover the expenses of the Fund. Net Sales are \$1,969,213 this year.

Expenditures

Expenditures excluding Cost of Power are \$1,864,260 and well within the year to date budget of \$1,908,969.

Electric Fund Net Sales

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Electric Sales	\$ 8,384,000	\$ 4,296,006	\$ 4,617,145	55.07%	\$ 4,353,409
Cost of Power	\$ 4,716,000	\$ 2,478,675	\$ 2,647,932	56.15%	\$ 2,475,687
Net Sales	\$ 3,668,000	\$ 1,817,331	\$ 1,969,213	53.69%	\$ 1,877,722
kWh Sold			41,837,485		39,173,702

Water/Wastewater Fund

Revenue

Year-to-date revenue net of Fund Balance is \$2,345,857, which exceeds the budget of \$2,219,330 by \$126,527. Lack of significant rain has caused the area to return to drought status. Should conservation methods become necessary, the revenue could be negatively impacted.

Expenditures

Expenditures for the reporting period are \$2,075,529 and well within budget. The fund has not experienced any major expenditures that are not budgeted.

Water/Wastewater Sales and Production

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Water Sales	\$ 2,215,000	\$ 1,168,879	\$ 1,233,095	55.67%	\$ 1,178,409
Cost of Water	\$ 70,000	\$ 35,572	\$ 38,643	55.20%	\$ 27,928
Net Water Sales	\$ 2,145,000	\$ 1,133,307	\$ 1,194,452	55.69%	\$ 1,150,481
Wastewater Revenue	\$ 1,760,000	\$ 1,017,226	\$ 1,058,635	60.15%	\$ 1,035,420
Surface Water			104,561,000		79,668,000
Ground Water			63,610,000		79,287,000
Total Gallons Produced			168,171,000		158,955,000



Airport Fund

Revenue

Current Airport revenue is \$452,631. Sales of AvGas remain steady while sales of Jet fuel show a decrease.

Expenditures

Current expenditures are \$371,639. The primary factor effecting the increase in expenditures are repairs made to hangers and the facility as a part of the RAMP grant. The RAMP grant reimbursement is received in the following year.

Airport Fuel Sales and Gallons Sold

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Fuel Sales	\$ 555,000	\$ 325,298	\$ 315,241	56.80%	\$ 334,655
Fuel Purchases	\$ 349,180	\$ 197,613	\$ 204,159	58.47%	\$ 205,237
Net Fuel Sales	\$ 205,820	\$ 127,685	\$ 111,082	53.97%	\$ 129,418
AvGas			34,477		34,174
Jet			46,854		60,196
Total Gallons Sold			81,331		94,370

Fuel Sale Comparison by Fuel Type

	CY 10/01/17 - 04/30/18	PY 10/01/16 - 04/30/17	Variance
AvFuel			
Gallons Sold:	34,477.1	34,173.8	303.3
Total Revenue:	139,867.75	128,596.39	11,271.36
Jet A Fuel			
Gallons Sold:	46,854.4	60,195.7	(13,341.3)
Total Revenue:	175,373.11	206,059.15	(30,686.04)



Cash & Investment Report

April 2018

Acct #	Bank	Account Name	Account Type	Balance April 2018	Date Purchased	Maturity Date	Interest Rate
Unrestricted Accounts							
984	FSB	Operating Cash	Checking	\$ 3,608,243.86	N/A	N/A	0.10%
2329	FSB	Golf Course Petty Cash	Checking	\$ 1,227.81	N/A	N/A	—%
2535	FSB	Operating Reserve	M/M	\$ 383,645.25	N/A	N/A	0.20%
2352	FSB	Delaware Springs-Credit Card Acct	Checking	\$ —	N/A	N/A	—%
2378	FSB	Airport - Credit Card Acct	Checking	\$ —	N/A	N/A	—%
2386	FSB	Utility - Credit Card Acct	Checking	\$ —	N/A	N/A	—%
2469	FSB	Court - Credit Card Acct	Checking	\$ —	N/A	N/A	—%
2711100002	TexPool	Operating Cash	Investment	\$ 501,387.76	N/A	N/A	1.3438%
33139	FSB	Operating	CD	\$ 503,400.52	1/9/2018	4/8/2018	0.55%
33140	FSB	Operating	CD	\$ 502,966.13	1/12/2018	7/7/2018	0.70%
33141	FSB	Operating	CD	\$ 502,966.13	1/12/2018	7/7/2018	0.70%
Total				<u>\$ 6,003,837.46</u>			
Restricted by Council Action							
33144	FSB	Operating Reserve	CD	\$ 251,730.49	1/12/2018	7/11/2018	0.70%
33145	FSB	Operating Reserve	CD	\$ 251,730.49	1/12/2018	7/11/2018	0.70%
33146	FSB	Operating Reserve	CD	\$ 503,460.99	1/12/2018	7/11/2018	0.70%
Total Restricted by Council Action				<u>\$ 1,006,921.97</u>			
Total Unrestricted Cash				<u>\$ 7,010,759.43</u>			
75 Day Reserve Requirement Net of Airport			\$ 2,956,612	\$ 2,918,127.46			
90 Day Reserve Requirement Net of Airport			\$ 3,548,502	\$ 2,326,237.46			
Airport Claim on Cash			\$ 129,098				



City of Burnet

Finance Department

Acct #	Bank	Account Name	Account Type	Balance April 2018	Date Purchased	Maturity Date	Interest Rate
Restricted by Purpose or Law							
1453	FSB	Bond Reserve	M/M	\$ 181,166.28	N/A	N/A	0.20%
2188	FSB	Self Funded Equipment	M/M	\$ 429,718.52	N/A	N/A	0.20%
2402	FSB	Hotel / Motel	M/M	\$ 62,049.34	N/A	N/A	0.20%
33142	FSB	Hotel / Motel	CD	\$ 302,040.31	10/25/2017	4/12/2018	0.55%
2451	FSB	Construction Account	Checking	\$ 104,884.47	N/A	N/A	—%
2485	FSB	PD Seizure	M/M	\$ 7,905.92	N/A	N/A	0.20%
2493	FSB	Municipal Court Special Revenue	M/M	\$ 38,661.53	N/A	N/A	0.20%
2519	FSB	Impact Fees - Water	M/M	\$ 39,882.28	N/A	N/A	0.20%
2543	FSB	Airport Reserve	M/M	\$ 35,324.55	N/A	N/A	0.20%
33143	FSB	Airport Reserve	CD	\$ 402,768.79	01/26/1/8	7/11/18	0.70%
33211	FSB	Airport Reserve	CD	\$ 180,516.78	8/2/2017	2/2/2018	0.70%
2568	FSB	Benevolent Fund	Checking	\$ 2,366.38	N/A	N/A	—%
2576	FSB	Interest & Sinking Acct	M/M	\$ 229,855.59	N/A	N/A	0.20%
2584	FSB	Impact Fees - Wastewater	M/M	\$ 42,399.12	N/A	N/A	0.20%
2592	FSB	BEDC	Super NOW	\$ 673,362.43	N/A	N/A	0.10%
33181	FSB	BEDC	CD	\$ 250,863.01	9/18/2017	3/17/2018	0.70%
2634	FSB	Benefit Trust Account	M/M	\$ —	N/A	N/A	—%
2675	FSB	Police Department Explorer Program	M/M	\$ 12,829.44	N/A	N/A	—%
2691	FSB	Fire Department Explorer Program	M/M	\$ 7,053.95	N/A	N/A	0.20%
3012	FSB	Franchise Fee Account	Super NOW	\$ 69,893.80	N/A	N/A	0.10%
58776	FSB	Fire Dept Community Acct	M/M	\$ 18,725.59	N/A	N/A	—%
2711100007	TexPool	TWDB	Investment	\$ 65,902.62	N/A	N/A	1.3438%
2711100006	TexPool	TWDB	Investment	\$ 40,012.06	N/A	N/A	1.3438%
143033000	US Bank	City of Burnet, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2010 Escrow Account	Investment	\$ 3,079.67	N/A	N/A	0.34%
82-020-01-0	Bank of Texas	City of Burnet Ctr 2012 TWDB Escrow	Investment	\$ 264,991.79	N/A	N/A	0.37%
Total Restricted Cash				\$ 3,466,254.22			
Total All Cash				\$ 10,477,013.65			



Use of Cash Reserves

Project	Budget	Funds from Other Sources	Net Cost	Received from Other Sources	YTD April 2018 Expense	Encumbered	Remaining	Estimated EOY Cash
Cash Reserves in excess of 90 days								2,326,237
General Fund								
Contingency	\$ 100,000		\$ 100,000				\$ 100,000	
City Hall Remodel	\$ 10,000		\$ 10,000	\$ —	\$ 11,944		\$ —	
CR 200 Drainage	\$ 25,000		\$ 25,000	\$ —	\$ 22,603		\$ —	
Police Facility Reserve Account	\$ 500,000		\$ 500,000		\$ 12,830		\$ 487,170	
Christ-Yoder Animal Shelter	\$ 10,000		\$ 10,000				\$ 10,000	
Animal Shelter Upgrade	\$ 35,000		\$ 35,000		\$ 875		\$ 34,125	
Security Upgrade Narcotics	\$ 25,000		\$ 25,000		\$ 5,900		\$ 19,100	
Streets	\$ 450,000		\$ 450,000					
Westfall Street				\$ —	\$ 192,508	\$ —		
Kincheloe Street				\$ —	\$ 3,861			
Other				\$ —	\$ 46,846	\$ —	\$ 206,785	
Bruce Cove Drainage	\$ 25,000		\$ 25,000	\$ —	\$ 3,200		\$ —	
New Dump Trucks (3)	\$ 380,000		\$ 380,000	\$ —	\$ 363,520	\$ —	\$ —	
Parks Improvements	\$ 150,000	\$ 50,000	\$ 100,000					
Live Oak Park				\$ 50,000	\$ 39,205	\$ —		
Hamilton Creek Walking Trail				\$ —	\$ 4,366	\$ —		
Basketball Goals				\$ —	\$ 2,956	\$ —	\$ 103,473	
YMCA Capital Maintenance	\$ 50,000		\$ 50,000				\$ 50,000	
Total General Fund	\$ 1,760,000	\$ 50,000	\$ 1,710,000	\$ 50,000	\$ 710,614	\$ —	\$ 1,010,653	\$ 1,315,584



City of Burnet

Finance Department

Project	Budget	Funds from Other Sources	Net Cost	YTD April 2018			Remaining	Estimated EOY Cash
				Received from Other Sources	Expense	Encumbered		
Water/Wastewater Fund			\$	—				
SSES Line Improvements	\$ 850,000	\$ 350,000	\$ 500,000	\$ 350,000	\$ 27,596	\$ —	\$ 472,404	
SSES Project F Line Replacement	\$ 1,300,000	\$ 1,300,000	\$ —	\$ —	\$ 232,038	\$ —	\$ —	
Total Water/Wastewater Fund	\$ 2,150,000	\$ 1,650,000	\$ 500,000	\$ 350,000	\$ 259,634	\$ —	\$ 472,404	
Electric Fund			\$	—				
Electric Subdivision Costs	\$ 175,000	\$ 50,000	\$ 125,000					
Westfall Cottages					\$ 64,066			
Taco Bell					\$ 11,783			
Delaware Springs Phase 2					\$ 93			
Other					\$ (189)			
Total Electric Fund	\$ 175,000	\$ 50,000	\$ 125,000	\$ —	\$ 75,753	\$ —	\$ 49,247	
Golf Course								
Delaware Springs Improvements	\$ 200,000	\$ —	\$ 200,000					
Bunker Renovation					\$ 132,772			
Irrigation System					\$ 24,678			
Maintenance Barn Lights					\$ 8,000			
Total Golf Course	\$ 200,000	\$ —	\$ 200,000	\$ —	\$ 165,450	\$ —	\$ 34,550	
Total Use of Reserve Cash	\$ 4,285,000	\$ 1,750,000	\$ 2,535,000	\$ 400,000	\$ 1,211,451	\$ —	\$ 1,566,854	\$ 759,383

NOTE: Expenditures for the SSES Project F Line Replacement are being paid out of current excess cash. The Council has adopted a Reimbursement Resolution to repay Cash Reserves when the loan funds are received.



City of Burnet

Finance Department

FINANCIAL REPORT

April 2018

	Budget		Actual		
	Annual Budget	YTD April 2018	YTD Apr 2018	% of YTD Budget	YTD Apr 2017
UNRESTRICTED FUNDS					
GOVERNMENTAL ORGANIZATIONAL UNIT					
General Fund					
Operating Revenues	\$ 10,204,027	\$ 6,641,005	\$ 6,923,436	104.25 %	\$ 6,525,792
Use of Fund Balance	\$ 1,953,500	\$ 1,054,509	\$ 651,029	61.74 %	\$ 539,816
Total Revenue	\$ 12,157,527	\$ 7,695,514	\$ 7,574,465	98.43 %	\$ 7,065,608
Operating Expenditures	\$ 9,574,076	\$ 5,617,931	\$ 5,556,830	98.91 %	\$ 5,446,328
Debt Service	\$ —	\$ —	\$ —	— %	\$ —
Total Operating Expense	\$ 9,574,076	\$ 5,617,931	\$ 5,556,830	98.91 %	\$ 5,446,328
Transfers to Capital Project Funds	\$ 1,935,000	\$ 908,337	\$ 826,063	90.94 %	\$ 539,816
Net Operating Profit / (Loss)	\$ 648,451	\$ 1,169,246	\$ 1,191,572	101.91 %	\$ 1,079,464
Transfer to Golf - Operating	\$ 155,208	\$ 135,875	\$ —	— %	\$ 29,313
<i>Net Excess/(Deficit)</i>	<i>\$ 493,243</i>	<i>\$ 1,033,371</i>	<i>\$ 1,191,572</i>	<i>115.31 %</i>	<i>\$ 1,050,151</i>
Delaware Springs Golf Course					
Operating Revenues	\$ 1,435,748	\$ 821,925	\$ 903,267	109.90 %	\$ 856,712
Operating Expenditures	\$ 1,590,955	\$ 896,280	\$ 845,905	94.38 %	\$ 886,025
Debt Service	\$ —	\$ —	\$ —	— %	\$ —
Total Operating Expense	\$ 1,590,955	\$ 896,280	\$ 845,905	94.38 %	\$ 886,025
Net Operating Profit / (Loss)	\$ (155,207)	\$ (74,355)	\$ 57,362	(77.15)%	\$ (29,313)
Operating Transfer from General Fund	\$ 155,208	\$ 135,875	\$ —	— %	\$ 29,313
<i>Net Excess/(Deficit)</i>	<i>\$ —</i>	<i>\$ 61,520</i>	<i>\$ 57,362</i>	<i>93.24 %</i>	<i>\$ —</i>
General Government Capital Fund					
Operating Revenues	\$ 50,000	\$ —	\$ 50,000	50,000.00 %	\$ —
Transfer from General Fund	\$ 1,710,000	\$ —	\$ 660,613	660,613.00 %	\$ 314,096
Total Revenue	\$ 1,760,000	\$ —	\$ 710,613	710,613.00 %	\$ 314,096



City of Burnet

Finance Department

	Budget		Actual		
	Annual Budget	YTD April 2018	YTD Apr 2018	% of YTD Budget	YTD Apr 2017
Operating Expenditures	\$ 1,760,000	\$ —	\$ 710,614	710,614.00 %	\$ 325,097
Capital Project Gain/(Loss)	\$ —	\$ —	\$ (1)	(1.00)%	\$ (11,001)
Golf Course Capital Fund				— %	
Transfer from General Fund	\$ 225,000	\$ —	\$ 165,450	165,450.00 %	\$ 225,720
Operating Expenditures	\$ 225,000	\$ —	\$ 165,450	165,450.00 %	\$ 225,720
Capital Project Gain/(Loss)	\$ —	\$ —	\$ —	— %	\$ —
ORGANIZATIONAL UNIT NET CHANGE	\$ 493,243	\$ 1,094,891	\$ 1,248,933	114.07 %	\$ 1,039,150
ELECTRIC ORGANIZATIONAL UNIT					
Electric Fund					
Operating Revenues	\$ 8,561,200	\$ 4,357,807	\$ 4,720,354	108.32 %	\$ 4,426,270
Use of Fund Balance	\$ 125,000	\$ 74,643	\$ 75,753	101.49 %	\$ 110,579
Total Revenue	\$ 8,686,200	\$ 4,432,450	\$ 4,796,107	108.20 %	\$ 4,536,849
Operating Expenditures	\$ 8,049,656	\$ 4,284,678	\$ 4,408,116	102.88 %	\$ 4,238,503
Debt Service	\$ 48,554	\$ 28,323	\$ 28,323	100.00 %	\$ 39,260
Total Operating Expense	\$ 8,098,210	\$ 4,313,001	\$ 4,436,439	102.86 %	\$ 4,277,763
Transfers to Capital Project Fund	\$ 125,000	\$ 74,643	\$ 75,753	101.49 %	\$ 110,579
Net Operating Profit / (Loss)	\$ 462,990	\$ 44,806	\$ 283,915	633.65 %	\$ 148,507
Electric Capital Project Fund					
Contributions	\$ 50,000	\$ —	\$ —	— %	\$ 67,399
Transfer from Electric Fund	\$ 125,000	\$ —	\$ 75,753	75,753.00 %	\$ 110,579
Total Revenue	\$ 175,000	\$ —	\$ 75,753	75,753.00 %	\$ 177,978
Operating Expenditures	\$ 175,000	\$ —	\$ 75,753	75,753.00 %	\$ 167,978
Capital Project Gain/(Loss)	\$ —	\$ —	\$ —	— %	\$ 10,000
ORGANIZATIONAL UNIT NET CHANGE	\$ 462,990	\$ 44,806	\$ 283,915	633.65 %	\$ 158,507



City of Burnet

Finance Department

		Budget		Actual		
		Annual Budget	YTD April 2018	YTD Apr 2018	% of YTD Budget	YTD Apr 2017
WATER/WASTEWATER ORGANIZATIONAL UNIT						
Water/Wastewater						
Operating Revenues	\$	4,076,700	\$ 2,219,330	\$ 2,345,857	105.70 %	\$ 2,265,286
Use of Fund Balance	\$	500,000	\$ 285,141	\$ —	— %	\$ 53,123
Total Revenue	\$	4,576,700	\$ 2,504,471	\$ 2,345,857	93.67 %	\$ 2,318,409
Operating Expenditures	\$	2,648,678	\$ 1,473,762	\$ 1,545,711	104.88 %	\$ 1,386,598
Debt Service	\$	1,055,035	\$ 615,612	\$ 529,818	86.06 %	\$ 594,954
Total Operating Expense	\$	3,703,713	\$ 2,089,374	\$ 2,075,529	99.34 %	\$ 1,981,552
Transfers to Capital Project Fund	\$	500,000	\$ 291,667	\$ —	— %	\$ 53,123
Net Operating Profit / (Loss)	\$	372,987	\$ 123,430	\$ 270,328	219.01 %	\$ 283,734
Water/Wastewater Capital Project Fund						
Transfer from Water/Wastewater Fund	\$	500,000	\$ —	\$ —	— %	\$ 53,123
Other Revenue	\$	40,000	\$ —	\$ 65,409	65,409.00 %	\$ 97,825
Use of Loan Proceeds	\$	1,650,000	\$ —	\$ 259,633	259,633.00 %	\$ 213,630
Total Revenue	\$	2,190,000	\$ —	\$ 325,042	325,042.00 %	\$ 364,578
Operating Expenditures	\$	2,190,000	\$ —	\$ 259,633	259,633.00 %	\$ 320,838
Capital Project Gain/(Loss)	\$	—	\$ —	\$ 65,409	65,409.00 %	\$ 43,740
ORGANIZATIONAL UNIT NET CHANGE		\$ 372,987	\$ 123,430	\$ 335,737	272.01 %	\$ 327,474
AIRPORT ORGANIZATIONAL UNIT						
Airport Fund						
Operating Revenues	\$	791,050	\$ 469,578	\$ 452,631	96.39 %	\$ 458,225
Use of Fund Balance	\$	—	\$ —	\$ —	— %	\$ —
Total Revenue	\$	791,050	\$ 469,578	\$ 452,631	96.39 %	\$ 458,225
Operating Expenditures	\$	669,083	\$ 377,137	\$ 356,312	94.48 %	\$ 352,646
Debt Service	\$	26,275	\$ 15,327	\$ 15,327	100.00 %	\$ 13,005



City of Burnet

Finance Department

	Budget		Actual		
	Annual Budget	YTD April 2018	YTD Apr 2018	% of YTD Budget	YTD Apr 2017
Total Expense	\$ 695,358	\$ 392,464	\$ 371,639	94.69 %	\$ 365,651
Operating Excess/(Deficit)	\$ 95,692	\$ 77,114	\$ 80,992	105.03 %	\$ 92,574
Transfers to Capital Project Fund	\$ —	\$ —	\$ —	— %	\$ —
ORGANIZATIONAL UNIT NET CHANGE	\$ 95,692	\$ 77,114	\$ 80,992	105.03 %	\$ 92,334
UNRESTRICTED FUND EXCESS/ (DEFICIT)	\$ 1,424,912	\$ 1,340,241	\$ 1,949,577	145.46 %	\$ 1,617,465
OTHER ORGANIZATIONAL UNITS					
Hotel/Motel Fund					
Revenues	\$ 364,475	\$ 97,348	\$ 120,179	123.45 %	\$ 84,797
Expenses	\$ 362,746	\$ 81,187	\$ 58,611	72.19 %	\$ 41,117
Net Excess/(Deficit)	\$ 1,729	\$ 16,161	\$ 61,568	380.97 %	\$ 43,680
Burnet Economic Development Corporation					
Revenues	\$ 946,450	\$ 414,214	\$ 536,571	129.54 %	\$ 363,298
Use of Fund Balance	\$ 800,000	\$ —	\$ 371,462	371,462.00 %	\$ —
Use of Loan Proceeds	\$ 1,500,000	\$ —	\$ —	— %	\$ —
Total Revenue	\$ 3,246,450	\$ 414,214	\$ 908,033	219.22 %	\$ 363,298
Expenses	\$ 3,052,080	\$ 327,804	\$ 523,065	159.57 %	\$ 218,077
Net Excess/(Deficit)	\$ 194,370	\$ 86,410	\$ 384,968	445.51 %	\$ 145,221
Debt Service Fund					
Revenues	\$ 1,130,613	\$ 672,913	\$ 573,860	85.28 %	\$ 647,655
Expenses	\$ 1,130,612	\$ 801,327	\$ 799,998	99.83 %	\$ 804,974
Net Excess/(Deficit)	\$ —	\$ (128,414)	\$ (226,138)	176.10 %	\$ (157,319)



City of Burnet

Finance Department

Budget		Actual		
Annual Budget	YTD April 2018	YTD Apr 2018	% of YTD Budget	YTD Apr 2017
Self Funded Equipment Fund				
Revenues	\$ 786,052 \$ —	\$ 513,860	513,860.00 %	\$ 433,337
Expenses	\$ 721,300 \$ —	\$ 484,757	484,757.00 %	\$ 484,255
Net Excess/(Deficit)	\$ 64,752 \$ —	\$ 29,103	29,103.00 %	\$ (50,918)
Interest & Sinking Fund				
Revenues	\$ 345,686 \$ 274,821	\$ 342,425	124.60 %	\$ 307,790
Expenses	\$ 345,686 \$ 174,843	\$ 174,855	100.01 %	\$ 173,874
Net Excess/(Deficit)	\$ — \$ 99,978	\$ 167,570	167.61 %	\$ 133,916



City of Burnet

Finance Department

Year to Date Actual as of April 2018

Category	General Fund	Electric Fund	Water/Wastewater Fund	Golf	Airport	Total
Ad Velorem Taxes	\$ 2,215,906	\$ —	\$ —	\$ —	\$ —	2,138,336
Sales Tax Revenue	\$ 937,873	\$ —	\$ —	\$ —	\$ —	707,901
Other Taxes	\$ 94,885	\$ —	\$ —	\$ —	\$ —	94,885
Allocation Transfer In	\$ 1,448,416	\$ —	\$ —	\$ —	\$ —	1,448,416
Use of Fund Balance	\$ 651,029	\$ 75,753	\$ —	\$ —	\$ —	726,782
Fees for Services	\$ 1,574,524	\$ 4,617,145	\$ 2,291,730	\$ 614,335	\$ 315,241	9,412,975
Municipal Court Fines	\$ 197,991	\$ —	\$ —	\$ —	\$ —	197,991
County Coverage	\$ 328,966	\$ —	\$ —	\$ —	\$ —	328,966
Other Revenue	\$ 91,864	\$ 7,049	\$ 2,454	\$ 131	\$ 304	101,802
Contributions	\$ 2,748	\$ —	\$ —	\$ —	\$ —	2,748
Interest Earned	\$ 9,938	\$ 729	\$ 1,477	\$ —	\$ 2,048	14,192
Sale of Property	\$ 13,629	\$ —	\$ —	\$ —	\$ —	13,629
Penalties	\$ —	\$ 71,842	\$ 31,440	\$ —	\$ —	103,282
Connection Fees	\$ —	\$ 23,589	\$ 18,756	\$ —	\$ —	42,345
Transfers	\$ —	\$ —	\$ —	\$ 72,075	\$ —	72,075
Other Operating Revenue	\$ —	\$ —	\$ —	\$ 500	\$ —	500
Sale of Merchandise - Pro Shop	\$ —	\$ —	\$ —	\$ 83,688	\$ —	83,688
Sale of Merchandise - Snack Bar	\$ —	\$ —	\$ —	\$ 132,538	\$ —	132,538
Hanger Lease	\$ —	\$ —	\$ —	\$ —	\$ 106,376	106,376
Grant Revenue	\$ 6,696	\$ —	\$ —	\$ —	\$ 28,662	35,358
Total Revenue	\$ 7,574,465	\$ 4,796,107	\$ 2,345,857	\$ 903,267	\$ 452,631	15,764,785
Personnel	\$ 3,343,494	\$ 459,631	\$ 584,126	\$ 424,504	\$ 38,258	4,850,013
Supplies	\$ 319,935	\$ 45,852	\$ 101,202	\$ 43,020	\$ 8,889	518,898
Repairs & Maintenance	\$ 236,653	\$ 89,599	\$ 211,066	\$ 45,344	\$ 25,416	608,078
Services	\$ 1,535,736	\$ 80,459	\$ 258,505	\$ 109,133	\$ 57,779	2,041,612
Other Expense	\$ 1,672	\$ —	\$ —	\$ —	\$ —	1,672
Property Acquisition	\$ 770	\$ —	\$ —	\$ —	\$ —	770
Capital Outlay	\$ 35,495	\$ 13,974	\$ 11,809	\$ —	\$ —	61,278
Transfers to Other Funds	\$ 909,138	\$ 75,753	\$ —	\$ —	\$ —	984,891
Purchases for Resale	\$ —	\$ 2,647,932	\$ 38,643	\$ 135,168	\$ 204,159	3,025,902
Tournaments	\$ —	\$ —	\$ —	\$ 16,661	\$ —	16,661
Community Outreach	\$ —	\$ 59,589	\$ —	\$ —	\$ —	59,589
Transfers to Debt Service	\$ —	\$ 28,323	\$ 529,818	\$ —	\$ 15,327	573,468
Allocation Transfers	\$ —	\$ 1,011,080	\$ 340,360	\$ 72,075	\$ 21,811	1,445,326
Total Expenditures	\$ 6,382,893	\$ 4,512,192	\$ 2,075,529	\$ 845,905	\$ 371,639	14,188,158
Net Profit / (Loss)	\$ 1,191,572	\$ 283,915	\$ 270,328	\$ 57,362	\$ 80,992	1,884,169



City of Burnet

Finance Department

General Fund by Department

April 2018

Description	Mayor & Council	Administra- tion	Interfund Transfers	Police	Municipal Court	Fire/EMS	Sanitation	Streets	Parks	Development Services	City Shop	Economic Development	Galloway Hammond	Total
Ad Velorem Taxes	\$ —	\$ 2,215,906	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	2,215,906
Sales Tax Revenue	\$ —	\$ 937,873	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	937,873
Other Taxes	\$ —	\$ 94,885	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	94,885
Allocation Transfer In	\$ —	\$ 1,448,416	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	1,448,416
Use of Fund Balance	\$ —	\$ 651,029	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	651,029
Fees for Services	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 980,560	\$ 552,992	\$ —	\$ 28,290	\$ 12,682	\$ —	\$ —	\$ —	1,574,524
Municipal Court Fines	\$ —	\$ —	\$ —	\$ 129,719	\$ 68,272	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	197,991
County Coverage	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 328,966	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	328,966
Other Revenue	\$ —	\$ 4,341	\$ —	\$ —	\$ —	\$ 3,806	\$ —	\$ —	\$ —	\$ 36,467	\$ —	\$ 47,250	\$ —	91,864
Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,748	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	2,748
Sale of Property	\$ —	\$ 13,629	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	13,629
Grant Revenue	\$ —	\$ —	\$ —	\$ 6,696	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	6,696
Interest Earned	\$ —	\$ 9,938	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	9,938
Total Revenue	\$ —	\$ 5,376,017	\$ —	\$ 136,415	\$ 68,272	\$ 1,316,080	\$ 552,992	\$ —	\$ 28,290	\$ 49,149	\$ —	\$ 47,250	\$ —	7,574,465
Personnel	\$ 345	\$ 402,178	\$ —	\$ 845,776	\$ 18,847	\$ 1,398,429	\$ —	\$ 234,095	\$ 223,170	\$ 148,428	\$ 39,628	\$ 32,598	\$ —	3,343,494
Supplies	\$ 1,877	\$ 51,585	\$ —	\$ 82,909	\$ 1,780	\$ 107,968	\$ 10,486	\$ 22,747	\$ 21,759	\$ 6,908	\$ 11,604	\$ 312	\$ —	319,935
Repairs & Maintenance	\$ 631	\$ 72,746	\$ —	\$ 22,615	\$ 4,893	\$ 58,537	\$ —	\$ 23,341	\$ 36,240	\$ 4,404	\$ 6,618	\$ —	\$ 6,628	236,653
Services	\$ 9,053	\$ 361,612	\$ —	\$ 165,577	\$ 15,502	\$ 293,795	\$ 436,202	\$ 58,322	\$ 79,592	\$ 51,531	\$ 2,857	\$ 3,360	\$ 58,333	1,535,736
Other Expense	\$ 522	\$ —	\$ —	\$ 1,150	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	1,672
Property Acquisition	\$ 770	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	770
Capital Outlay	\$ —	\$ 14,258	\$ —	\$ 21,237	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	35,495
Transfers to Other Funds	\$ —	\$ —	\$ 909,138	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	909,138
Transfers to Debt Service	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
Total Expenditures	\$ 13,198	\$ 902,379	\$ 909,138	\$ 1,139,264	\$ 41,022	\$ 1,858,729	\$ 446,688	\$ 338,505	\$ 360,761	\$ 211,271	\$ 60,707	\$ 36,270	\$ 64,961	6,382,893
Excess / (Deficit)	(13,198)	4,473,638	(909,138)	(1,002,849)	27,250	(542,649)	106,304	(338,505)	(332,471)	(162,122)	(60,707)	10,980	(64,961)	1,191,572



Electric Fund

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Electric Sales	\$ 8,384,000	\$ 4,296,006	\$ 4,617,145	55.07%	\$ 4,353,409
Cost of Power	\$ 4,716,000	\$ 2,478,675	\$ 2,647,932	56.15%	\$ 2,475,687
Net Sales	\$ 3,668,000	\$ 1,817,331	\$ 1,969,213	53.69%	\$ 1,877,722
Other Revenue	\$ 177,200	\$ 61,800	\$ 103,209	58.24%	\$ 72,861
Use of Fund Balance	\$ 125,000	\$ 74,643	\$ 75,753	60.60%	\$ 110,579
Revenue Net of Cost of Power	\$ 3,970,200	\$ 1,953,774	\$ 2,148,175	54.11%	\$ 2,061,162
Personnel	\$ 855,499	\$ 496,817	\$ 459,631	53.73%	\$ 400,574
Supplies	\$ 80,000	\$ 49,163	\$ 45,852	57.32%	\$ 56,768
Repairs & Maintenance	\$ 193,000	\$ 69,158	\$ 89,599	46.42%	\$ 47,518
Services	\$ 148,494	\$ 96,490	\$ 80,459	54.18%	\$ 143,462
Community Outreach	\$ 85,200	\$ 62,918	\$ 59,589	69.94%	\$ 59,145
Capital Outlay	\$ 80,000	\$ 58,335	\$ 13,974	17.47%	\$ 111,447
Transfer to Capital Project Fund	\$ 125,000	\$ 74,643	\$ 75,753	60.60%	\$ 110,579
Transfers to Debt Service	\$ 48,554	\$ 28,323	\$ 28,323	58.33%	\$ 39,260
Allocation Transfers	\$ 1,891,463	\$ 973,122	\$ 1,011,080	53.45%	\$ 943,902
Expenditures	\$ 3,507,210	\$ 1,908,969	\$ 1,864,260	53.16%	\$ 1,912,655
Net Profit / (Loss)	\$ 462,990	\$ 44,805	\$ 283,915	61.32%	\$ 148,507
kWh Sold			41,837,485		39,173,702



Water/Wastewater Fund

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Water Sales	\$ 2,215,000	\$ 1,168,879	\$ 1,233,095	55.67%	\$ 1,178,409
Purchases for Resale	\$ 70,000	\$ 35,572	\$ 38,643	55.20%	\$ 27,928
Net Sales	\$ 2,145,000	\$ 1,133,307	\$ 1,194,452	55.69%	\$ 1,150,481
Wastewater Revenue	\$ 1,760,000	\$ 1,017,226	\$ 1,058,635	60.15%	\$ 1,035,420
Other Revenue	\$ 61,700	\$ 33,225	\$ 54,127	87.73%	\$ 51,457
Use of Fund Balance	\$ 540,000	\$ 285,141	\$ —	—%	\$ 53,123
Revenue Net of Cost of Water	\$ 4,506,700	\$ 2,468,899	\$ 2,307,214	51.20%	\$ 2,290,481
Personnel	\$ 1,012,610	\$ 583,607	\$ 584,126	50.19%	\$ 542,222
Supplies	\$ 192,500	\$ 99,769	\$ 101,202	47.00%	\$ 89,855
Repairs & Maintenance	\$ 336,500	\$ 174,294	\$ 211,066	49.97%	\$ 179,669
Services	\$ 454,730	\$ 255,504	\$ 258,505	50.07%	\$ 214,870
Capital Outlay	\$ —	\$ —	\$ 11,809	100.00%	\$ —
Transfer to Capital Project Fund	\$ 500,000	\$ 291,667	\$ —	—%	\$ 53,123
Allocation Transfers	\$ 582,338	\$ 325,016	\$ 340,360	48.99%	\$ 332,054
Transfers to Debt Service	\$ 1,055,035	\$ 615,612	\$ 529,818	43.04%	\$ 594,954
Expenditures	\$ 4,133,713	\$ 2,345,469	\$ 2,036,886	49.27%	\$ 2,006,747
Net Profit / (Loss)	\$ 372,987	\$ 123,430	\$ 270,328	72.48%	\$ 283,734
Surface Water			104,561,000		79,668,000
Ground Water			63,610,000		79,287,000
Total Gallons Produced			168,171,000		158,955,000



Delaware Springs Golf Course

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Charges For Golf Services	\$ 922,000	\$ 551,618	\$ 614,335	66.63%	\$ 569,883
Other Operating Revenue	\$ —	\$ —	\$ 500	100.00%	\$ 700
Other Revenue	\$ —	\$ —	\$ 131	100.00%	\$ (72)
Pro Shop	\$ 170,000	\$ 89,979	\$ 83,688	49.23%	\$ 102,900
Snack Bar	\$ 223,000	\$ 108,641	\$ 132,538	59.43%	\$ 112,511
Transfer from General Fund - Overhead	\$ 120,748	\$ 71,688	\$ 72,075	59.69%	\$ 70,790
Transfer from General Fund - Operations	\$ 155,208	\$ 135,875	\$ —	—%	\$ 29,313
Revenue	\$ 1,590,956	\$ 957,801	\$ 903,267	56.78%	\$ 886,025
Personnel	\$ 779,447	\$ 459,107	\$ 424,504	54.46%	\$ 438,968
Supplies	\$ 83,200	\$ 43,307	\$ 43,020	51.71%	\$ 46,909
Repairs & Maintenance	\$ 125,450	\$ 64,949	\$ 45,344	36.15%	\$ 62,116
Services	\$ 184,700	\$ 105,204	\$ 109,133	59.09%	\$ 97,482
Purchases for Resale	\$ 252,410	\$ 131,856	\$ 135,168	53.55%	\$ 142,410
Tournaments	\$ 45,000	\$ 20,170	\$ 16,661	37.02%	\$ 27,350
Allocation Transfers	\$ 120,748	\$ 71,688	\$ 72,075	59.69%	\$ 70,790
Expenditures	\$ 1,590,956	\$ 896,281	\$ 845,905	53.17%	\$ 886,025
Net Profit / (Loss)	\$ —	\$ 61,520	\$ 57,362	100.00%	\$ —

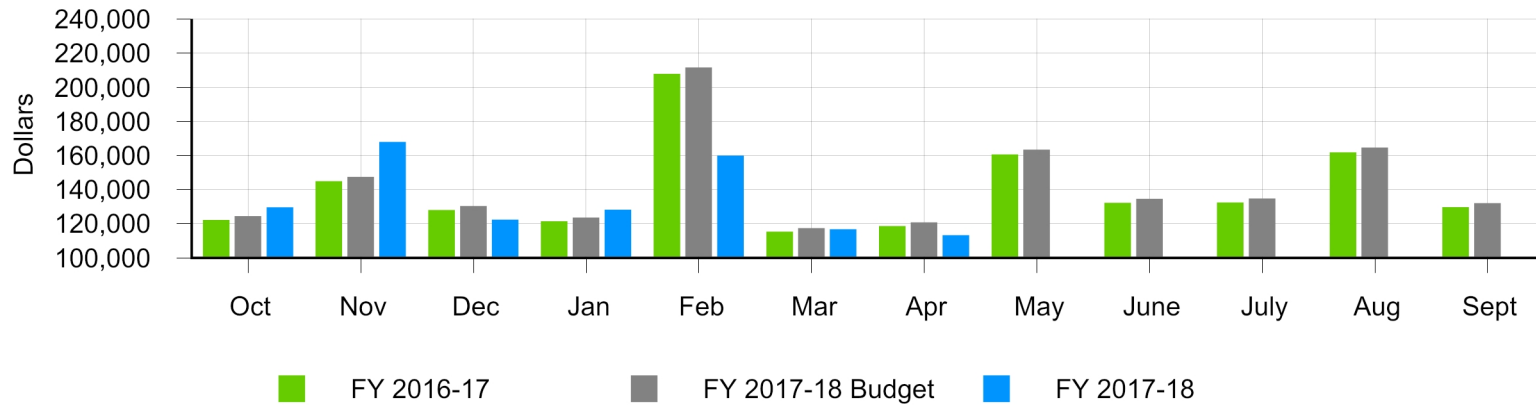


Airport Fund

Category	FY 2017-2018 Annual Budget	Budget April 2018	April 2018	% of Annual Budget	April 2017
Fuel Sales	\$ 555,000	\$ 325,298	\$ 315,241	56.80%	\$ 334,655
Purchases for Resale	\$ 349,180	\$ 197,613	\$ 204,159	58.47%	\$ 205,237
Net Sales	\$ 205,820	\$ 127,685	\$ 111,082	53.97%	\$ 129,418
Other Revenue	\$ 1,900	\$ 593	\$ 304	11.00%	\$ 2,130
Hanger Lease	\$ 203,600	\$ 113,597	\$ 106,376	46.29%	\$ 113,816
Interest Earned	\$ 550	\$ 90	\$ 2,048	371.27%	\$ 275
Grant Revenue	\$ 30,000	\$ 30,000	\$ 28,662	95.54%	\$ 7,349
Revenue Net of Fuel Purchases	\$ 441,870	\$ 271,965	\$ 248,472	56.23%	\$ 252,988
Personnel	\$ 93,850	\$ 63,962	\$ 38,258	35.08%	\$ 39,227
Supplies	\$ 23,250	\$ 13,054	\$ 8,889	32.63%	\$ 13,631
Repairs & Maintenance	\$ 63,000	\$ 23,152	\$ 25,416	37.13%	\$ 22,287
Services	\$ 102,950	\$ 55,757	\$ 57,779	46.68%	\$ 53,769
Transfers to Debt Service	\$ 26,275	\$ 15,327	\$ 15,327	50.00%	\$ 13,005
Allocation Transfers	\$ 36,853	\$ 23,599	\$ 21,811	49.58%	\$ 18,495
Expenditures	\$ 346,178	\$ 194,851	\$ 167,480	48.38%	\$ 160,414
Net Profit / (Loss)	\$ 95,692	\$ 77,114	\$ 80,992	84.64%	\$ 92,574
AvGas			34,477		34,174
Jet			46,854		60,196
Total Gallons Sold			81,331		94,370

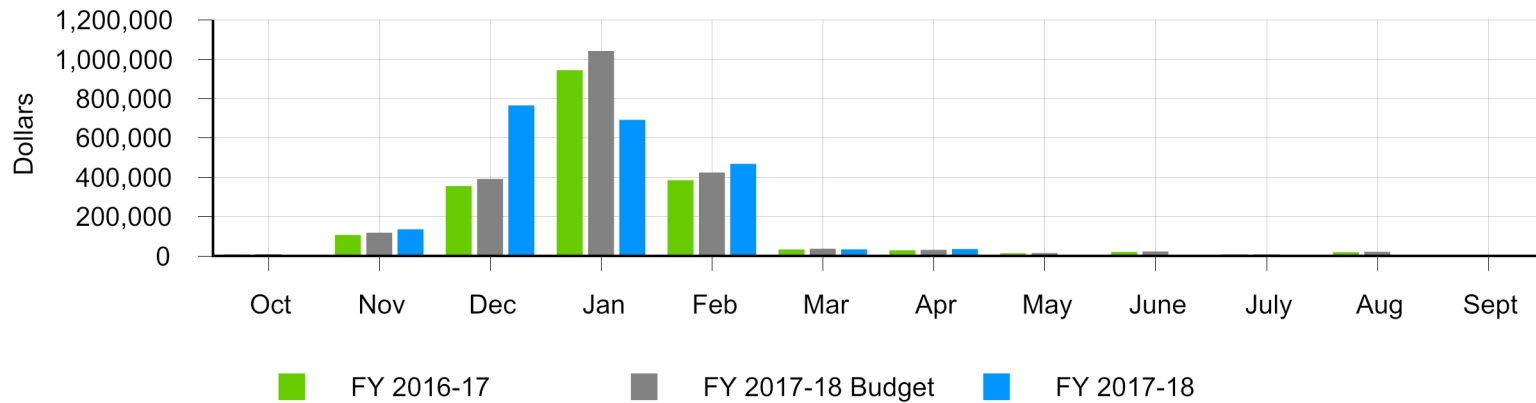


Sales Tax Revenue



Sales Tax collected by the state is remitted to the City two months later. Therefore, the spike in Sales Tax Revenue shown in February reflects the tax collected in December.

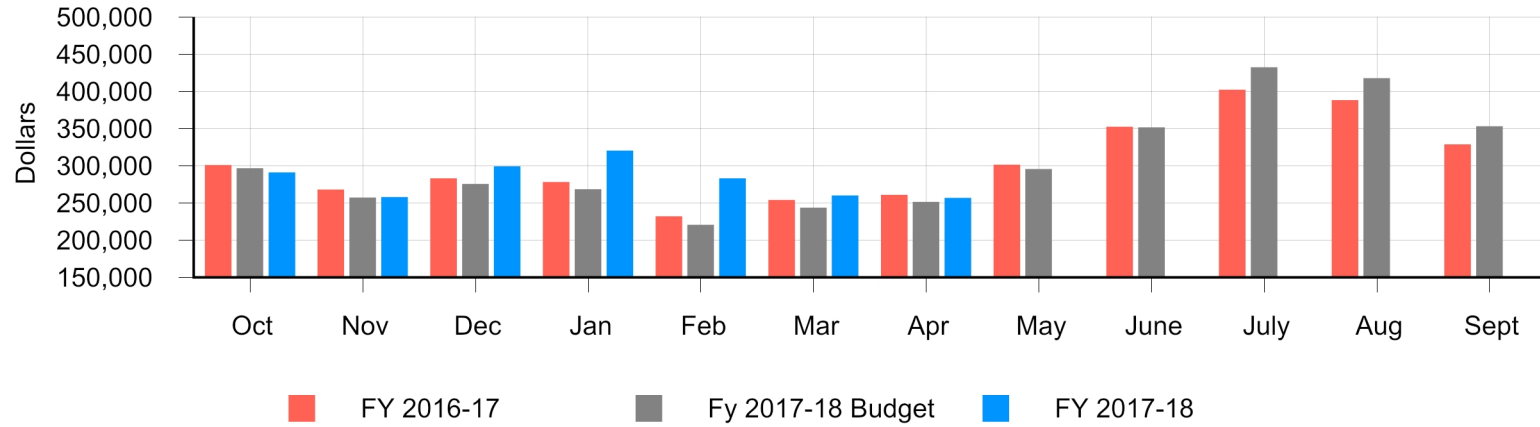
Property Tax Revenue



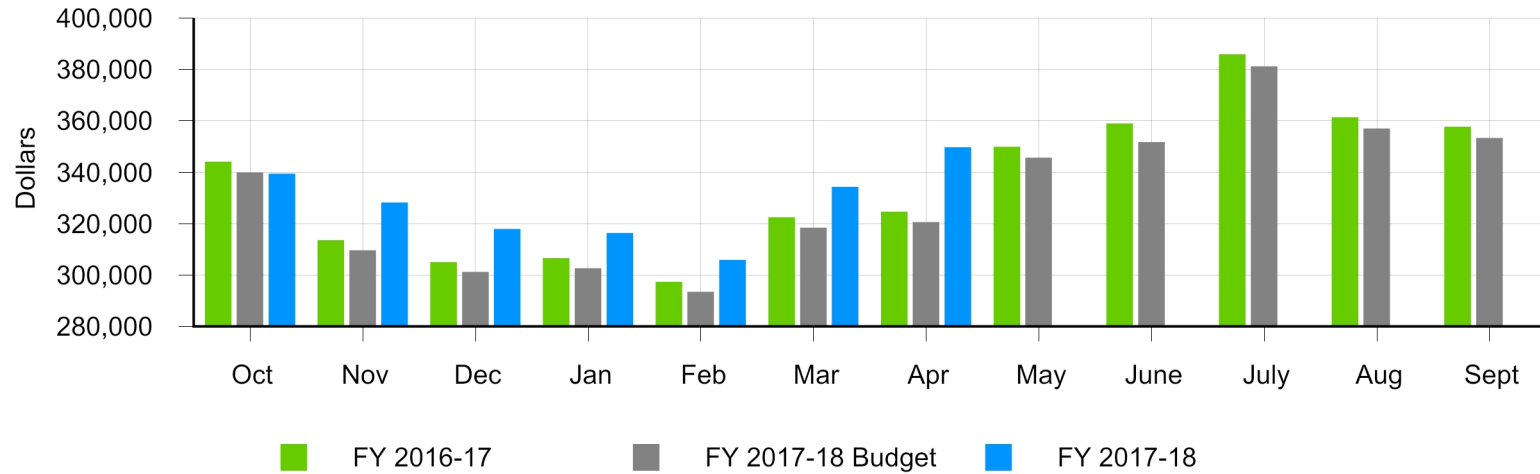
Property Taxes are collected by the Central Appraisal District and remitted to the City. Fluctuations in monthly numbers are the result of when the taxes are paid.



Electric Sales Net Revenue



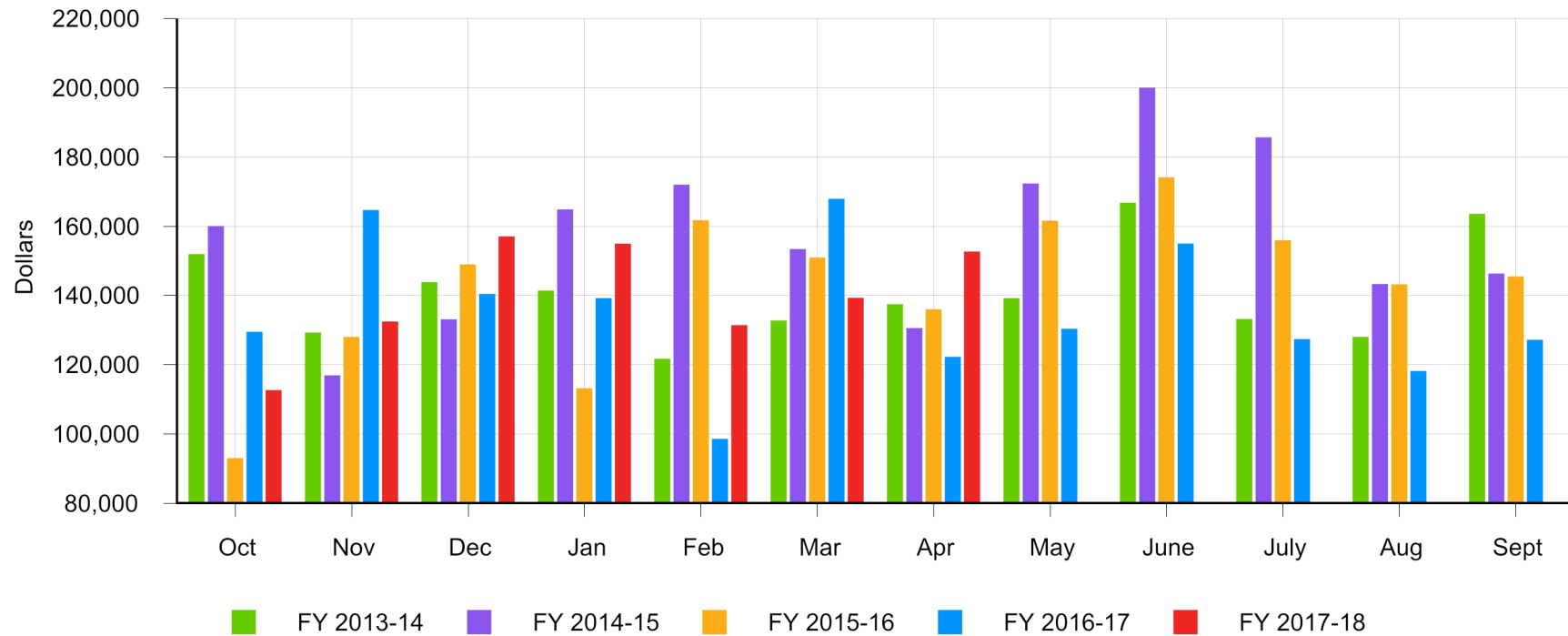
Water / Wastewater Sales Revenue



Utility revenue from month to month can be very volatile depending on weather and consumption patterns.



EMS Patient Billing Collections

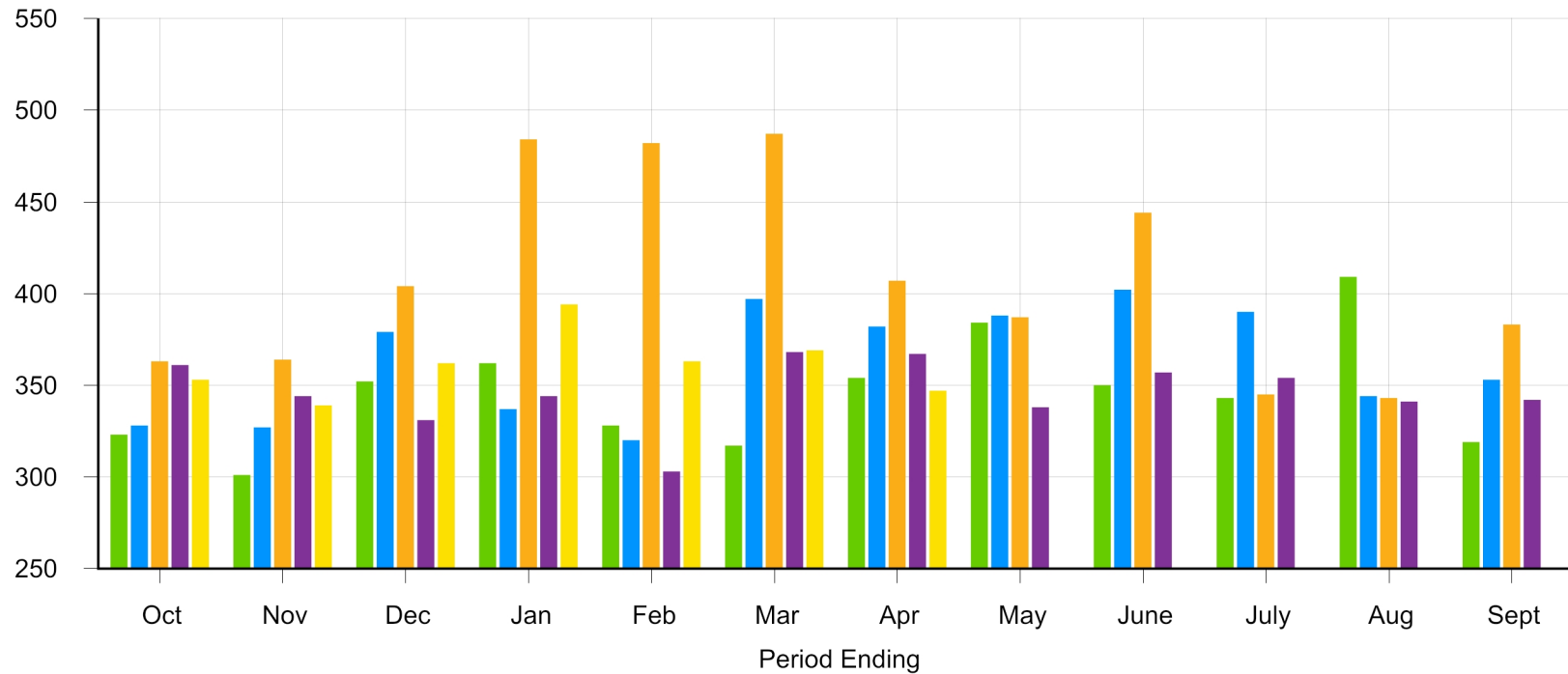


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total
FY 2013-14	\$151,962.82	\$129,263.98	\$143,843.54	\$141,387.97	\$121,652.84	\$132,770.94	\$137,460.44	\$139,256.56	\$166,800.56	\$133,167.80	\$127,998.41	\$163,576.21	\$1,689,142.07
FY 2014-15	\$160,062.21	\$116,890.14	\$133,098.44	\$164,846.42	\$172,025.94	\$153,381.45	\$130,582.82	\$172,361.34	\$200,075.77	\$185,666.65	\$143,267.10	\$146,297.84	\$1,878,556.12
FY 2015-16	\$ 93,006.55	\$127,968.30	\$149,001.74	\$113,172.73	\$161,756.31	\$150,980.36	\$135,994.20	\$161,624.69	\$174,077.52	\$155,931.11	\$143,193.09	\$145,449.14	\$1,712,155.74
FY 2016-17	\$129,477.14	\$164,728.83	\$140,445.15	\$139,240.23	\$ 98,537.83	\$167,924.75	\$122,251.53	\$130,355.06	\$154,984.24	\$127,354.64	\$118,199.90	\$127,170.36	\$1,620,669.66
FY 2017-18	\$112,652.61	\$132,518.13	\$157,064.44	\$154,948.23	\$131,404.83	\$139,279.39	\$152,692.26						\$ 980,559.89

EMS patient billing collections are the reflection of the number of ambulance runs, the type of insurance the patient may have, uninsured patients and changes to insurance rules. The result can be a significant fluctuation from month to month and year to year.



EMS Call Volume



■ FY 2013-14
 ■ FY 2014-15
 ■ FY 2015-16
 ■ FY 2016-17
 ■ FY 2017-18

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total
FY 2013-14	323	301	352	362	328	317	354	384	350	343	409	319	4,142
FY 2014-15	328	327	379	337	320	397	382	388	402	390	344	353	4,347
FY 2015-16	363	364	404	484	482	487	407	387	444	345	343	383	4,893
FY 2016-17	361	344	331	344	303	368	367	338	357	354	341	342	4,150
FY 2017-18	353	339	362	394	363	369	347						2,527