

**NOTICE OF MEETING OF BOARD OF DIRECTORS OF
 BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
 Monday, March 21, 2022 – 5:00 P.M.
 Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas**

1. CALL TO ORDER

 The Bastrop EDC Board reserves the right to convene into Executive Session at any time during the meeting regarding any agenda item in compliance with the Texas Open Meetings Act, Chapter 551 Government Code.

2. PUBLIC COMMENT(S)

3. REGULAR BUSINESS & PRESENTATIONS

- 3.1. Approval of meeting minutes from the Regular BEDC Board Meeting of February 28, 2022, and the Special BEDC Board Meeting of March 7, 2022. **(page 3)**
- 3.2. Receive presentation of financial report provided by City of Bastrop’s Chief Financial Officer for the period ending February 2022. **(page 8)**
- 3.3. Receive presentation of the BEDC’s portion of the Annual Comprehensive Financial Report for period ending September 30, 2021, presented by the City of Bastrop’s Chief Financial Officer. **(page 17)**
- 3.4. Discussion and consideration of all matters incident and related to calling for the redemption of certain outstanding obligations of the Bastrop Economic Development Corporation, including the adoption of a resolution pertaining thereto. **(page 34)**
- 3.5. Discussion and reconsideration regarding the Main Street Program support agreement between the Bastrop Economic Development Corporation and the City of Bastrop, Texas. **(page 39)**
- 3.6. Discussion and possible action on an update on the Gummy Bears Project (aka Howard Designs, LLC) that was tabled at the Special Board Meeting on March 7, 2022. **(pg 44)**
- 3.7. Update and discussion on BEDC-funded projects (presentation by City Staff). **(pg 45)**
- 3.8. Discussion and possible action on engaging a consultant to assist the BEDC in alignment with the City of Bastrop’s economic development policy. **(page 46)**
- 3.9. Discussion and possible action on BEDC staffing. **(page 47)**
- 3.10. Discussion on a request from the City of Bastrop for a letter from the BEDC supporting the City’s application for grant funding for the Old Iron Bridge. **(page 48)**
- 3.11. Receive updates from BEDC staff – Industrial Park infrastructure; TA Bastrop; Corix Wastewater Study; DRC meeting update; TEDC Economic Excellence Recognition award; and staff training. **(page 49)**

4. EXECUTIVE SESSION

- 4.1. The Bastrop EDC Board of Directors will meet in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:
 - (1) **Section 551.074** Personnel Matters – Discussion on Chief Executive Officer Position.
 - (2) **Section 551.071** Consultation with Attorney regarding lawsuit filed by former Chief Executive Officer Cox against the Bastrop EDC.
- 4.2. The Bastrop EDC Board of Directors will reconvene into open session to discuss, consider, and take any action necessary related to the executive sessions noted herein.

5. ADJOURNMENT

CERTIFICATE

I, Angela Ryan, Operations Manager of the Bastrop Economic Development Corporation (Bastrop EDC), certify that this Notice of Meeting was posted at Bastrop City Hall, 1311 Chestnut Street, and on the Bastrop EDC's website on this the 18th of March 2022 at 5:00 p.m. Copies of this agenda have been provided to those members of the media requesting such information.

Angela Ryan

Angela Ryan, BEDC Operations Manager

THE BASTROP ECONOMIC DEVELOPMENT CORPORATION IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE MODIFICATIONS AND EQUAL ACCESS WILL BE PROVIDED UPON REQUEST. PLEASE CALL 512-303-9700.



Agenda Item: 3.1

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Approval of meeting minutes from the Regular BEDC Board Meeting of February 28, 2022, and the Special BEDC Board Meeting of March 7, 2022.

Prepared by: BEDC Staff

Attached for the Board’s review are the meeting minutes from:

- Regular Board Meeting February 28, 2022
- Special Board Meeting March 7, 2022

Recommendation – Approve both sets of meeting minutes as submitted.

[RECOMMENDED MOTION] – I move to approve the meeting minutes as submitted.



BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Monthly Meeting, February 28, 2022
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, February 28, 2022, at 5:00 p.m. for a Regular Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Kevin Plunkett, Bill Gossett, Connie Schroeder, Jenn Wahl, Ron Spencer, and Jeff Haladyna. Staff members present: Genora Young, Angela Ryan and Jean Riemenschneider. BEDC Attorney Charles Zech was also present.

1. **CALL TO ORDER** – Board Secretary/Treasurer Bill Gossett called the meeting to order at 5:00 p.m.
2. **PUBLIC COMMENT(S)** – There were no public comments.
3. **REGULAR BUSINESS & PRESENTATIONS**
 - 3.1. Consideration, discussion and possible action on election of BEDC Officers: Chair, Vice Chair, Secretary and Treasurer. Mr. Spencer volunteered to be the Board Chair until the next officer election, Mr. Plunkett seconded, and the motion passed. Ms. Wahl volunteered to be the Vice Chair, Mr. Spencer seconded, and the motion passed. Mr. Gossett will remain in the position of Secretary/Treasurer.
 - 3.2. Approval of Resolution R-2022-0003 authorizing severance payment to former executive director pursuant to employment agreement. Chair Spencer requested the Board consult with the attorney on this item in Executive Session. After reconvening, Mr. Plunkett made the motion to approve the resolution, Mr. Haladyna seconded, and the motion passed.
 - 3.3. Approval of meeting minutes from the Regular BEDC Board Meeting of January 24, 2022, and the Special BEDC Board Meeting of February 7, 2022. Mr. Plunkett made the motion to approve both sets of minutes as submitted, Mr. Haladyna seconded, and the motion passed.
 - 3.4. Acceptance of financial report provided by City of Bastrop's Chief Financial Officer for the period ending January 2022. Mr. Gossett reported there were no anomalies in the report. He then explained to the Board that he had received a request from First National Bank that the City had requested updated signatures on the BEDC account. He said he had spoken with the bank and consulted with the BEDC's legal counsel, and the listed names should be different than originally submitted to the bank. Mr. Gossett asked if the Board was okay with requiring only one signature per transaction; the consensus of the Board was that only one signature was necessary. Mr. Gossett will follow up with the bank regarding signatures. Mr. Gossett made the motion to accept the financial report as submitted, Mr. Plunkett seconded, and the motion passed.
 - 3.5. Presentation by City Manager Paul Hofmann regarding the Bastrop City Council's policy regarding the Bastrop Economic Development Corporation. City Manager Hofmann made a presentation to the Board regarding the policy adopted by the City Council on February 8, 2022.
 - 3.6. Presentation by City Manager Paul Hofmann regarding proposed support services agreement between the Bastrop Economic Development Corporation and the City of Bastrop, Texas. City Manager Hofmann made a presentation to the Board regarding

the support services agreement adopted by the City Council on February 8, 2022. BEDC's legal counsel indicated that the agreement would require edits prior to being approved by the BEDC Board. A separate agreement would be needed to fund the Main Street Program. Ms. Young also added that the current administrative services agreement between the BEDC and the City was approved by the Board in September 2021 and has not expired.

- 3.7. Presentation, discussion, and possible action on Resolution R-2022-0004 of the Bastrop Economic Development Corporation authorizing the renewal of agreement with The Retail Coach. Aaron Farmer with The Retail Coach made a presentation to the Board. Ms. Schroeder made the motion to approve the resolution, Mr. Gossett seconded, and the motion passed.
- 3.8. Presentation, discussion, and possible action on Resolution R-2022-0005 of the Bastrop Economic Development Corporation authorizing the renewal of an agreement with FiberLight, LLC, to maintain fiber in the Bastrop Business and Industrial Park. Director Young explained that this was the cost of maintaining the dark fiber in the Business Park so that businesses in the Park could access it through their internet provider. The cost has decreased from \$8,600 a month to \$6,880. Mr. Plunkett made the motion to approve the resolution, Mr. Haladyna seconded, and the motion passed.
- 3.9. Receive updates from BEDC staff – The Board received updates on the Moca Project; sale of 921 Main Street building; Industrial Park infrastructure; and workforce training and education. Under the Interim Executive Director's contract update, Director Young tendered her resignation.

4. EXECUTIVE SESSION

- 4.1. At 5:15 p.m., the BEDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:
 - (1) **Section 551.074** Personnel Matters – Discussion on Chief Executive Officer Position.
 - (2) **Section 551.071** Consultation with Attorney, agenda item 3.2.
- 4.2. At 6:11 p.m., the BEDC Board of Directors reconvened into open session to discuss, consider, and take any action necessary related to the executive sessions noted herein. Action was taken under agenda item 3.2.

5. **ADJOURNMENT** – Mr. Plunkett made the motion to adjourn the meeting and Mr. Gossett seconded. The board meeting was adjourned at 7:19 p.m.

APPROVED: _____
Ron Spencer, Board Chair

ATTEST: _____
Angela Ryan, Operations Manager

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Special Meeting, March 7, 2022
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, March 7, 2022, at 4:00 p.m. for a Special Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Ron Spencer, Jenn Wahl, Bill Gossett, Connie Schroeder, Jeff Haladyna, and Kevin Plunkett. Staff members present: Angela Ryan and Jean Riemenschneider. BEDC Attorney Charles Zech was also present.

1. CALL TO ORDER – Board Chair Ron Spencer called the meeting to order at 4:00 p.m.

2. PUBLIC COMMENT(S) – There were no public comments.

3. REGULAR BUSINESS & PRESENTATIONS

3.1. Discussion and possible action on an update on the Gummy Bears Project (aka Howard Designs, LLC) regarding their performance agreement with the BEDC. Clint Howard of Howard Designs gave an update on the different phases of Project Gummy Bears. The board members asked questions of Mr. Howard, and then City Manager Paul Hofmann spoke and requested an opportunity to create a complete comprehensive response. Ms. Schroeder later suggested postponing the remainder of the discussion until the next regular BEDC meeting.

3.2. Discussion and possible action on engaging a consultant to assist the BEDC in alignment with the City of Bastrop's economic development policy. Ms. Wahl explained the idea of hiring an independent consultant with the goal of bringing the City of Bastrop and BEDC together and aligning with the policy previously approved by the Bastrop City Council. After discussion, it was the consensus of the Board for Ms. Wahl to continue having discussions with the consultant.

3.3. Discussion and possible action on the roles and responsibilities of BEDC sub-committee members. Chair Spencer stated he wanted to make sure everyone was aware that the BEDC's bylaws include a provision for committees: *"The Board may constitute from time to time committees of the Board that are deemed necessary or appropriate. No such committee shall have independent authority to act for or in the stead of the Board."* He said the Board as a whole would need to take any necessary action. Mr. Zech reminded the Board that committees should stay within compliance of the Texas Open Meetings Act.

3.4. Discussion and possible action on paying off the remaining loan balance associated with the 921 Main Street building. Ms. Schroeder made the motion to pay off the outstanding loan with Roscoe State Bank, Mr. Haladyna seconded, and the motion passed. Ms. Riemenschneider gave a brief presentation about the history of the project and the sale of the building. She then congratulated the Board and thanked everyone involved in the success of the project.

4. EXECUTIVE SESSION

4.1. At 4:29 p.m., the Bastrop EDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

(1) **Section 551.074** Personnel Matters – Discussion on Chief Executive Officer Position.

4.2. At 4:50 p.m., the Bastrop EDC Board of Directors reconvened into open session to discuss, consider, and take any action necessary related to the executive sessions noted herein. No action was taken.

5. ADJOURNMENT – Mr. Plunkett made the motion to adjourn the meeting and Ms. Schroeder seconded. The special board meeting was adjourned at 5:03 p.m.

APPROVED: _____
Ron Spencer, Board Chair

ATTEST: _____
Angela Ryan, Operations Manager

DRAFT



Agenda Item: 3.2

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Receive presentation of financial report provided by City of Bastrop’s Chief Financial Officer for the period ending February 2022.

Prepared by: Tracy Waldron, City of Bastrop CFO

Attached for the Board’s review and consideration is the BEDC financial summary report for the period ending February 2022.

Attachment:
February 2022 Financial Report

Recommendation – None; item presented for informational purposes.

[RECOMMENDED MOTION] – No motion required.



Bastrop Economic Development Corporation

Financial Summary
For Period Ending
February 2022

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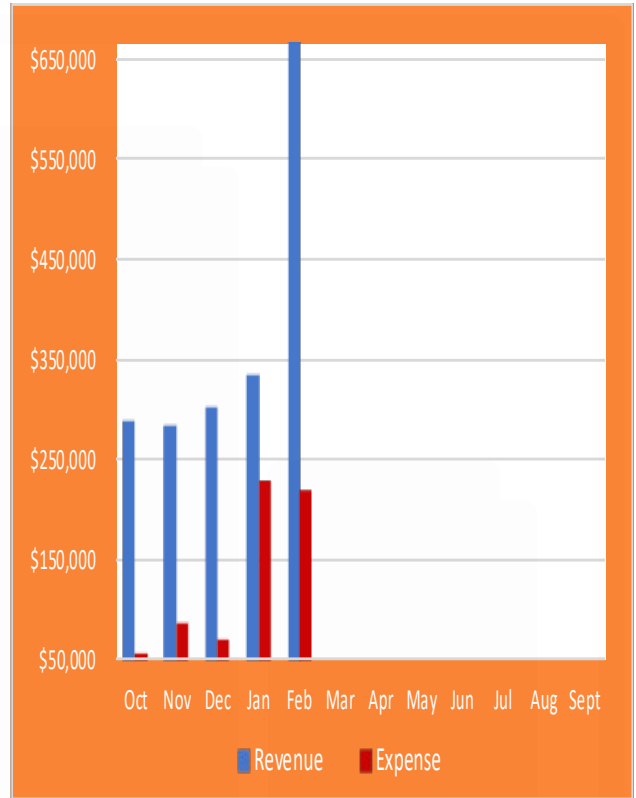




Summary of Revenues and Expenditures

As of Feb. 28, 2022

<u>Month</u>	<u>FY2022 Revenue</u>	<u>FY2022 Expense</u>	<u>Monthly Variance</u>
Oct	\$ 287,152	\$ 55,493	\$ 231,659
Nov	283,075	86,631	\$ 196,444
Dec	302,264	71,240	\$ 231,024
Jan	333,467	225,472	\$ 107,995
Feb	1,195,092	217,945	\$ 977,147
Mar			\$ -
Apr			\$ -
May			\$ -
Jun			\$ -
Jul			\$ -
Aug			\$ -
Sept			\$ -
Total	\$ 2,401,050	\$ 656,781	\$ 1,744,269



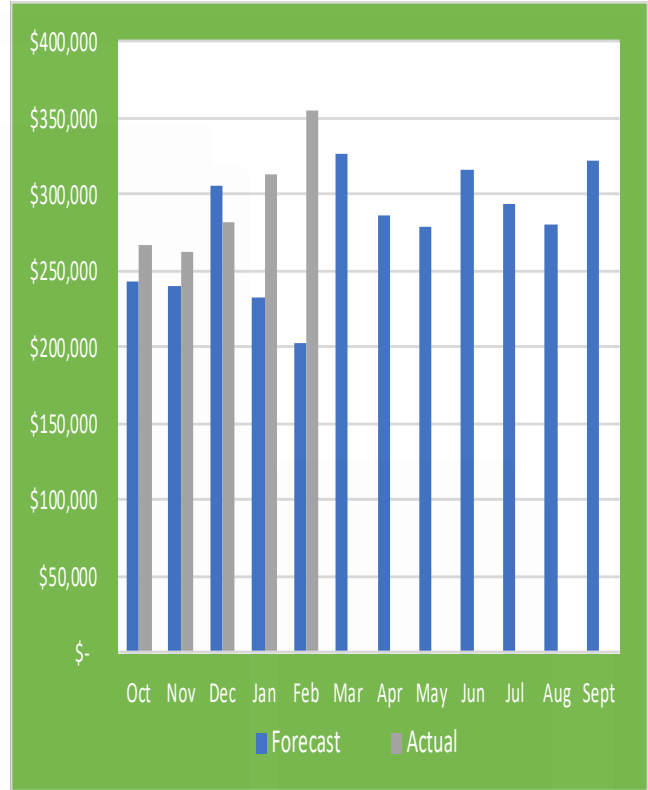
Positive

The monthly variance can be explained partially from unfilled budgeted positions, unexpensed capital projects, and timing on expenditures. February reflects the sale of property to Moca Ventures with a gain of \$841,137.

Summary of Sales Tax Revenue

As of Feb. 28, 2022

Month	FY2022 Forecast	FY2022 Actual	Monthly Variance
Oct	\$ 243,391	\$ 266,592	\$ 23,201
Nov	240,299	262,912	\$ 22,613
Dec	306,301	281,987	\$ (24,314)
Jan	233,218	312,872	\$ 79,654
Feb	203,063	354,315	\$ 151,252
Mar	326,569		
Apr	286,918		
May	279,115		
Jun	315,873		
Jul	293,686		
Aug	280,434		
Sept	322,633		
Total	\$ 3,331,500	\$ 1,478,678	\$ 252,406
Forecast YTD	\$ 1,226,272		
Actual to Forecast	\$ 252,406	20.6%	



Positive

Sales Tax revenue is 94% of total revenue (excluding land sale proceeds). The amount in Oct. and Nov. are estimated due to the timing of receiving the payments. The State Comptroller has a two month lag between month earned and month distributed. The Actual to forecast year to date is a positive 20%. This budget was a 10% increase over FY2021 projected but is still conservative based on the YOY increases that are being reported.

Expenditures Budget to Actual Comparison

As of Feb. 28, 2022

OPERATING EXPENDITURES COMPARISON

<u>Category</u>	<u>FY2022 Forecast</u>	<u>FY2022 Actual</u>	<u>Monthly Variance</u>
Personnel	\$ 232,738	\$ 78,429	\$ 154,309
Supplies & Material	4,823	723	\$ 4,100
Maintenance & Repairs	6,760	4,351	\$ 2,409
Occupancy	25,400	24,497	\$ 903
Contractual Service	206,039	167,417	\$ 38,622
Marketing/Advertising	340,059	280,649	\$ 59,410
Contingency	-	-	\$ -
Debt Service	91,795	91,794	\$ 1
Total	\$ 907,614	\$ 647,860	\$ 259,754

Forecast to Actual % 29%

Positive

The forecast to actual comparison is a positive 29% year-to-date. The debt service reflects the Feb. Roscoe loan payment posted at the end of January.

Expenditures Budget to Actual Comparison

As of Feb. 28, 2021

CAPITAL OUTLAY PROJECTS

<u>Project</u>	<u>FY2022 Budget</u>	<u>FY2022 Actual</u>	<u>Budget Balance</u>
Business Industrial Park Improv* (added with last Budget Amendment)	\$ 715,500	\$ -	\$ 715,500
Trail System Downtown loop (only engineering and permitting expenses so far)	\$ 13,000	\$ 8,920	\$ 4,080
Bus. Ind. Park-Tech/MLK Infra (only engineering expenses so far)	1,537,000	-	\$ 1,537,000
Total	\$ 2,265,500	\$ 8,920	\$ 2,256,580

CO, Series 2013

Business Industrial Park Improv*	\$ 277,026	** \$ -	\$ 277,026
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* This project funded by bond funds budgeted from the 2013 CO.

**This is the available balance in this bond fund

Expenditures Budget to Actual Comparison As of Feb. 28, 2022

380 DEVELOPMENT AGREEMENT

	FY2022 <u>Budget</u>	FY2022 <u>Actual</u>	Budget <u>Balance</u>
380 Agreement	\$ 285,000	\$ 100,923	\$ 184,077
Total	\$ 285,000	\$ 100,923	\$ 184,077

The only 380 Agreement still active is Burleson Crossing. This agreement states that 50% of the \$1.5 cent sales tax collected (which includes EDC's \$0.5) will be rebated back to the developer until the maximum reimbursement amount is met or 15 years (which would also be FY2023).

The payoff amount wasn't specific to EDC it was a combined rebate amount with the City.

The current remaining reimbursement (as of 3/9/2021 developer provided Actual cost of funds ie. interest) and rebate payments through 1/31/2022, is \$950K. The estimation is that this agreement will be fully rebated by the end of FY2022 budget year due to the increase we have seen in sales tax revenue.

Due to this increase in sales tax revenue it is likely that EDC will need a budget amendment to increase the budgeted revenue and the associated rebate 380 expense.

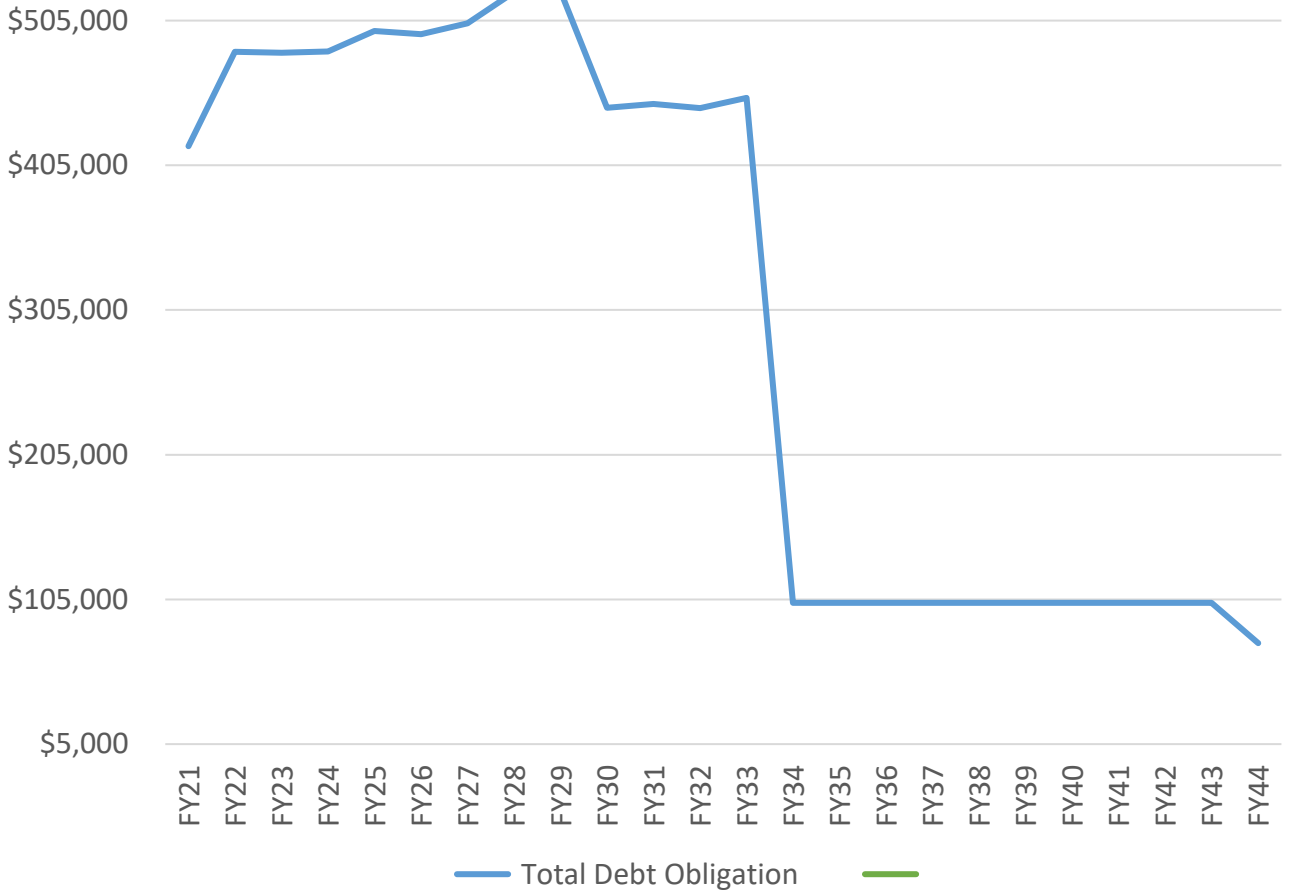
**BASTROP ECONOMIC DEVELOPMENT CORPORATION FUND
FY 2021-2022 BUDGET**

Working Capital 9-30-2021 Audited	\$	5,906,065
 FY 2021-2022		
Budgeted		
Revenues	\$	<u>5,074,414</u>
Total FY 2022 Resources	\$	10,980,479
 Budgeted Expenditures:		
Operating Expenses	\$	(3,262,922)
Capital Expenses	\$	(1,550,000)
Debt Service	\$	<u>(483,456)</u>
	\$	(5,296,378)
 Projected Working Capital Balance 09-30-2022		
	\$	5,684,101
 Reserve 25% of Operating Expense		
	\$	815,730



Debt Obligation

As of 6/30/2021



Agenda Item: 3.3

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Receive presentation of the BEDC's portion of the Annual Comprehensive Financial Report for period ending September 30, 2021, presented by the City of Bastrop's Chief Financial Officer.

Prepared by: Tracy Waldron, City of Bastrop CFO

Attached for the Board's review and consideration is the portion of the FY2021 City of Bastrop Annual Comprehensive Financial Report (ACFR) concerning BEDC.

CFO Tracy Waldron will present and discuss the audit.

The entire Annual Comprehensive Financial Report can be downloaded at the following link:
<https://www.cityofbastrop.org/upload/page/0219/CoB%20ACFR%20Yr%20Ended%209.30.21.pdf>

Attachment:

Relevant pages from the FY2021 Annual Comprehensive Financial Report.

Recommendation – None; item presented for informational purposes.

[RECOMMENDED MOTION] – No motion required.



analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF BASTROP

The City of Bastrop is nestled on the Colorado River and located at the junction of Texas Highways 71, 21 and 95, just 30 minutes from Austin, 90 minutes from San Antonio and less than 2 hours from Houston. It currently occupies 11 square miles and serves a population of approximately 9,154. The City of Bastrop serves as the county seat of Bastrop County. The City has developed into a commercial center which daily serves up to an estimated 25,000 businesspersons, shoppers, and visitors.

Bastrop, Texas is known as the most historic small town in Texas. Bastrop was a frontier settlement founded by Stephen F. Austin in 1832 and incorporated in 1837. The City is the second-oldest incorporated town in Texas and was considered an alternate capital of the Republic. The City is situated along El Camino Real National Historic Trail and boasts more than 130 renovated historic homes and sites, designated on the *National Register of Historic Places* by the Texas Historical Commission.

The City operates under a council-manager form of government. The City Council is comprised of a Mayor and five council members. All members are elected at-large on a staggered and non-partisan basis. They are responsible to enact local legislation, provide policy and annually adopt the operating budget. They appoint the City Manager, City Attorney, Judge of the Municipal Court and members of various boards and commissions. The City Manager, under the oversight of the City Council, is responsible for the proper administration of the operations of the City.

The City provides a full range of municipal services including general government, public safety, public works, parks and recreation, planning and development, code enforcement, animal services, and water, sewer and electric utilities. Sanitation services are provided by the City but are privately contracted.

The **Bastrop Economic Development Corporation (BEDC)** is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The BEDC is funded with sales tax revenues and is discussed more fully in the notes to the financial statements.

The annual budget of the City serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances, and state law. The budget process begins each year with the development of priority issues established by City Council. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a final budget is prepared and made available to the public for review. Prior to official adoption of the budget by City Council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City of Bastrop is identified as the county seat for Bastrop County. With this designation comes commercial growth not typically seen for a population of approximately 9,242 residents. Major industries located within the government's boundaries, or close proximity, include small industries, retail stores, several financial institutions, restaurants and insurance companies. The school district has significant economic presence, employing in total more than 1,300 teachers, professionals and support staff.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Bastrop, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the

respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP

Certified Public Accountants

Houston, Texas

February 24, 2022

CITY OF BASTROP, TEXAS
MANAGEMENTS DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general government, public safety (police and fire protection), community services, and economic development. Interest payments on the City's debt are also reported here. Property tax, sales tax, hotel/motel tax, and franchise fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and wastewater services, and electrical utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate component unit, the **Bastrop Economic Development Corporation (BEDC)** for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The public improvement district (PID), although also legally separate, functions for all practical purposes as a departments of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

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

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

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, hotel/motel tax fund, Hunters Crossing PID fund, and the American Recovery fund, which are considered to be major funds. Data from the other governmental funds is

CITY OF BASTROP, TEXAS**STATEMENT OF NET POSITION**

September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bastrop Economic Development
Assets				
Cash and equity in pooled cash/investments	\$ 17,887,197	\$ 20,843,336	\$ 38,730,533	\$ 5,970,072
Receivables, net of allowances	2,111,475	1,397,653	3,509,128	598,193
Due from BEDC	122,147	-	122,147	-
Due from other governments	744,554	-	744,554	-
Prepays and other assets	106,837	-	106,837	12,525
Inventory	12,069	363,165	375,234	-
Restricted assets:				
Temporarily restricted cash/cash equivalents	-	36,720,291	36,720,291	-
	<u>20,984,279</u>	<u>59,324,445</u>	<u>80,308,724</u>	<u>6,580,790</u>
Note receivable	3,074,961	180,000	3,254,961	-
Capital assets:				
Nondepreciable capital assets	7,347,714	28,462,445	35,810,159	919,952
Depreciable capital assets, net	40,345,127	29,522,988	69,868,115	3,020,462
	<u>47,692,841</u>	<u>57,985,433</u>	<u>105,678,274</u>	<u>3,940,414</u>
Total Assets	<u>71,752,081</u>	<u>117,489,878</u>	<u>189,241,959</u>	<u>10,521,204</u>
Deferred Outflows of Resources				
Deferred outflows - pension	675,976	184,053	860,029	56,531
Deferred outflows - TMRS OPEB	66,379	18,623	85,002	4,639
Deferred outflows - Health OPEB	62,868	27,866	90,734	2,229
Deferred loss on refunding	597,131	-	597,131	89,867
Total Deferred Outflows of Resources	<u>1,402,354</u>	<u>230,542</u>	<u>1,632,896</u>	<u>153,266</u>

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bastrop Economic Development
Liabilities				
Accounts payable and accrued liabilities	2,566,541	4,595,826	7,162,367	160,860
Accrued bond interest	114,341	315,181	429,522	14,752
Due to primary government	-	-	-	122,147
Noncurrent liabilities:				
Portion due within one year:				
Compensated absences	170,599	39,392	209,991	11,903
Bonds and notes payable	2,353,060	1,834,308	4,187,368	376,966
Portion due in more than one year:				
Compensated absences	170,599	39,392	209,991	965
Bonds and notes payable (net)	22,462,523	71,753,878	94,216,401	5,108,848
Net pension liability	2,392,176	513,924	2,906,100	84,010
OPEB liability - health	672,513	188,611	861,124	30,304
OPEB liability - TMRS	349,250	96,808	446,058	19,849
Total Liabilities	31,251,602	79,377,320	110,628,922	5,930,604
Deferred Inflows of Resources				
Deferred gain on refunding	-	114,341	114,341	-
Deferred inflows - pension	327,244	197,840	525,084	28,081
Deferred inflows - TMRS OPEB	9,764	-	9,764	-
Total Deferred Inflows of Resources	337,008	312,181	649,189	28,081
Net Position				
Net investment in capital assets	26,343,054	21,231,879	47,574,933	1,307,353
Restricted for:				
Nonexpendable perpetual care cemetery	416,209	-	416,209	-
Expendable:				
Debt service	187,794	-	187,794	108,127
Cemetery	123,108	-	123,108	-
Public safety	178,483	-	178,483	-
Parks	14,844	-	14,844	-
Traffic safety	267,244	-	267,244	-
PEG fees	83,720	-	83,720	-
Economic development	2,910,758	-	2,910,758	9,332
Capital projects	2,868,665	1,719,170	4,587,835	-
American Recovery	628	-	628	-
Unrestricted	8,171,318	15,079,870	23,251,188	3,290,973
Total Net Position	\$ 41,565,825	\$ 38,030,919	\$ 79,596,744	\$ 4,715,785

See Notes to Financial Statements.

CITY OF BASTROP, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,113,939	\$ 652,181	\$ -	\$ -
Public safety	4,109,906	294,024	311,029	-
Development services	1,021,712	2,089,278	-	-
Community services	1,461,808	108,635	-	-
Economic development	1,958,898	164,229	-	867,426
Interest and fiscal agent fees	991,031	-	-	-
Total Governmental Activities	15,657,294	3,308,347	311,029	867,426
Business-Type Activities				
Water and wastewater	6,750,882	6,948,671	-	516,120
Bastrop Power and Light	6,984,325	7,175,002	-	-
Community impact fees	-	3,343,579	-	-
Total Business-Type Activities	13,735,207	17,467,252	-	516,120
Total Primary Government	\$ 29,392,501	\$ 20,775,599	\$ 311,029	\$ 1,383,546
Component Unit				
Bastrop Economic Development Corporation	\$ 2,645,020	\$ -	\$ -	\$ -

General Revenues:

Property taxes
Sales taxes
Hotel/motel taxes
Franchise fees (gross)
Investment revenue
Other revenues
Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position			Component Unit
Primary Government		Total	
Governmental	Business-Type		
Activities	Activities		
\$ (5,461,758)	\$ -	\$ (5,461,758)	\$ -
(3,504,853)	-	(3,504,853)	-
1,067,566	-	1,067,566	-
(1,353,173)	-	(1,353,173)	-
(927,243)	-	(927,243)	-
(991,031)	-	(991,031)	-
<u>(11,170,492)</u>	<u>-</u>	<u>(11,170,492)</u>	<u>-</u>
-	713,909	713,909	-
-	190,677	190,677	-
<u>-</u>	<u>3,343,579</u>	<u>3,343,579</u>	<u>-</u>
-	4,248,165	4,248,165	-
<u>(11,170,492)</u>	<u>4,248,165</u>	<u>(6,922,327)</u>	<u>-</u>
-	-	-	(2,645,020)
7,901,603	-	7,901,603	-
6,716,864	-	6,716,864	3,319,872
2,029,978	-	2,029,978	-
461,495	-	461,495	-
184,294	133,357	317,651	13,816
172,644	-	172,644	551,198
652,750	(652,750)	-	-
<u>18,119,628</u>	<u>(519,393)</u>	<u>17,600,235</u>	<u>3,884,886</u>
6,949,136	3,728,772	10,677,908	1,239,866
<u>34,616,689</u>	<u>34,302,147</u>	<u>68,918,836</u>	<u>3,475,919</u>
<u>\$ 41,565,825</u>	<u>\$ 38,030,919</u>	<u>\$ 79,596,744</u>	<u>\$ 4,715,785</u>

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Bastrop, Texas (the “City”) was incorporated on December 18, 1837 and adopted the “Home Rule Charter” on May 7, 2002, pursuant to the laws of the State of Texas (the “State”), which provide for a Council-Manager form of government.

The City Council is the principal legislative body of the City. With few exceptions, all powers of the City are vested in an elective council, which enacts legislation, adopts budgets, determines policies, and appoints the City Attorney and the Municipal Court Judge. The Council also appoints the City Manager, who executes the laws and administers the government of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety, street maintenance, sanitation services, recreation programs, municipal court, community development, public improvements, water, sewer and electrical services, and general administrative services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit

The Hunters Crossing Local Government Corporation (the “Corporation”) was established to administer the service plan of the Hunters Crossing Public Improvement District (PID). The PID was established on September 11, 2001 by resolution of the Bastrop City Council. That resolution was later amended on November 11, 2003. The purpose for creation of the PID was to provide for the construction of certain public improvements and a mechanism for the payment of the costs of such construction and the costs of such improvements through the levy of assessments against owners of respective parcels in the PID. The assessment and bond issuance authorizations are approved by the City Council and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The entity is reported as a blended component unit of the City. Separate financial statements for the Corporation can be obtained from the City’s Finance Department.

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Discretely Presented Component Unit

The Bastrop Economic Development Corporation (BEDC) was established in 1995, after the citizens of the City voted to pass a one-half cent sales tax dedicated to economic development.

The BEDC's primary purpose is to assist in bringing meaningful and rewarding employment opportunities to citizens in the area through funding assistance provided to businesses to relocate or expand in Bastrop. A separate governing board oversees the BEDC, which is appointed by the City Council, and consists of individuals from the community and related governmental entities in the area. City employees also manage the operations of the BEDC. The BEDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City, the BEDC does not solely serve the City, and the City has the ability to impose its will on the BEDC. Separate financial statements for the BEDC can be obtained from the City's Finance Department.

No other entities, organizations, or functions have been included as part of the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Details regarding investment by type are as follows:

<u>Investment Type</u>	<u>Reported Value</u>	<u>Weighted Average Maturity In Years</u>	<u>Fair Value Measurement Using</u>	<u>% of Total</u>	<u>Rating</u>
City					
Certificates of Deposit	\$ 15,092,181	0.64	n/a	20%	AA+
Money Market	282,012	0.00	n/a	0%	AA+
U.S. Bonds	401,580	0.28	Level 2	1%	AA+
Corporate Bonds	273,892	2.95	Level 2	0%	AAA
Municipal Bonds	1,683,665	1.23	Level 2	2%	Aaa/Aa1
TexPool	2,711,831	0.10	n/a	4%	AAAm
Texas CLASS	9,301,557	0.16	n/a	12%	AAAm
Texas Term	45,704,106	0.16	n/a	61%	AAAm
	<u>\$ 75,450,824</u>	0.36		<u>100%</u>	
BEDC					
Certificates of Deposit	\$ 902,000	0.95	n/a	15%	AA+
Money Market	378,305	0.00	n/a	6%	AA+
TexPool	1,290,543	0.10	n/a	22%	AAAm
Texas CLASS	3,399,224	0.15	n/a	57%	AAAm
	<u>\$ 5,970,072</u>	0.14		<u>100%</u>	

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

The following is a summary of changes in capital assets for the BEDC for the year end:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
BEDC:				
Capital assets not being depreciated:				
Land	\$ 511,695	\$ -	\$ -	\$ 511,695
Construction in progress	3,638,362	28,183	(3,258,288)	408,257
Total capital assets not being depreciated	<u>4,150,057</u>	<u>28,183</u>	<u>(3,258,288)</u>	<u>919,952</u>
Other capital assets:				
Machinery and equipment	8,301	-	-	8,301
* Buildings	-	3,020,462	-	3,020,462
Total other capital assets	<u>853,895</u>	<u>3,020,462</u>	<u>-</u>	<u>3,028,763</u>
Less accumulated depreciation for:				
Machinery and equipment	(8,301)	-	-	(8,301)
Buildings	(357,604)	-	357,604	-
Total accumulated depreciation	<u>(365,905)</u>	<u>-</u>	<u>357,604</u>	<u>(8,301)</u>
Other capital assets, net	<u>487,990</u>	<u>3,020,462</u>	<u>357,604</u>	<u>3,020,462</u>
BEDC Capital Assets, Net	<u>\$ 4,638,047</u>	<u>\$ 3,048,645</u>	<u>\$ (2,900,684)</u>	<u>3,940,414</u>
			Less associated debt	<u>(2,633,061)</u>
			Net Investment in Capital Assets	<u>\$ 1,307,353</u>

* Beginning balance restated.

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

The following is a summary of changes in the City's governmental activities, business-type activities, and the BEDC's total long-term liabilities for the year end:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 10,065,216	\$ 6,355,000	\$ (2,246,579)	\$ 14,173,637	* \$ 1,407,284
Certificates of obligation	13,698,705	1,580,000	(5,904,837)	9,373,868	* 923,408
Note payable	240,451	-	(22,368)	218,083	* 22,368
	<u>24,004,372</u>	<u>7,935,000</u>	<u>(8,173,784)</u>	<u>23,765,588</u>	<u>2,353,060</u>
Deferred amounts:					
For issuance discounts/premiums	1,127,030	194,677	(271,712)	1,049,995	* -
Other liabilities:					
Compensated absences	286,161	270,975	(215,938)	341,198	170,599
Total Governmental Activities	<u>\$ 25,417,563</u>	<u>\$ 8,400,652</u>	<u>\$ (8,661,434)</u>	<u>\$ 25,156,781</u>	<u>\$ 2,523,659</u>
				<u>\$ 22,633,122</u>	
				<u>\$ 24,815,583</u>	
					<u>\$ 22,633,122</u>
					<u>\$ 24,815,583</u>
Business-Type Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 2,393,502	\$ 7,190,000	\$ (343,421)	\$ 9,240,081	* \$ 612,716
Certificates of obligation	12,412,577	33,990,000	(7,885,163)	38,517,414	* 631,592
Revenue bonds	21,900,000	-	(65,000)	21,835,000	* 330,000
Note payable	840,000	-	(260,000)	580,000	* 260,000
	<u>37,546,079</u>	<u>41,180,000</u>	<u>(8,553,584)</u>	<u>70,172,495</u>	<u>1,834,308</u>
Deferred amounts:					
For issuance discounts/premiums	1,819,141	1,986,742	(390,192)	3,415,691	* -
Other liabilities:					
Compensated absences	64,823	55,182	(41,221)	78,784	39,392
Total Business-Type Activities	<u>\$ 39,430,043</u>	<u>\$ 43,221,924</u>	<u>\$ (8,984,997)</u>	<u>\$ 73,666,970</u>	<u>\$ 1,873,700</u>
				<u>\$ 71,793,270</u>	
				<u>\$ 73,588,186</u>	
					<u>\$ 71,793,270</u>
					<u>\$ 73,588,186</u>
BEDC					
Bonds, notes and other payables:					
General obligation bonds	\$ 1,120,000	\$ -	\$ (70,000)	\$ 1,050,000	* \$ 70,000
Notes payable	1,659,890	-	(76,829)	1,583,061	* 94,213
Note to City	2,875,041	2,035,000	(2,057,288)	2,852,753	212,753
	<u>5,654,931</u>	<u>2,035,000</u>	<u>(2,204,117)</u>	<u>5,485,814</u>	<u>376,966</u>
Other liabilities:					
Compensated absences	23,805	6,269	(17,206)	12,868	11,903
BEDC Activities	<u>\$ 5,678,736</u>	<u>\$ 2,041,269</u>	<u>\$ (2,221,323)</u>	<u>\$ 5,498,682</u>	<u>\$ 388,869</u>
				<u>\$ 5,109,813</u>	
				<u>\$ 2,633,061</u>	
					<u>\$ 5,109,813</u>
					<u>\$ 2,633,061</u>

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

BEDC:**BONDS PAYABLE**

Sales Tax and Revenue Bonds, Series 2018	3.39%	\$ 1,250,000	\$ 1,050,000
TOTAL BONDS PAYABLE			1,050,000

NOTES PAYABLE

Note Payable - City of Bastrop	0.00%	\$ 600,000	180,000
Note Payable - Roscoe loan	0.00%	\$ 1,420,000	1,403,061

OTHER NOTE TO CITY

Due to City of Bastrop - 24.2% Cert. of Oblig., Series 2013	0.00%		254,000
Due to City of Bastrop - 13.4% GO Refunding, Series 2017	0.00%		500,000
Due to City of Bastrop - 5.23% GO Refunding, Series 2020	0.00%		63,753
Due to City of Bastrop - 31.93% GO Refunding, Series 2021A	0.00%		2,035,000
TOTAL NOTES PAYABLE			4,435,814
TOTAL BEDC			\$ 5,485,814

The annual requirements to amortize bond and notes outstanding at year end were as follows:

Governmental Activities:

Fiscal Year	Bonds and C.O.			Notes			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,330,692	\$ 685,295	\$ 3,015,987	\$ 22,368	\$ -	\$ 22,368	\$ 2,353,060	\$ 685,295	\$ 3,038,355
2023	2,483,632	620,491	3,104,123	22,368	-	22,368	2,506,000	620,491	3,126,491
2024	2,469,672	540,252	3,009,924	22,368	-	22,368	2,492,040	540,252	3,032,292
2025	2,294,262	472,151	2,766,413	22,368	-	22,368	2,316,630	472,151	2,788,781
2026	2,159,833	412,058	2,571,891	22,368	-	22,368	2,182,201	412,058	2,594,259
2027-2031	8,714,414	1,149,751	9,864,165	106,243	-	106,243	8,820,657	1,149,751	9,970,408
2032-2036	2,555,000	270,615	2,825,615	-	-	-	2,555,000	270,615	2,825,615
2037-2039	540,000	30,563	570,563	-	-	-	540,000	30,563	570,563
	\$ 23,547,505	\$ 4,181,176	\$ 27,728,681	\$ 218,083	\$ -	\$ 218,083	\$ 23,765,588	\$ 4,181,176	\$ 27,946,764

Business-type Activities:

Fiscal Year	Bonds and C.O.			Notes			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,574,308	\$ 1,909,806	\$ 3,484,114	\$ 260,000	\$ -	\$ 260,000	\$ 1,834,308	\$ 1,909,806	\$ 3,744,114
2023	2,106,368	1,881,098	3,987,466	260,000	-	260,000	2,366,368	1,881,098	4,247,466
2024	2,160,328	1,816,963	3,977,291	60,000	-	60,000	2,220,328	1,816,963	4,037,291
2025	2,070,738	1,806,406	3,877,144	-	-	-	2,070,738	1,806,406	3,877,144
2026	2,135,167	1,732,676	3,867,843	-	-	-	2,135,167	1,732,676	3,867,843
2027-2031	11,780,586	7,224,635	19,005,221	-	-	-	11,780,586	7,224,635	19,005,221
2032-2036	11,955,000	5,103,039	17,058,039	-	-	-	11,955,000	5,103,039	17,058,039
2037-2041	11,205,000	3,668,800	14,873,800	-	-	-	11,205,000	3,668,800	14,873,800
2042-2046	12,075,000	2,375,644	14,450,644	-	-	-	12,075,000	2,375,644	14,450,644
2047-2051	12,530,000	839,981	13,369,981	-	-	-	12,530,000	839,981	13,369,981
	\$ 69,592,495	\$ 28,359,048	\$ 97,951,543	\$ 580,000	\$ -	\$ 580,000	\$ 70,172,495	\$ 28,359,048	\$ 98,531,543

BEDC:

Fiscal Year	Bonds			Notes			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 70,000	\$ 35,595	\$ 105,595	\$ 306,966	\$ 130,871	\$ 437,837	\$ 376,966	\$ 166,466	\$ 543,432
2023	75,000	33,222	108,222	310,945	123,447	434,392	385,945	156,669	542,614
2024	75,000	30,680	105,680	322,765	115,239	438,004	397,765	145,919	543,684
2025	80,000	28,137	108,137	279,678	109,847	389,525	359,678	137,984	497,662
2026	85,000	25,425	110,425	281,687	103,508	385,195	366,687	128,933	495,620
2027-2031	460,000	82,716	542,716	1,501,681	399,640	1,901,321	1,961,681	482,356	2,444,037
2032-2036	205,000	10,509	215,509	770,210	218,606	988,816	975,210	229,115	1,204,325
2037-2041	-	-	-	397,121	116,769	513,890	397,121	116,769	513,890
2042-2046	-	-	-	264,761	18,613	283,374	264,761	18,613	283,374
	\$ 1,050,000	\$ 246,284	\$ 1,296,284	\$ 4,435,814	\$ 1,336,540	\$ 5,772,354	\$ 5,485,814	\$ 1,582,824	\$ 7,068,638

CITY OF BASTROP, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>September 30</u>	<u>OPEB Expense</u>
2022	\$ 18,966
2023	18,966
2024	18,962
2025	19,631
2026	18,026
Thereafter	(3,980)
Total	<u><u>\$ 90,571</u></u>

The aggregate amount of OPEB expenses for the City's and BEDC's two OPEB plans for fiscal year 2021 was \$136,309.

F. Deferred Compensation Plan

The City offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Plan's trust arrangements are established to protect deferred compensation amounts of employees under the Plan from any other use than intended under the Plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under Plan provisions are disbursed monthly by the City to Nationwide, a third-party administrator. The third-party administrator handles all funds in the Plan and makes investment decisions and disburses funds to employees in accordance with Plan provisions.

G. Restatement

Beginning net position for the BEDC was restated for an adjustment to buildings from the prior year.

	<u>BEDC</u>
Prior year ending fund balance	\$ 3,963,909
Buildings	(487,990)
Beginning Fund Balance- Restated	<u><u>\$ 3,475,919</u></u>

H. Tax Abatement - Economic Development Agreement

The City and the BEDC enter into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. This program refunds property and sales taxes as authorized under Chapter's 380 and 501 of the Texas Local Government Code.

The City and the BEDC entered into an agreement with a developer in August 2007 to rebate one and one-half cents of sales tax. The City also agreed to rebate 50% of the incremental increase in

CITY OF BASTROP, TEXAS***NOTES TO FINANCIAL STATEMENTS*****For the Year Ended September 30, 2021**

property taxes since 2007. Commitments made by the developer include building a project based on guidelines in the agreement, complying with building codes, and maintaining the property in good order and condition. The maximum amount to be rebated by the City and BEDC is \$7,370,694 plus the developer's actual cost of funds (interest carry), over 15 years. As of year end \$8,958,919 was rebated, including \$1,280,203 in the current fiscal year.

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion and consideration of all matters incident and related to calling for the redemption of certain outstanding obligations of the Bastrop Economic Development Corporation, including the adoption of a resolution pertaining thereto.

Prepared by: BEDC Staff

Board Secretary/Treasurer Bill Gossett has requested this agenda item for the Board to consider paying off the 2018 Series bond debt.

History:

In 2018, the BEDC Board approved a \$1.25 million debt issuance with a 15-year term at a 3.39% interest rate. The winning bid was with Amegy Bank, with a required reserve of \$108,127.42. This was for the Agnes Street Project related to Ascension Seton Hospital.

The bond pay-off amount is currently \$1,057,217.88. Defeasance of the bond now would result in an overall savings of approximately \$219,000.

NOTE: This item requires a specific resolution prepared by Norton Rose Fulbright.

Attachment: Draft Resolution R-2022-0006

Recommendation – Approve the resolution as submitted.

[RECOMMENDED MOTION] – I make a motion to approve Resolution R-2022-0006.



A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION PROVIDING FOR THE REDEMPTION OF CERTAIN OUTSTANDING OBLIGATIONS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE REDEMPTION OF SUCH OBLIGATIONS.

WHEREAS, pursuant to a resolution (the “Bond Resolution”) passed and adopted by the Board of Directors (the “Board of Directors”) of the Bastrop Economic Development Corporation (the “Corporation”), the following described obligations were duly authorized to be issued and are currently outstanding, to wit: “Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018,” dated May 15, 2018, maturing on August 15, 2033, and aggregating in principal amount \$1,050,000 (the “Refunded Bonds”); and

WHEREAS, the above-identified obligations were authorized, issued, sold and delivered subject to the right and authority of the Corporation to redeem the same prior to maturity, as provided in the Bond Resolution and in said obligations; and

WHEREAS, the Board of Directors hereby finds and determines that \$1,050,000 in principal amount of the Refunded Bonds should be optionally redeemed prior to the maturity date and in the manner hereinafter provided and in accordance with the requirements prescribed therefor and notice of redemption of such obligations should be approved and authorized to be given at this time by the Board of Directors; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1. That \$1,050,000 in principal amount of the Refunded Bonds shall be optionally redeemed and the same are hereby called for redemption on April 28, 2022, at the price of par plus accrued interest to the date of redemption. The Secretary of the Board of Directors is hereby authorized and directed to file a copy of this Resolution, together with a suggested form of notice of redemption to be sent to bondholders, with Zions Bancorporation, N.A., Houston, Texas, the current paying agent/registrar for such obligations (the “Paying Agent/Registrar”), in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit “A”** and incorporated herein by reference as a part of this Resolution for all purposes.

SECTION 2. To provide for the full payment and discharge of the Refunded Bonds, the Chair, Vice Chair, or Secretary of the Board of Directors or President or Executive Director of the Corporation are hereby authorized and directed, from lawfully available and otherwise unencumbered funds of the Corporation, to cause the sum needed to pay the redemption price of the Refunded Bonds to the date of redemption to be deposited with the Paying Agent/Registrar. The Secretary of the Board of Directors is hereby authorized and directed to make all arrangements necessary to notify the holders of such obligations of the Corporation’s decision to redeem such obligations on the date and in the manner herein provided and in accordance with the Bond Resolution.

SECTION 3. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 4. This Resolution shall be in force and effect from and after its passage on the date shown below.

[SIGNATURE PAGE FOLLOWS]

DRAFT

PASSED AND ADOPTED on the _____ day of _____ 2022, by the Board of Directors of the Bastrop Economic Development Corporation.

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Ron Spencer, Board Chair

ATTEST:

William Gossett, Board Secretary

APPROVED AS TO FORM:

Denton, Navarro, Rocha, Bernal & Zech, P.C.
Board Counsel

Exhibit "A"

NOTICE OF REDEMPTION

BASTROP ECONOMIC DEVELOPMENT
CORPORATION SALES TAX REVENUE BONDS,
SERIES 2018
Dated May 15, 2018

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on August 15, 2033, and aggregating in principal amount of \$1,050,000, have been called for redemption on April 28, 2022, at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Being Redeemed (\$)</u>	<u>Interest Rate (%)</u>
2033	1,050,000	1,050,000	3.390

The bonds selected for redemption shall become due and payable on April 28, 2022, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender of such bonds to Zions Bancorporation, N.A. at its designated offices at the following address: One South Main Street, 17th Floor, Salt Lake City, UT 84133.

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said obligations and pursuant to a resolution by the Board of Directors of the Bastrop Economic Development Corporation.

ZIONS BANCORPORATION, N.A.,
1717 West Loop South, Suite 22076
Houston, Texas 77027



Agenda Item: 3.5

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion and reconsideration regarding the Main Street Program support agreement between the Bastrop Economic Development Corporation and the City of Bastrop, Texas.

Prepared by: BEDC Staff

Staff was requested to include this item for discussion.

The attached agreement was approved by the BEDC at the board meeting on October 18, 2021, and provided to the City of Bastrop the following day.

Attachment:

Main Street Program Support Agreement approved by the BEDC Board in October 2021

Recommendation – Staff respectfully requests Board action deemed appropriate.

[RECOMMENDED MOTION] – None.

**AGREEMENT FOR PROVISION OF MAIN STREET PROGRAM SUPPORT
BETWEEN THE CITY OF BASTROP AND
THE BASTROP ECONOMIC DEVELOPMENT CORPORATION**

THE STATE OF TEXAS §
 § KNOWN ALL MEN BY THESE PRESENTS:
COUNTY OF BASTROP §

THIS AGREEMENT (“Agreement”) is entered into and executed the ____ day of _____, 2021 (“Effective Date”), by and between the CITY OF BASTROP, a municipal corporation, acting by and through its City Manager as authorized by its City Council, situated in Bastrop County, Texas (hereinafter referred to as “City”), and the Bastrop Economic Development Corporation (hereinafter referred to as “BEDC”) acting by and through its Chair of the Board, and provides as follows:

WHEREAS, the City maintains a department within the City whose function is to advance the Bastrop Main Street Program to foster, encourage, support and direct downtown revitalization, while preserving the historical significance of Bastrop’s downtown district; and

WHEREAS, the vision of the Bastrop Main Street Program is to positively influence the continued preservation, enhancement and commercial vitality of Bastrop’s historic downtown as a distinctive destination that engages and inspires both residents and visitors; and

WHEREAS, this vision is implemented through the Bastrop Main Street Program’s mission that provides that the Program “through collaboration with other organizations and with volunteers’ insights, talents and energies, will be a catalyst for the continued revitalization, preservation and economic health of our historic downtown area.” Further, that the Program will be “Guided by the Main Street Four Point Approach of organization, design, promotion and economic vitality, we can continue positively transforming our historic downtown;” and

WHEREAS, the mission of the BEDC is to be a driving force to attract, support, and sustain the economic growth of the Bastrop Community; and

WHEREAS, the BEDC has continued to work collaboratively with the City and the Bastrop Main Street Program to foster economic development, investment and growth within the downtown area, participating actively with planning and development activities of the same; and

WHEREAS, the BEDC desires to monetarily support the Bastrop Main Street Program in exchange for economic development services that will assist both the City and the BEDC to achieve their respective missions; and

WHEREAS, the BEDC and the City are authorized under the laws of the State of Texas to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to the following:

I. Findings

The foregoing recitals are hereby found to be true and correct and are hereby adopted and made a part of this Agreement for all purposes.

II. City Obligations

The City agrees to utilize any funding provided under this Agreement to continue, through the funding and operation of the Main Street Program, to provide certain services that enhance the BEDC's ability to accomplish its mission of attracting, supporting, and sustaining economic development in the downtown area or "Main Street Program Area" to include the following services and line item allocation of expenses listed below:

Aligned services of Main Street Program and BEDC to advance economic development.	Line Item Code	Line Item Category	Proposed FY 2022	BEDC Funds
<ol style="list-style-type: none"> 1. Supporting business expansion and retention of existing and future Main Street Program Area businesses; 2. Supporting the BEDC and community in its entrepreneurial and small business programs 3. Assisting with business recruitment in the Main Street Program Area. 	5602	Promotional Activities	\$15,500	\$8,650
<ol style="list-style-type: none"> 1. Collaboratively providing training and small business resources for businesses in the Main Street Program Area, as well as the rest of the community. 	5604	Business Development	\$19,300	\$10,750
<ol style="list-style-type: none"> 1. Collaboratively marketing the Main Street Program Area and its assets, inclusive of branding for sponsored events. 	5620	Sponsored Events	\$55,000	\$30,600

III. BEDC Obligations

As consideration for the above listed services to be provided by the City, BEDC shall provide funding to the City in the amount of Fifty Thousand Dollars (\$50,000) per fiscal year, for fiscal years 2022 and 2023, conditioned upon the City's commitment to dedicate and utilize said funds exclusively to support the Main Street Program as specific to achieve its vision through the implementation of its stated mission. The funding shall be paid quarterly over the budget year, each quarter not to exceed either the reimbursable expenses submitted or \$12,500 paid quarterly. Reimbursements are limited to the amount designated in the assigned line item categories. As expenses may not be evenly distributed throughout the calendar year, any expenses exceeding \$12,500 per quarter are eligible to be rolled over to the following quarter.

1. Thirty Nine Thousand, Two Hundred and Fifty Dollars (\$39,250) of the funding provided is for promotional purposes and sponsored events and will not exceed ten percent (10%) BEDC's revenues, as required by Texas Local Government Code § 505.103; and
2. No funding is provided for administrative purposes.

IV. General Provisions

1. **Term.** Subject to early termination as provided below, this Agreement shall be in effect for a period of two (2) years, commencing October 1, 2022 pending affirmative vote by City Council, and ending September 30, 2024.
2. **Non-Appropriations.** In the event that the BEDC's Board of Directors does not appropriate funds to make any payment under this Agreement for a fiscal year after the BEDC's fiscal year in which this Agreement becomes effective, or in the event that the City's City Council does not appropriate funds to continue the Main Street Program department, then this Agreement will automatically terminate at the beginning of the first day of the successive fiscal year. The BEDC or the City, as applicable, shall use their best efforts to provide prior written notice of such impending termination as soon as possible following the formal determination of said non-appropriation.
3. **Termination.** In addition to automatic termination upon an event of non-appropriation provided above, either party may terminate this Agreement upon giving prior written notice to the other party, which termination shall be deemed effective the last day of the then current fiscal year. Further, if any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.
4. **Severability.** If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of

this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

- 5. **Entire Agreement.** This Agreement constitutes the final and entire agreement between the Parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the Parties hereto, unless same be in writing, dated subsequent to the date hereto, and duly executed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in the year and on the day indicated.

**BASTROP ECONOMIC
DEVELOPMENT CORPORATION**

CITY OF BASTROP, TEXAS



Kathryn Nash, Board Chair

Paul A. Hofmann, City Manager

Agenda Item: 3.6

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion and possible action on an update on the Gummy Bears Project (aka Howard Designs, LLC) that was tabled at the Special Board Meeting on March 7, 2022.

Prepared by: BEDC Staff

This is a continuation of item 3.1 from the Special Board Meeting of March 7, 2022.

Recommendation – Staff has no recommendation.

[RECOMMENDED MOTION] – None.



Agenda Item: 3.7

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Update and discussion on BEDC-funded projects (presentation by City Staff).

Prepared by: BEDC Staff

This item was requested for City Staff to give the Board an overview on where we are on active projects.

City Manager Hofmann has indicated that they will have a PowerPoint presentation at the meeting.

Recommendation – None.

[RECOMMENDED MOTIONS] – None.



AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion and possible action on engaging a consultant to assist the BEDC in alignment with the City of Bastrop's economic development policy.

Prepared by: BEDC Staff

This item is a follow-up to discussions about hiring a consultant, Steven Weathers, with the expressed intent to establish a better engagement process with the City Manager and City Council, and for the BEDC to drive a more productive relationship to support the successful economic development of the City of Bastrop in achieving its economic development goals and objectives.

Steven Weathers has provided a Statement of Work (SOW), to be implemented by Steven Weathers that includes and is limited to outlining goals, methodologies, deliverables, and timelines for the following areas:

- Strategic Economic Alignment
- Strategic Planning
- Coordination & Accountability
- Creation of a One-stop Permitting Office
- Recruitment of BEDC Executive Director

The overall objective of this effort is to create programming resulting in excellent economic development service delivery across all Bastrop Economic Development Corporation and City of Bastrop functions.

The subcommittee has received legal review and approval of the proposed contract. The subcommittee is seeking approval from the board to move forward with an approval of the contract.

Recommendation – Staff respectfully requests Board action deemed appropriate.

[RECOMMENDED MOTION] – None.



AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion and possible action on BEDC staffing.

Prepared by: BEDC Staff

This item was included to allow the Board to discuss the BEDC's current and future staffing.

During the annual budget discussions for FY2022, the Board discussed not only filling the open executive administrative assistant and CEO positions, but also creating two additional positions, such as a project manager and a project facilitator (concierge). The Board approved the FY2022 budget on August 16, 2021, which included two additional positions for six months of the current fiscal year.

Vice Chair Wahl has been in conversations with a temporary agency recommended by the City of Bastrop's HR department to secure temporary and immediate front office assistance while the BEDC embarks on filling the executive assistant role. Vice Chair would like to propose moving forward with securing temporary support for the BEDC front office. The contract with the temporary agency will be reviewed by legal counsel.

In addition to the executive assistant role, Vice Chair Wahl would like to propose moving forward to fill the second position supporting marketing communications, in lieu of the project facilitator (concierge) as previously suggested. The role of the marketing communications manager would be to develop and execute a results-driven, multi-platform communications strategy and plan in line with BEDC brand direction while reflecting City of Bastrop messaging and priorities.

Recommendation – Staff respectfully requests Board action deemed appropriate.

[RECOMMENDED MOTIONS] – None.



Agenda Item: 3.10

AGENDA MEMORANDUM

Meeting Date: March 21, 2022

Agenda Item: Discussion on a request from the City of Bastrop for a letter from the BEDC supporting the City's application for grant funding for the Old Iron Bridge.

Prepared by: BEDC Staff

The BEDC has received a request from the City of Bastrop for a letter from the BEDC supporting the City's application for grant funding for the Old Iron Bridge.

The City of Bastrop is actively pursuing a RASIE grant (Federal funds) to rehabilitate the Old Iron Bridge. Their engineering consultant has advised that letters of support from key organizations can be very beneficial to their application.

The Old Iron Bridge is part of the River Loop Trail and has been listed on the CIP project list for the last several years.

The BEDC's deadline for the letter of support is April 14, 2022.

Recommendation – None.

[RECOMMENDED MOTIONS] – None.



Agenda Item: 3.11**AGENDA MEMORANDUM**

Meeting Date: March 21, 2022

Agenda Item: Receive updates from BEDC staff – Industrial Park infrastructure; TA Bastrop; Corix Wastewater Study; DRC meeting update; TEDC Economic Excellence Recognition Award; and staff training.

Prepared by: BEDC Staff

Updates:

- Industrial Park infrastructure
- TA Bastrop
- Corix Wastewater Study
- DRC meeting update
- TEDC Economic Excellence Recognition Award
- Staff training

Recommendation – None.

[RECOMMENDED MOTIONS] – None required; item for informational purposes only.

