



**LAKEWOOD VILLAGE TOWN HALL  
100 HIGHRIDGE DRIVE  
LAKEWOOD VILLAGE, TEXAS**

**TOWN COUNCIL MEETING  
JANUARY 14, 2016 7:00 P.M.**

**REGULAR SESSION – AGENDA**

Call to Order and Announce a Quorum is Present

**A. PLEDGE TO THE FLAG:**

**B. PUBLIC HEARING:** A public hearing is scheduled on the proposed Comprehensive Plan, including thoroughfare plan and future land use assumptions, to provide an opportunity for citizen comment. The Town Council may adopt the proposed Comprehensive Plan with or without amendment by ordinance on one (1) reading.

**C. VISITOR/CITIZENS FORUM:** At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action may be taken on these items at this meeting.

**D. CONSENT AGENDA:** All of the items on the Consent Agenda are considered to be self-explanatory and will be enacted with one motion. There will be no separate discussion of these items unless a Council Member or citizen so request. For a citizen to request removal of an item from the Consent Agenda a speaker card must be filled out and submitted to the Town Secretary prior to the call to order.

1. Minutes – December 10, 2015 Council Meeting
2. Ordinance calling General Election and Special Election

**E. REGULAR AGENDA:**

1. Presentation of Audit of Fiscal Year 2014-2015, Mr. Wayne Nabors, Nabors CPA Services (Vargus)
2. Consideration of Engagement of Town Engineers for the Design and Bidding of Melody Lane and Carrie Lane Road Repair/Rehabilitation, Mr. Todd Strouse, Kimley Horn (Vargus)
3. Consideration of Certificate of Occupancy Ordinance (Bushong)
4. Consideration of Animal Control Ordinance (Bushong)
5. Discussion of Changing the Inspection Fee for Water Heater Replacements (Bushong)
6. Consideration of Electioneering Ordinance (Vargus)
7. Consideration of Capital Expenditures for Utility Infrastructure Improvements (Vargus)
8. Consideration of Reconstruction of Highridge Mailbox Facility (Vargus)
9. Consideration of Snow/Ice Removal/Treatment Plan (Vargus)
10. Consideration of Appointments to the Municipal Development District Board (Vargus)
11. Discussion of Resolution Prohibiting Firearms During Open Meetings (Reed)
12. Consideration of Ordinance Adopting the Comprehensive Plan (Vargus)

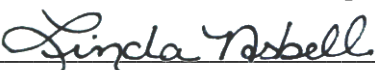
**F. EXECUTIVE SESSION:** Recess into executive session in compliance with (1) § 551.071, Texas Government Code to wit: Consultation with the Town Attorney regarding pending or contemplated litigation, re: Town of Lakewood Village V. Harry Bizios; (2) § 551.072 Texas Government Code to wit: deliberations about real property; (3) § 551.087 Texas Government Code to wit: Economic Development Negotiations; and (4) § 551.076 Texas Government Code to wit: deliberations about Security Devices;

**G. RECONVENE:** Reconvene into regular session and consideration of action, if any, on items discussed in executive session

**H. COUNCIL AND STAFF COMMENTS:** Comments may be made by Council or Staff. No formal action may be taken on these items at this meeting.

**I. ADJOURNMENT**

I do hereby certify that the above notice of meeting was posted on the designated place for official notice at 4:20 p.m. on Monday, January 11, 2016.



Linda Asbell, TRMC, Town Secretary



The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 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).

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the Town Secretary's office at 972-294-5555 or FAX 972-292-0812 for further information.

One or more members of the LAKEWOOD VILLAGE ECONOMIC DEVELOPMENT CORPORATION and the LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by either the EDC or MDD Boards during this meeting.

# **LAKEWOOD VILLAGE TOWN COUNCIL**

## **COUNCIL MEETING**

**DECEMBER 10, 2015**

### **Council Members:**

Dr. Mark Vargus, Mayor  
Carl Menckhoff, M.D., Mayor Pro-Tem - ABSENT  
Clint Bushong  
Dave Getka  
Gary Newsome  
Ed Reed

### **Town Staff:**

Linda Asbell, TRMC, Town Secretary  
Mack Reinwand, Deputy Town Attorney

### **REGULAR SESSION - 7:00 P.M.**

With a quorum of the Council Members present, Mayor Vargus called the Regular Session of the Town Council to order at 7:00 p.m. on Thursday, December 10, 2015, in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

### **PLEDGE TO THE FLAG:**

**(Agenda Item A)**

Mayor Vargus led the pledge of allegiance

### **VISITOR/CITIZENS FORUM:**

**(Agenda Item B)**

No one requested to speak.

### **PUBLIC HEARING:**

**(Agenda Item C)**

A public hearing was held to provide an opportunity for citizen comment on the proposed Parks Master Plan. Mayor Vargus opened the public hearing at 7:04 pm.

There was some discussion about the location of the parks that are required of developers and use of the floodplain for park space. Mayor Vargus reported on the goals of the park master plan. There was some discussion on value of park space versus value of residential structures. There was discussion on public access to the lake and use of existing drainage easements for public lake access. Deputy Town Attorney Reinwand reported that use of easements for lake access or trails is not legal. There was discussion about creation of a buffer between developments using a trail system that is very natural and wooded.

**LAKEWOOD VILLAGE TOWN COUNCIL  
REGULAR SESSION  
DECEMBER 12, 2015**

**Page 2**

**MOTION:** Upon a motion made by Councilman Getka and seconded by Councilman Reed, council voted four (4) “ayes” and no (0) “nays” to close the public hearing at 7:38 pm. *The motion carried.*

**PUBLIC HEARING:** **(Agenda Item D)**

A public hearing was held to provide an opportunity for citizen comment on the proposed Comprehensive Plan, including thoroughfare plan and future land use assumptions. Mayor Vargus opened the public hearing at 7:38 pm.

There was discussion about Lakewood Village being entirely residential. There was some discussion on the locations of future schools being constructed by Little Elm Independent School District.

**MOTION:** Upon a motion made by Councilman Newsome and seconded by Councilman Getka, council voted four (4) “ayes” and no (0) “nays” to close the public hearing at 7:48 pm. *The motion carried.*

**REGULAR AGENDA:** **(Agenda Item E)**

**Consideration of Variance Request for Front Facing Garage at 755 Meadow Lake (Asbell)** **(Agenda Item E.1)**

Mayor Vargus announced that the owner of the property has withdrawn this request.

**MOTION:** *No motion was made.*

**Consideration of Fire Code Ordinance (Bushong)** **(Agenda Item E.2)**

Councilman Bushong reviewed the changes proposed by Council at the November council meeting. Mayor Vargus reported on the legislative change that prohibits municipalities from requiring fire sprinkler systems in houses over 5,000 square feet unless the municipality had the requirement in place in January 2009. There was some discussion about regulation of fireworks.

**MOTION:** Upon a motion made by Councilman Getka and seconded by Councilman Reed, council voted four (4) “ayes” and no (0) “nays” to approve the Fire Code Ordinance as amended. *The motion carried.*

**Consideration of Vacation Policy (Getka)**

**(Agenda Item E.3)**

Mayor Vargus reported that there is no official policy currently in place. Councilman Getka reported that Councilman Reed reviewed policies of other municipalities approximately the same size and created a policy that is comparable to what other cities offer. There was some discussion on creation of policies that cover part-time employees. There was some discussion on providing long-term and short-term disability insurance.

**MOTION:** Upon a motion made by Councilman Reed and seconded by Councilman Newsome, council voted four (4) “ayes” and no (0) “nays” to approve the Vacation/Holiday/Sick Time Policy as proposed. *The motion carried.*

**Consideration of Electronic Marquee for  
Town Hall (Getka)**

**(Agenda Item E.4)**

Councilman Getka reported that the current marquee is damaged and needs to be repaired. Councilman Getka advocated consideration of electronic sign for ease and flexibility. There was some discussion about priorities for projects.

**MOTION:** *No motion was made.*

**Consideration of November 12, 2015 Council  
Minutes (Asbell)**

**(Agenda Item E.5)**

**MOTION:** Upon a motion made by Councilman Getka and seconded by Councilman Bushong, council voted four (4) “ayes” and no (0) “nays” to approve the minutes as presented. *The motion carried.*

**Consideration of Ratification of Polling Site  
Contract (Asbell)**

**(Agenda Item E.6)**

Mayor Vargus reported on difficulties Lakewood Village has experienced in the past with getting election equipment and having town hall designated as a polling location through Denton County. Mayor Vargus thanked Jane Schoknecht for facilitating this agreement with the Republican Party. There was some discussion on improvements to Town Hall to make the building compatible with the American with Disabilities Act.

**LAKEWOOD VILLAGE TOWN COUNCIL  
REGULAR SESSION  
DECEMBER 12, 2015**

**Page 4**

**MOTION:** Upon a motion made by Councilman Newsome and seconded by Councilman Getka, council voted four (4) “ayes” and no (0) “nays” to ratify the Polling Site Contract. *The motion carried.*

**Consideration of Electioneering Ordinance  
(Vargus)**

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**(Agenda Item E.7)**

Mayor Vargus reported on the change in State law regarding electioneering outside the 100 foot protected area around a polling location. Mayor Vargus reviewed the regulations proposed in the electioneering ordinance. There was some discussion about rules governing candidate forums.

**MOTION:** Upon a motion made by Councilman Getka and seconded by Councilman Bushong, council voted four (4) “ayes” and no (0) “nays” to table this item to the January council meeting. *The motion carried.*

**Consideration of Road Repairs on Melody  
Lane and Carrie Lane (Vargus)**

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**(Agenda Item E.8)**

Mayor Vargus reported that several companies have evaluated the condition of Melody Lane and Carrie Lane. Mayor Vargus reported that residential service lines for utilities were not laid when Melody Lane and Carrie Lane were constructed. Mayor Vargus stated that he has discussed a full repair of both roads with the town engineer. The town engineer can run the bidding process and the roads will be chip-and-seal finished to Texas Department of Transportation standards. The plan to change to concrete roads throughout the town is still in place. There was some discussion on comparing the cost of a full repair versus patching.

**MOTION:** *No motion was made.*

**Consideration of Acceptance of Resignation  
of Councilman Dave Getka (Asbell)**

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**(Agenda Item E.9)**

Mayor Vargus reported that Councilman Getka will be moving to California. Councilman Getka has served on the town council since 2008. Mayor Vargus and the rest of the council thanked Councilman Getka for his long service to the town. Councilman Getka stated that it has been his honor to serve the town.

**LAKEWOOD VILLAGE TOWN COUNCIL  
REGULAR SESSION  
DECEMBER 12, 2015**

**Page 5**

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilman Reed, council voted four (4) “ayes” and no (0) “nays” to accept the resignation of Councilman Dave Getka. *The motion carried.*

Mayor Vargus presented outgoing Councilman Dave Getka with a flag that was flown over the Texas State capital building in Austin in honor of his years of service. Mayor Vargus also presented outgoing Councilman Getka with a small desk monument made from limestone recovered during the renovation of the capital building in Austin.

**Consideration of Appointment to Vacancy on  
Town Council (Vargus)**

**(Agenda Item E.10)**

**MOTION:** Upon a motion made by Councilman Newsome and seconded by Councilman Reed, council voted three (3) “ayes” and no (0) “nays” to appoint Mr. Ray Duff to Council Place 2. *The motion carried.*

Mayor Vargus administered the Oath of Office to Mr. Ray Duff.

**EXECUTIVE SESSION:**

**(Agenda Item F)**

At 8:55 p.m. Mayor Vargus recessed into executive session in compliance with (1) § 551.071 Texas Government Code to wit: Consultation with the Town Attorney regarding pending or contemplated litigation, re: Town of Lakewood Village V. Harry Bizios; (2) § 551.071(2), Texas Government Code to wit: consultation with Town Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter to receive legal advice regarding a boundary agreement; (3) § 551.072 Texas Government Code to wit: Deliberations about Real Property; and (4) § 551.087 Texas Government Code to wit: Economic Development Negotiations

Mayor Pro-Tem Menckhoff arrived at 9:32 pm.

**RECONVENE:**

**(Agenda Item G)**

Mayor Vargus reconvened the regular session of the Lakewood Village Town Council at 9:46 pm.

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilman Newsome, council voted five (5) “ayes” and no (0) “nays” to authorize Mayor Vargus to execute an interlocal agreement on boundaries with the Town of Oak Point. *The motion carried.*

**REGULAR AGENDA: (continued)**

**(Agenda Item H)**

**Consideration of Ordinance Adopting Parks  
Master Plan (Vargus)**

**(Agenda Item H.11)**

Mayor Vargus reviewed the proposed Parks Master Plan. There was discussion on the minimum size and minimum amenities required on park dedications. There was discussion about public access to all parks in Lakewood Village. Mayor Vargus reviewed the proposed locations of trails and parks.

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilman Duff, council voted five (5) “ayes” and no (0) “nays” to adopt the Parks Master Plan Ordinance as discussed. *The motion carried.*

**Consideration of Park Land Dedication  
Ordinance (Vargus)**

**(Agenda Item H.12)**

There was some discussion on the requirement of all developments to provide park space. There was some discussion on open space versus park space.

**MOTION:** Upon a motion made by Councilman Duff and seconded by Councilman Bushong, council voted five (5) “ayes” and no (0) “nays” to approve the Park Land Dedication Ordinance as discussed. *The motion carried.*

**Consideration of Comprehensive Plan,  
including the Thoroughfare Plan, and Future  
Land Use Assumptions (Vargus)**

**(Agenda Item H.13)**

Mayor Vargus reviewed the proposed Land Use Assumptions. Mayor Vargus reviewed the benefit of making land use assumptions that reflect development expectations for different areas within the town. Mayor Vargus proposed RD1 to be an average density of three houses per acre, RD2 to be an average density of one and one-half houses per acre, and RD3 to be an average density of one house per acre. There was some discussion on the methods used to calculate the impact on water and sewer requirements. Council discussed requiring house sizes of 2,500 minimum square foot living space in RD1, a minimum of 3,000 square foot living space in RD2, and a minimum of 3,500 square foot living space in RD3. There was some discussion on requiring an average square foot living space. Council discussed requiring minimum widths on

**LAKEWOOD VILLAGE TOWN COUNCIL  
REGULAR SESSION  
DECEMBER 12, 2015**

**Page 7**

lots. Council reviewed the land use assumptions for the north-west area of the extra territorial jurisdiction. Council discussed requiring turn lanes for entry into new developments.

**MOTION:** *No motion was made.*

**COUNCIL AND STAFF COMMENTS**

**(Agenda Item I)**

Mayor Vargus showed a picture of the sand spreader purchased by the Town for treating roads in icy conditions. Mayor Vargus reported that he is discussing identifying intersection and road priorities for treating icing. Mayor Vargus stated that he will be coordinating with the Town of Little Elm and Denton County in creating a winter road plan.

Mayor Vargus reported that the Public Works container building will be installed next week. The total cost for the building and all installation costs is approximately \$8,000.

There was some discussion on making appointments to the Municipal Development District.

**ADJOURNMENT**

**(Agenda Item J)**

**MOTION:** Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Bushong, council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lakewood Village Town Council at 11:22 p.m. on Thursday, December 10, 2015. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 14th day of January 2016.

APPROVED

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Dr. Mark E. Vargus  
MAYOR

ATTEST:

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Linda Asbell, TRMC  
TOWN SECRETARY



## **ORDINANCE NO. 16-XX**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, DENTON COUNTY, TEXAS, AUTHORIZING A GENERAL (REGULAR) MUNICIPAL ELECTION TO BE HELD ON MAY 7, 2016, FOR THE PURPOSE OF ELECTING ONE MAYOR (PLACE 6) AND ONE TOWN COUNCILMEMBER EACH FOR PLACES 2, AND 4, AND AUTHORIZING A SPECIAL ELECTION TO BE HELD ON MAY 7, 2016 FOR THE PURPOSE OF ELECTING ONE TOWN COUNCILMEMBER FOR PLACE 1 BY THE QUALIFIED VOTERS OF THE TOWN OF LAKEWOOD VILLAGE; DESIGNATING A POLLING LOCATION; PROVIDING FOR NOTICE OF SAID ELECTION; PROVIDING FOR THE USE OF DIRECT RECORDING ELECTRONIC VOTING MACHINES; PROVIDING FOR EARLY VOTING; APPOINTING ELECTION OFFICIALS; AND ESTABLISHING PAY RATES FOR ELECTION WORKERS AND AUTHORIZING THE ORDER FOR ELECTION.**

**NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:**

### **SECTION 1. ELECTIONS ORDERED**

That a general (regular) municipal election, and special election are hereby ordered to be held on the 7<sup>th</sup> day of May, 2016, for the purpose of electing at-large one Mayor (Place 6), Town Councilmember, Place 2; one Town Councilmember, Place 4; and one Town Councilmember, Place 1; by the qualified voters of the Town of Lakewood Village.

### **SECTION 2. PRECINCT**

The election precinct for said elections shall be the regular precinct of Denton County Precinct 1025, to the extent that it is within the corporate limits of the Town of Lakewood Village.

### **SECTION 3. ADMINISTRATION OF ELECTION**

The General Election and Special Election shall be conducted in accordance with the provisions of the Texas Election Code. The Town of Lakewood Village may contract with Denton County for a joint election. The Town Secretary is hereby authorized to contract with the Denton County Elections Administrator for the purpose of having Denton County furnish all or any portion of the election services and equipment needed to conduct the elections.

#### **SECTION 4. EARLY VOTING CLERKS**

- (a) In accordance with Sections 31.097 and 271.006 of the Texas Election Code, Linda Asbell, TRMC, Town Secretary for the Town of Lakewood Village shall serve as chief early voting clerk.
- (b) Any employee authorized by Linda Asbell shall serve as deputy early voting clerk.

#### **SECTION 5. EARLY VOTING LOCATION**

Early Voting by personal appearance of the Town of Lakewood Village residents shall be conducted beginning April 25, 2016 and continuing through May 3, 2016. The early voting location shall be:

Lakewood Village Town Hall,  
100 Highridge Drive  
Lakewood Village, Texas 75068

#### **SECTION 6. ELECTION DAY POLLING PLACE**

The polling place for all of Precinct 1025 within the corporate limits of the Town of Lakewood Village will be located at:

Lakewood Village Town Hall,  
100 Highridge Drive  
Lakewood Village, Texas 75068

#### **SECTION 7: AUTHORIZATION**

The Town Secretary is hereby authorized to take any and all actions necessary to comply with the provisions of the Texas Election Code and any other state or federal law in carrying out and conducting the elections, whether or not expressly authorized herein.

#### **SECTION 8: NOTICE AND PUBLICATION**

Notice of the Election shall be given by posting a notice of election in both English and Spanish at Lakewood Village Town Hall located at 100 Highridge Drive, Lakewood Village, Texas, on the bulletin board not later than twenty-one (21) days prior to the date upon which the Elections are to be held, and by publication of said notice at least once in the official newspaper of the Town, being a newspaper of general circulation within the Town, the date of said publication to be not less than ten (10) days nor more than thirty (30) days prior to the date set for the Election. Upon publication of the election notice, the Town Secretary shall secure a publisher's affidavit.

In addition, thereto, a copy of the notice shall also be filed with the Town Secretary at least twenty-one (21) days before the Elections.

**SECTION 9:**

A copy of this order shall be retained with the other records of the election in accordance with the Texas Election Code.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF  
THE TOWN OF LAKEWOOD VILLAGE, TEXAS, on this 14<sup>th</sup> day of January, 2016.

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Dr. Mark E. Vargus  
Mayor

ATTESTED:

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Linda Asbell, TRMC  
Town Secretary

**TOWN OF LAKEWOOD VILLAGE, TEXAS**

Financial Statements  
(With Auditor's Report Thereon)

September 30, 2015

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**TOWN OF LAKEWOOD VILLAGE**  
Annual Financial Report  
For the Year Ended September 30, 2015

	Page Number
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	12
Statement of Activities .....	13
Fund Financial Statements:	
Balance Sheet - Governmental Fund .....	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - General Fund .....	19
Statement of Net Position - Proprietary Funds .....	20
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	21
Statement of Cash Flows - Proprietary Funds .....	22
Notes to the Financial Statements .....	23
Individual Fund Schedules:	
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual - Water and Sewer Fund .....	38

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**Nabors CPA Services, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**AUDIT, TAX AND CONSULTING SERVICES**

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**(972) 464-1226**  
8765 Stockard Drive, Suite 404  
Frisco, Texas 75034

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor  
and Members of the Town Council  
**Town of Lakewood Village**  
Lakewood Village, Texas 75068

I have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Lakewood Village, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Lakewood Village, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows there of 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 and budgetary comparison information on pages 3 through 6 and 16 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 Town of Lakewood Village, Texas's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has 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 it.

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November 30, 2015

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## Management's Discussion and Analysis

As management of the Town of Lakewood Village, we offer readers of the Town of Lakewood Village's financial statements this narrative overview and analysis of the financial activities of the Town of Lakewood Village for the fiscal year ended September 30, 2015.

### Financial Highlights

- The assets of the Town of Lakewood Village exceeded its liabilities at the close of the most recent fiscal year by \$2,734,904 (net position). Of this amount \$340,051, (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the Town of Lakewood Village's governmental funds reported ending fund balance of \$188,081, an decrease of \$(932,320) in comparison with the prior year. Of this balance, \$179,323 is available for spending at the government's discretion (unassigned). Unassigned fund balance represents 45 percent of general fund expenditures, and 13 percent of total governmental fund expenditures. At the close of the current fiscal year, the Town of Lakewood Village's governmental funds had a current ratio of approximately 189:1, based on the current assets of \$189,007 and current liabilities of \$926.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Lakewood Village's basic financial statements. The Town of Lakewood Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Lakewood Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Lakewood Village include general government, public safety, and recreation (public works). The business-type activities of the Town of Lakewood Village include the water and sewer system.

The government-wide financial statements can be found on pages 12-14 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Lakewood Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town of Lakewood Village can be divided into two categories: governmental funds (General Fund) and proprietary funds (Water and Sewer Fund).

**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 *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of the 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 government'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 Town of Lakewood Village maintains three 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, which is considered to be a major fund, the capital projects fund which is considered to be a major fund, and the municipal development district fund is a component unit.

The Town of Lakewood Village adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 - 19 of this report.

**Proprietary funds.** The Town of Lakewood Village maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Lakewood Village uses enterprise funds to account for its Water and Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the LWV Utility Fund operations, and the Rocky Point Utility Fund operations.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-36 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Lakewood Village, assets exceed liabilities by \$2,734,904 at the close of the most recent fiscal year.

A portion of the Town of Lakewood Village's net position reflects its investment in capital assets (e.g., land, building, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Town of Lakewood Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Lakewood Village's investment in its capital assets is reported not of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### **TOWN OF LAKEWOOD VILLAGE - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 189,007	1,516,464	244,035	146,097	433,042	1,662,561
Capital Assets	2,063,891	1,274,207	1,753,572	1,789,059	3,817,463	3,063,266
Total assets	2,252,898	2,790,671	1,997,607	1,935,156	4,250,505	4,725,827
Long-term liabilities	1,472,000	1,600,000			1,472,000	1,600,000
Other liabilities	65	485,059	43,536	43,136	43,601	528,195
Total liabilities	1,472,065	2,085,059	43,536	43,136	1,515,601	2,128,195
Net position:						
Invested in capital assets						
net of related debt	591,891	(325,793)	1,753,572	1,789,059	2,345,463	1,463,266
Restricted	7,721	1,290,058	41,669		49,390	1,290,058
Unrestricted	181,221	(258,653)	158,830	102,961	340,051	(155,692)
Total net position	\$ 780,833	705,612	1,954,071	1,892,020	2,734,904	2,597,632

#### Governmental Activities:

- During the year, revenues increased by \$32,342 (11%).
- Expenses for the year decreased by \$27,955 (8%).

#### Business-type Activities:

- Charges for services increased by \$48,933 (16%) during the year while expenses increased by \$2,502 (1%).

### TOWN OF LAKEWOOD VILLAGE - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 73,233	66,529	353,614	304,681	426,847	371,210
General revenues:						
Property taxes	229,467	187,276			229,467	187,276
Other taxes	83,621	53,153			83,621	53,153
Other	8,553	9,056	867	7,372	9,420	16,428
Total revenues	394,874	316,014	354,481	312,053	749,355	628,067
Expenses:						
General government	217,429	239,939			217,429	239,939
Public safety	28,750	24,400			28,750	24,400
Public works	43,452	40,884			43,452	40,884
Interest	25,323	12,761			25,323	12,761
Bond issuance cost		29,925				29,925
Water & sewer			258,851	256,349	258,851	256,349
Total expenses	314,954	347,909	258,851	256,349	573,805	604,258
Increase in net position before other transfers	79,920	(31,895)	95,630	55,704	175,550	23,809
Transfers	41,819	37,980	(33,579)	(28,080)	8,240	9,900
Loss on disposal of capital assets	(46,518)				(46,518)	
Increase/(decrease) in net position	75,221	6,085	62,051	27,624	137,272	33,709
Net position - beginning	705,612	699,527	1,892,020	1,864,396	2,597,632	2,563,923
Net position - ending	\$ 780,833	705,612	1,954,071	1,892,020	2,734,904	2,597,632

## **Financial Analysis of the Government's Funds**

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

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

At the end of the current fiscal year, the Town of Lakewood Village's governmental funds reported ending fund balance of \$188,081, a decrease of \$(932,320) from the prior year. Of the current combined ending fund balance, \$179,323 is unassigned.

**Proprietary Funds.** The Town of Lakewood Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Enterprise Funds at the end of the year amounted to \$158,830. The total increase in unrestricted net position of the Enterprise Funds was \$55,869. The factors concerning the finances of this fund have already been addressed in the discussion of the Town of Lakewood Village's business type activities.

## **General Fund Budgetary Highlights**

During the year, revenues were more than budgetary estimates by \$56,694, and expenditures were more than budgetary estimates by \$52,166. The budget had called for a \$5,239 increase in fund balance, however, more than budgeted expenditures resulted in \$(36,838) decrease to fund balance.

## **Capital Assets and Debt Administration**

**Capital Assets.** The Town of Lakewood Village's investment in capital assets for its governmental and business-type activities as of September 30 2015, amounts to \$2,345,463 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, and equipment.

Major capital asset events during the current fiscal year included the following:

- Construction of concrete streets were added to the general fund totaling \$793,889.
- System and improvements totaling \$43,759 were added to the LWV Utility Fund capital assets.

Additional information on the Town of Lakewood Village's capital assets can be found in Note 3.C. on pages 31-32 of this report.

**Long-term debt.** The Town has outstanding certificate of obligation bonds sold to finance construction of concrete streets.

Additional information on the Town of Lakewood Village long-term debt can be found in Note 3.D. on pages 33-34 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

In determining the budget and related ad-valorem tax rate the Town considers economic factors such as the Eldorado Parkway corridor related development, property tax values, sales and franchise fee taxes, and construction permits. Building permits accelerated in the previous year and we forecast a steady volume of housing starts. We believe property values have steadied and will increase in the 3-5 percent range due to our unique lakeside location and custom home building flexibility. Fiscal 2015 sales tax receipts increased approximately 40 percent year-to-year across all economic units (Town, EDC, and MDD) and we forecast a more moderate increase in the upcoming year. Given our attractive location, we expect increased developer attention in Lakewood Village as the FM720/Eldorado Parkway construction in Little Elm is completed.

In fiscal year 2015 the Town budget calls for significant capital investment in roads as we complete Phase-I of our concrete road construction project. In Fiscal year 2015, the Town undertook several large utility capital improvement projects which increased both the water and sewer system distribution capabilities and capacities. We do not anticipate the need for similar expenditures in the upcoming year.

The Town has historically operated with a relatively low ad-valorem tax rate of \$0.25 per \$100 of valuation which is one-half to one-third that of surrounding municipalities. Given the current level of cash reserves and our conservative budgeting approach, there will be no change in the maintenance and operations (M&O) tax rate. Fiscal 2015 will mark the 35<sup>th</sup> consecutive year the Town's M&O tax rate has been \$0.25 or less. In fiscal 2015, the Town entered the municipal debt market for the first time and issued \$1,600,000 in Certificates of Obligation to fund road improvements. The Town's strong balance sheet, significant reserves, and fiscal discipline led to strong demand from creditors in the competitive bidding process. To avoid debt rating costs and additional SEC related fees, the Town issued ten-year debt via a private placement. The debt is callable by the Town in five years and bears an interest rate of 1.99 percent. The town council has adopted a debt servicing tax rate (I&S) of \$0.05 per \$100 of valuation. The I&S tax will provide approximately 25 percent of the required debt servicing revenues, with the remainder paid from current operating revenues.

### **Request for information**

This financial report is designed to provide a general overview of the Town of Lakewood Village's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Mayor, 100 Highridge, Lakewood Village, Texas 75068.



**BASIC FINANCIAL STATEMENTS**

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# TOWN OF LAKEWOOD VILLAGE

## Statement of Net Position

September 30, 2015

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	<u>Economic</u>
	<u>Activities</u>	<u>Activities</u>		<u>Development</u>
				<u>Corporation</u>
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 177,416	182,544	359,960	
Cash and equivalents - restricted	7,721	41,669	49,390	12,438
Receivables (Net of allowance for uncollectibles):				
Property taxes	861		861	
Sales taxes	3,009		3,009	1,015
Accounts receivable		19,822	19,822	
Capital assets (net of accumulated depreciation):				
Land	185,917	50,814	236,731	
Furniture and equipment	11,338		11,338	
Buildings, systems and improvements	35,455	1,702,758	1,738,214	
Streets	<u>1,831,181</u>		<u>1,831,181</u>	
 Total assets	 <u>2,252,898</u>	 <u>1,997,607</u>	 <u>4,250,506</u>	 <u>13,453</u>
 <b>LIABILITIES</b>				
Deposits payable		39,200	39,200	
Sales tax payable		697	697	
Payroll liabilities	25		25	
Other payables	40	3,639	3,679	
Noncurrent liabilities:				
Due within one year	145,000		145,000	
Due in more than one year	<u>1,327,000</u>		<u>1,327,000</u>	
 Total liabilities	 <u>1,472,065</u>	 <u>43,536</u>	 <u>1,515,601</u>	
 <b>NET POSITION</b>				
Invested in capital assets, net of related debt	591,891	1,753,572	2,345,463	
Restricted	7,721	41,669	49,390	13,453
Unrestricted	<u>181,221</u>	<u>158,830</u>	<u>340,051</u>	
 Total net position	 \$ <u>780,833</u>	 <u>1,954,071</u>	 <u>2,734,904</u>	 <u>13,453</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2015

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 217,429	73,233		
Public safety	28,750			
Public works	43,452			
Interest	25,323			
Total governmental activities	<u>314,954</u>	<u>73,233</u>		
Business-type activities				
Water and sewer	<u>258,851</u>	<u>353,614</u>		
Total business-type activities	<u>258,851</u>	<u>353,614</u>		
Total primary government	\$ <u>573,805</u>	<u>426,847</u>		
Component unit:				
Economic development	\$ <u>4,674</u>			
Total component unit	\$ <u>4,674</u>			
		General revenues:		
		Property taxes		
		Franchise fees		
		Sales taxes		
		Fines and forfeitures		
		Investment earnings		
		Miscellaneous revenue		
		Loss on disposal of capital assets		
		Transfer (to)/from other funds		
		Total general revenues		
		Change in net position		
		Net position - beginning		
		Net position - ending		

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			Component Unit Economic Development Corporation
Primary Government			
Governmental Activities	Business-type Activities	Total	
(144,196)		(144,196)	
(28,750)		(28,750)	
(43,452)		(43,425)	
<u>25,323</u>		<u>(25,323)</u>	
<u>(241,721)</u>		<u>(241,721)</u>	
	<u>94,763</u>	<u>94,763</u>	
	<u>94,763</u>	<u>94,763</u>	
(241,721)	<u>94,763</u>	<u>(146,958)</u>	
			(4,674)
			<u>(4,674)</u>
229,467		229,467	
35,324		35,324	
48,297		48,297	15,522
1,040		1,040	
3,501	867	4,368	61
4,012		4,012	
(46,518)		(46,518)	
<u>41,819</u>	<u>(33,579)</u>	<u>8,240</u>	<u>(8,240)</u>
<u>316,942</u>	<u>(32,712)</u>	<u>284,230</u>	<u>7,343</u>
75,221	62,051	137,272	2,669
<u>705,612</u>	<u>1,892,020</u>	<u>2,597,632</u>	<u>10,784</u>
\$ <u>780,833</u>	<u>1,954,071</u>	<u>2,734,904</u>	<u>13,453</u>

**TOWN OF LAKEWOOD VILLAGE**

Balance Sheet  
Government Funds  
September 30, 2015

	General <u>Fund</u>	Municipal Development <u>District</u>	Capital Improvement <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 177,416			177,416
Cash and cash equivalents - restricted	7,721			7,721
Receivables (net of allowance for uncollectibles):				
Property taxes	861			861
Sales taxes	<u>1,972</u>	<u>1,037</u>		<u>3,009</u>
Total assets	<u>\$ 187,970</u>	<u>1,037</u>		<u>189,007</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Deferred revenue	\$ 861			861
Payroll liabilities	25			25
Other liabilities	<u>40</u>			<u>40</u>
Total liabilities	<u>926</u>			<u>926</u>
Fund balances:				
Restricted	7,721	1,037		8,758
Unassigned	<u>179,323</u>			<u>179,323</u>
Total fund balance	<u>187,044</u>	<u>1,037</u>		<u>188,081</u>
Total liabilities & fund balances	<u>\$ 187,970</u>	<u>1,037</u>		<u>189,007</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
September 30, 2015

**Total Fund Balances - Governmental Funds**

\$ 188,081

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,389,678, the accumulated depreciation was \$(115,471), and loss on disposal of capital assets was \$(46,518). In addition, long-term liabilities, including bonds payable of \$(1,690,366), are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net assets.

(462,677)

Current year capital outlays of \$963,360 and long-term debt principal payments of \$128,000 are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current year capital outlays and debt principal payments is to increase net assets.

1,091,360

The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.

(49,553)

Long-term liabilities are reported in the statement of net position but they are not due and payable in the current period and therefore are not reported as liabilities in the fund balance sheet.

12,761

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing \$861 of deferred revenue as revenue.

861

**Net Position of Governmental Activities**

\$ 780,833

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended September 30, 2015

	<u>General Funds</u>	<u>Municipal Development District</u>	<u>Capital Improvement Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes				
Property	\$ 229,976			229,976
Franchise	35,324			35,324
Sales	31,030	17,267		48,297
Fines and forfeitures	1,040			1,040
Licenses and permits	66,274			66,274
Fees and service charges	6,959			6,959
Interest	1,854		1,647	3,501
Miscellaneous	<u>4,012</u>			<u>4,012</u>
Total revenues	<u>376,469</u>	<u>17,267</u>	<u>1,647</u>	<u>395,383</u>
<b>EXPENDITURES</b>				
General government	167,876			167,876
Public safety	28,750			28,750
Public works	43,452			43,452
Capital outlay			963,360	963,360
Debt service:				
Principal	128,000			128,000
Interest and fiscal charges	<u>38,084</u>			<u>38,084</u>
Total expenditures	<u>406,162</u>		<u>963,360</u>	<u>1,369,522</u>
Excess/(deficiency) of revenues over expenditures	<u>(29,693)</u>	<u>17,267</u>	<u>(961,713)</u>	<u>(974,139)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers (to)/from other funds	<u>(7,145)</u>	<u>(17,443)</u>	<u>66,407</u>	<u>41,819</u>
Total other financing sources	<u>(7,145)</u>	<u>(17,443)</u>	<u>66,407</u>	<u>41,819</u>
Net change in fund balances	(36,838)	(176)	(895,306)	(932,320)
Fund balance, beginning	<u>223,882</u>	<u>1,213</u>	<u>895,306</u>	<u>1,120,401</u>
Fund balance, ending	\$ <u><u>187,044</u></u>	<u><u>1,037</u></u>	<u><u>          </u></u>	<u><u>188,081</u></u>

The notes to the financial statements are an integral part of this statement.



**TOWN OF LAKEWOOD VILLAGE**  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
September 30, 2015

**Total Net Change in Fund Balances - Governmental Funds** \$ (932,320)

Current year capital outlays of \$963,360 and long-term debt principal payments of \$128,000, are expenditures and sources in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current year capital outlays and debt principal payments is to increase net position. 1,091,360

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds. Loss on disposal of capital assets of \$(46,518) and depreciation of \$(49,553) are not recognized as an expense in governmental funds since they do not require the use of current resources. The net effect of the current year's activity is to decrease net position. (96,071)

Interest due on long-term debt is recorded as an expense on the statement of net position, but is not recorded as expense for the current period in the governmental funds. 12,761

Deferred revenue is not recognized as revenue in the governmental activities. The net effect is to decrease net position. ( 509)

**Changes in Net Position of Governmental Activities** \$ 75,221

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual - General Fund  
For the Fiscal Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$ 232,600	232,600	229,976	(2,624)
Franchise	29,000	29,000	35,324	6,324
Sales	13,000	13,000	31,030	18,030
Fines and forfeitures	1,000	1,000	1,040	40
Licenses and permits	34,800	34,800	66,274	31,474
Fees and service charges	6,275	6,275	6,959	684
Interest	800	800	1,854	1,054
Miscellaneous	<u>2,300</u>	<u>2,300</u>	<u>4,012</u>	<u>1,712</u>
Total revenues	<u>319,775</u>	<u>319,775</u>	<u>376,469</u>	<u>56,694</u>
<b>EXPENDITURES</b>				
General government	129,770	129,770	167,876	(38,106)
Public safety	26,000	26,000	28,750	( 2,750)
Public works	31,700	31,700	43,452	(11,752)
Debt service:				
Principal	128,000	128,000	128,000	
Interest	<u>38,526</u>	<u>38,526</u>	<u>38,084</u>	<u>442</u>
Total expenditures	<u>353,996</u>	<u>353,996</u>	<u>406,162</u>	<u>(52,166)</u>
Excess (deficiency) of revenues over expenditures	<u>(34,221)</u>	<u>(34,221)</u>	<u>(29,693)</u>	<u>4,528</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers (to)/from other funds	<u>39,460</u>	<u>39,460</u>	<u>(7,145)</u>	<u>(46,605)</u>
Total other financing sources	<u>39,460</u>	<u>39,460</u>	<u>(7,145)</u>	<u>(46,605)</u>
Net change in fund balances	5,239	5,239	(36,838)	(42,077)
Fund balance, beginning	<u>223,882</u>	<u>223,882</u>	<u>223,882</u>	
Fund balance, ending	\$ <u>229,121</u>	<u>229,121</u>	<u>187,044</u>	<u>(42,077)</u>

The notes to the financial statements are an integral part of this statement.

# TOWN OF LAKEWOOD VILLAGE

## Statement of Net Position

### Proprietary Funds

September 30, 2015

	Business-Type Activities		
	LWV Utility Fund	Rocky Point Utility Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 179,184	3,360	182,544
Cash and cash equivalents - restricted	39,169	2,500	41,669
Accounts receivable (net of allowance for uncollectibles)	<u>19,122</u>	<u>700</u>	<u>19,822</u>
Total current assets	<u>237,475</u>	<u>6,560</u>	<u>244,035</u>
Noncurrent assets:			
Capital assets:			
Land	34,892	15,922	50,814
Water systems and improvements	1,387,713	45,430	1,433,143
Sanitation systems and improvements	1,446,142		1,446,142
Buildings and improvements		3,533	3,533
Less: Accumulated depreciation	<u>(1,174,384)</u>	<u>(5,675)</u>	<u>(1,180,059)</u>
Total noncurrent assets	<u>1,694,363</u>	<u>59,210</u>	<u>1,753,573</u>
Total assets	\$ <u>1,931,838</u>	<u>65,770</u>	<u>1,997,608</u>
<b>LIABILITIES</b>			
Current liabilities:			
Customer deposits	\$ 36,700	2,500	39,200
Sales tax payable	697		697
Other payables	<u>3,510</u>	<u>129</u>	<u>3,639</u>
Total current liabilities	<u>40,907</u>	<u>2,629</u>	<u>43,536</u>
Total liabilities	<u>40,907</u>	<u>2,629</u>	<u>43,536</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,694,363	59,210	1,753,573
Restricted	39,169	2,500	41,669
Unrestricted	<u>157,399</u>	<u>1,431</u>	<u>158,830</u>
Total net position	\$ <u>1,890,931</u>	<u>63,141</u>	<u>1,954,072</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
September 30, 2015

	<u>Business-Type Activities</u>		
	LWV Utility Fund	Rocky Point Utility Fund	Totals
<b>OPERATING REVENUES</b>			
Water	\$ 146,548	14,761	161,309
Sewer	102,248		102,248
Sanitation	44,615		44,615
Fees and services	10,839		10,839
Other income	34,125	479	34,604
Total operating revenues	<u>338,375</u>	<u>15,240</u>	<u>353,615</u>
<b>OPERATING EXPENSES</b>			
Contract services	37,369	2,400	39,769
Administrative	67,859	1,673	69,532
Repairs and maintenance	28,200	1,203	29,403
Miscellaneous	3,032	160	3,192
Garbage collections	37,704		37,704
Depreciation	77,293	1,953	79,246
Total operating expenses	<u>251,457</u>	<u>7,389</u>	<u>258,846</u>
Operating income (loss)	<u>86,918</u>	<u>7,851</u>	<u>94,769</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	859	8	867
Interest expense		( 4)	( 4)
Total nonoperating revenues (expenses)	<u>859</u>	<u>4</u>	<u>863</u>
Income (loss) before transfers	87,777	7,855	95,632
Transfers (to)/from other funds	(42,059)	8,479	(33,580)
Change in net position	45,718	16,334	62,052
Net position - beginning (as restated)	<u>1,845,213</u>	<u>46,807</u>	<u>1,892,020</u>
Net position - ending	<u>\$ 1,890,931</u>	<u>63,141</u>	<u>1,954,072</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2015

	Business-Type Activities		
	LWV Utility Fund	Rocky Point Utility Fund	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 335,630	15,968	351,598
Cash payments to suppliers	(173,964)	(5,236)	(179,200)
Net cash provided by operating activities	<u>161,666</u>	<u>10,732</u>	<u>172,398</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(43,760)		(43,760)
Net cash used by capital and related financing activities	<u>(43,760)</u>		<u>(43,760)</u>
Cash flows from noncapital financing activities:			
Advance repayments	14,445	(14,445)	
Interest expense		(4)	(4)
Transfer in/(out)	(42,059)	8,479	(33,580)
Net cash used by noncapital financing activities	<u>(27,614)</u>	<u>(5,970)</u>	<u>( 33,584)</u>
Cash flows from investing activities:			
Interest on deposits and investments	859	8	867
Net cash provided by investing activities	<u>859</u>	<u>8</u>	<u>867</u>
Net increase in cash and cash equivalents	91,151	4,770	95,921
Cash and cash equivalents - beginning	<u>127,202</u>	<u>1,090</u>	<u>128,292</u>
Cash and cash equivalents - ending	<u>\$ 218,353</u>	<u>5,860</u>	<u>224,213</u>
Reconciliation of Net Income to Net Cash Provided/(Used) by Operating Activities			
Operating income	\$ 86,918	7,851	94,769
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	77,293	1,953	79,246
(Increase)/decrease in accounts receivable	(2,745)	728	(2,017)
Increase/(decrease) in customer deposits	800	200	1000
Increase/(decrease) in other payables	(580)		(580)
Increase/(decrease) in sales tax payable	(20)		(20)
Total adjustments	<u>74,748</u>	<u>2,881</u>	<u>77,629</u>
Net cash provided by operating activities	<u>\$ 161,666</u>	<u>10,732</u>	<u>172,398</u>

The notes to the financial statements are an integral part of this statement.

## TOWN OF LAKEWOOD VILLAGE

### Notes to the Financial Statements

September 30, 2015

#### (1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Lakewood Village, Texas, have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

##### **A. Reporting Entity**

The Town of Lakewood Village is a municipality governed by an elected mayor and town council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Town of Lakewood Village has both blended and discrete component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations. 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 Lakewood Village Municipal Development District (MDD) is a political subdivision of the State of Texas and the Town, established by the voters in 2009 for the purposes of promoting economic development within the Town as prescribed by Chapter 377 of the Texas Local Government Code. The MDD is presented as a governmental fund type. The fund is supported by a one-half cent sales tax which is currently used in full to fund the cost of construction of infrastructure, other capital asset acquisition, and debt service related to the Rocky Point proprietary fund. As of September 30, 2015, the amount provided by the MDD to the Rocky Point Proprietary fund totals \$46,879.

-continued-

# TOWN OF LAKEWOOD VILLAGE

## Notes to the Financial Statements

September 30, 2015

-continued-

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### A. Reporting Entity (continued)

*Discretely Presented Component Unit.* The Town of Lakewood Village Economic Development Corporation (EDC) which has a September 30 year end, services all citizens of the government and is governed by a board appointed by the government's elected council. The government can impose its will on the EDC and affect the day-to-day operations of the EDC by removing appointed board members at will. The scope of public service of the EDC benefits the government and its citizens and is operated primarily within the geographic boundaries of the government.

#### B. Government-wide and fund 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

-continued-

# **TOWN OF LAKEWOOD VILLAGE**

Notes to the Financial Statements

September 30, 2015

-continued-

## **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **C. Measurement focus, basis of accounting, and financial statement presentation(continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects* fund consists of various types of financial resources, and is used to account for acquisition or construction of capital facilities.

The government reports the following proprietary funds:

The *LWV Utility fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The enterprise fund is for water, sewer, and solid waste operations.

The *Rocky Point Utility fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The enterprise fund is for water operations.

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## TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2015

-continued-

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. **Measurement focus, basis of accounting, and financial statement presentation**(continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. **Assets, liabilities, and net position or equity**

##### 1. **Deposits**

Cash and cash equivalents includes cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government.

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# TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2015

-continued-

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### D. **Assets, liabilities, and net position or equity** (continued)

#### 2. **Short-term Inter-fund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

#### 3. **Restricted Assets**

Certain resources set aside for customer deposits are classified as restricted assets on the balance sheet because their use is limited.

#### 4. **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings, systems and improvements	5 - 40
Furniture and equipment	3 - 10

-continued-

## TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2015

-continued-

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Assets, liabilities, and net position or equity (continued)

##### 5. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

##### 6. Fund Equity

Fund Balance Classification: The governmental fund financial statements present fund balance classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town did not have any committed resources as of September 30, 2015.
- Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by an official to which the Town Council delegates this authority.
- Unassigned: This classification includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

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# TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2015

-continued-

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### D. **Assets, liabilities, and net position or equity** (continued)

#### 6. **Fund Equity** (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

As of September 30, 2015, fund balances are composed of the following:

	<u>General Fund</u>	<u>Municipal Development District</u>	<u>Total Governmental Funds</u>
Nonspendable:	\$		
Restricted:			
Road maintenance	7,555		7,555
Municipal Development		1,037	1,037
Road construction	166		166
Committed:			
Unassigned:	<u>179,323</u>	<u>—</u>	<u>179,323</u>
Total fund balances	<u>\$ 187,044</u>	<u>1,037</u>	<u>188,081</u>

## (2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. **Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the general fund and water and sewer fund. All annual appropriations lapse at fiscal year end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

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## **TOWN OF LAKEWOOD VILLAGE**

Notes to the Financial Statements

September 30, 2015

-continued-

### **(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (continued)

#### **A. Budgetary Information** (continued)

2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted by the Town Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies, which can be amended by the Council.
4. Formal budgetary integration, using the modified accrual basis, is employed as a management control device during the year for the General Fund. One supplemental appropriation was made during the fiscal year.
5. The budget approved for the Water and Sewer Fund follows similar approval procedures. One supplemental appropriation was made during the fiscal year.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. At year end, encumbrances are canceled or re-appropriated as part of the following year budget.

### **(3) DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

The Town may invest in obligations of the U. S. Treasury or the State of Texas, certain U. S. Agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds and other investments specifically allowed by the Public Funds Investment Act of 1987 (Article 842a-2 Vernon's Civil Statutes).

At September 30, 2015, the Town's carrying amount of deposits was \$421,538 and the bank balance was \$433,380. Of the bank balance, \$250,000 was covered by federal depository insurance and \$183,380 was secured by marketable securities pledged by the financial institution holding the Town's depository contract.

In compliance with the Public Funds Investment Act, the Town has adopted a deposit and investment policy. That policy addresses the following risks:

- a. *Custodial Credit Risk* - Deposits: In the case of deposits this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy regarding types of deposits allowed and collateral requirements is: the Depository may be a state bank authorized and regulated under Texas law; a national bank, savings and loan association, or savings bank authorized and regulated by federal law, or a savings and loan association or savings bank organized under Texas law; but shall not be any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation (FDIC). The Town is not exposed to custodial credit risk for its deposits, as all are covered by depository insurance.

-continued-

# TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2015

-continued-

## (3) DETAILED NOTES ON ALL FUNDS

### A. **Deposits and Investments** (continued)

- b. *Custodial Credit Risk* - Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has no investments.
- c. *Credit Risk* - This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The Town has no investments.
- d. *Interest Rate Risk* - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town has no investments.
- e. *Foreign Currency Risk* - This is the risk that exchange rates will adversely affect the fair value of an investment. The Town is not exposed to foreign currency risk.
- f. *Concentration of Credit Risk* - This is the risk of loss attributed to the magnitude of the Town's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. The Town has no investments.

### B. **Receivables**

Receivables at September 30, 2015 consisted of the following:

	<u>General Fund</u>	<u>Municipal Development District</u>	<u>LWV Utility Fund</u>	<u>Rocky Point Utility Fund</u>	<u>Total</u>
Property taxes	\$ 861				861
Sales taxes	1,972	1,037			3009
Accounts receivable	_____	_____	19,122	700	19,822
Total receivables	\$ <u>2,833</u>	<u>1,037</u>	<u>19,122</u>	<u>700</u>	<u>23,692</u>

-continued-

**TOWN OF LAKEWOOD VILLAGE**

## Notes to the Financial Statements

September 30, 2015

-continued-

**(3) DETAILED NOTES ON ALL FUNDS (continued)****B. Receivables (continued)**

Property taxes are based on the appraised values provided by the Denton County Appraisal District. Taxes are levied by October 1 of each year. Unpaid property taxes become delinquent on February 1 of the following year. Penalty is calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increase 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes are due in full on October 1 and there are no discounts granted. The assessed value as of January 1, 2011, upon which the 2014/2015 levy was based, was approximately \$81,253,551. The tax rate for fiscal year 2014/2015 was \$.30 per \$100 of assessed valuation, with \$.25 allocated to maintenance and operation (M&O), and \$.05 allocated to debt service (I&S).

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Land	\$185,917			185,917
Buildings & Improvement	63,739			63,739
Furniture & Equipment	33,402			33,402
Streets	174,911	1,817,464	(91,886)	1,900,489
Construction in progress	<u>931,709</u>		<u>(931,709)</u>	
Totals at historical cost	1,389,678	1,817,464	(1,023,595)	2,183,547
Less accumulated depreciation	<u>(115,471)</u>	<u>(49,553)</u>	<u>45,368</u>	<u>(119,656)</u>
Governmental activities capital assets, net	\$ <u>1,274,207</u>	<u>1,767,911</u>	<u>(978,227)</u>	<u>2,063,891</u>
Business-type activities:				
LWV Utility:				
Land	\$ 34,892			34,892
Water systems & improvements	1,351,848	35,865		1,387,712
Sanitation systems & improvements	<u>1,438,247</u>	<u>7,894</u>		<u>1,446,142</u>
Totals at historical cost	2,824,987	43,759		2,868,746
Less accumulated depreciation	<u>(1,097,091)</u>	<u>(77,293)</u>		<u>(1,174,384)</u>
Business-type activities capital assets, net	\$ <u>1,727,896</u>	<u>(33,534)</u>		<u>1,694,362</u>

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# TOWN OF LAKEWOOD VILLAGE

## Notes to the Financial Statements

September 30, 2015

-continued-

### (3) DETAILED NOTES ON ALL FUNDS (continued)

#### C. **Capital Assets** (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities: (continued)				
Rocky Point Utility:				
Land	\$ 15,922			15,922
Building & improvements	3,533			3,533
Water system	<u>45,430</u>			<u>45,430</u>
Totals at historical cost	64,885			64,855
Less accumulated depreciation	<u>(3,722)</u>	<u>(1,953)</u>		<u>(5,675)</u>
Component unit capital assets, net	<u>\$ 61,163</u>	<u>(1,953)</u>		<u>59,210</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government Activities:	
Administration	\$ 6,365
Public works	<u>43,188</u>
Total depreciation expense - government activities	<u>\$ 49,553</u>
Business-type activities:	
LWV Utility	\$ 77,293
Rocky Point Utility	<u>1,953</u>
Total depreciation expense - business-type activities	<u>\$ 79,246</u>

#### D. **Long-term Debt**

##### Note Payable

In February 2012, the Town of Lakewood Village and the Lakewood Village MDD entered into an economic development agreement. Under the terms of the three-year agreement, the Town agreed to make available up to \$50,000 from the Town's proprietary fund. Interest on the line-of-credit accrues monthly at the rate of 0.5 percent of the outstanding balance. During the 2015 fiscal year the Town Council took action to transfer loan repayment from the MDD to the Rocky Point Utility Fund. On September 30, 2015, the loan was paid in full..

<u>Beginning Balance</u>	<u>Additions</u>		<u>Retirements</u>	<u>Ending Balance</u>
<u>Principal</u>	<u>Interest</u>			
\$ <u>14,445</u>	<u>4</u>		<u>(14,449)</u>	<u></u>

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# TOWN OF LAKEWOOD VILLAGE

## Notes to the Financial Statements

September 30, 2015

-continued-

### (3) DETAILED NOTES ON ALL FUNDS (continued)

#### D. Long-term Debt (continued)

##### Bonds Payable

On April 10, 2014 the Town Council approved the issuance of \$1,600,000 of certificate of obligation bonds to fund the construction of concrete roads.

Certificate of obligation bonds issued by the Town are backed by the full faith and credit of the Town. The \$1,600,000 certificates of obligation issued by the Town will be repaid by levy of an ad valorem tax upon all taxable property within the Town and a limited pledge of the net revenues from the operation of the Town's waterworks and sewer system.

Interest expense for the bond issue was \$25,323 for the year ended September 30, 2015.

The following is a summary of changes in bonds payable for the year:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>	<u>Due in One Year</u>
Governmental Activities Certificates of Obligation Series 2014, 1.99%, 2015-2024	\$ <u>1,600,000</u>	<u>          </u>	(128,000)	<u>1,472,000</u>	<u>145,000</u>
Total governmental activities	\$ <u>1,600,000</u>	<u>          </u>	(128,000)	<u>1,472,000</u>	<u>145,000</u>

##### Debt Service Requirement to Maturity

The annual debt service requirements to maturity for bonded debt are as follows at year-end:

<u>Year Ended</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 145,000	27,850	172,850
2017	149,000	24,925	173,925
2018	154,000	21,910	175,910
2019	158,000	18,806	176,806
2020	163,000	15,612	178,612
2021 - 2025	<u>703,000</u>	<u>28,507</u>	<u>731,507</u>
Total	\$ <u>1,472,000</u>	<u>137,610</u>	<u>1,609,610</u>

-continued-

# TOWN OF LAKEWOOD VILLAGE

## Notes to the Financial Statements

September 30, 2015

-continued-

### (3) DETAILED NOTES ON ALL FUNDS (continued)

#### E. **Interfund Receivables, Payables and Transfers**

The composition of the interfund balances as of September 30, 2015 is as follows:

Interfund transfers:

	<u>General Fund</u>	<u>MDD Fund</u>	<u>LWV Utility Fund</u>	<u>Rocky Point Utility Fund</u>	<u>Capital Projects Fund</u>	<u>EDC</u>	<u>Total</u>
Transfers In:	\$			8,479	66,407		74,886
Transfers Out:	(7,145)	(17,443)	(42,058)			(8,240)	(74,886)
	<u>\$ (7,145)</u>	<u>(17,443)</u>	<u>(42,058)</u>	<u>8,479</u>	<u>66,407</u>	<u>(8,240)</u>	<u></u>

The transfer from the LWV Utility Fund and Rocky Point Utility Fund were to cover administrative and capital asset acquisition costs incurred on behalf of the utility fund. The transfer from the general fund was to cover street construction costs paid from general fund reserves, and the transfer from the EDC was to pay for capital asset additions.

### (4) OTHER INFORMATION

#### A. **Risk Management**

The government is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located within Texas. The government pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to \$2,000,000 per insured event. There were no significant reduction in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

-continued-

**TOWN OF LAKEWOOD VILLAGE**

Notes to the Financial Statements

September 30, 2015

-continued-

**(4) OTHER INFORMATION** (continued)

**B. Potential Income from Legal Actions**

The Town was awarded \$75,000 in court ordered restitution in 2005 and \$113,435 in additional civil judgment penalties in 2007 as repayment for misappropriation of Town funds by a prior employee. Payments of \$27,007 were received in fiscal year 2015, resulting in full satisfaction of the court ordered restitution. No payment has been received on the civil judgment as of September 30, 2015, which is accruing interest at 5 percent per annum. The balance as of September 30, 2015 for the civil judgement is approximately \$173,587 after applying accrued interest of approximately \$60,152. There is no way of estimating how much if any will be received in future years and so no receivable amount has been recorded. An error in the original notation of the restitution and civil judgement was discovered during the audit and the correct amounts have been reflected above.

**(5) EVALUATION OF SUBSEQUENT EVENTS**

The Town has evaluated subsequent events through November 30, 2015, the date which the financial statements were available to be issued.

DRAFT

**INDIVIDUAL FUND SCHEDULES**

**TOWN OF LAKEWOOD VILLAGE**  
Statement of Revenues, Expenditures, and Changes in Fund Net Position  
Budget and Actual - LWV Utility Fund  
For the Fiscal Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUES</b>				
Water sales, fees and service charges	\$ 319,720	319,720	304,249	(15,471)
Other income	<u>2,500</u>	<u>2,500</u>	<u>34,125</u>	<u>31,625</u>
Total operating revenues	<u>322,220</u>	<u>322,220</u>	<u>338,374</u>	<u>16,154</u>
<b>OPERATING EXPENSES</b>				
Contract services	44,600	44,600	37,370	7,230
Administrative	91,860	91,860	67,859	24,001
Repairs and maintenance	26,500	26,500	28,200	(1,700)
Miscellaneous	1,000	1,000	3,032	(2,032)
Trash collections	40,000	40,000	37,704	2,296
Capital improvements				
Depreciation			<u>77,293</u>	<u>(77,293)</u>
Total operating expenses	<u>203,960</u>	<u>203,960</u>	<u>251,458</u>	<u>(47,498)</u>
Operating income (loss)	<u>118,260</u>	<u>118,260</u>	<u>86,916</u>	<u>(31,344)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Transfers in/(out)	12,000	12,000	(42,058)	(54,058)
Interest income	<u>900</u>	<u>900</u>	<u>859</u>	<u>(41)</u>
Total nonoperating revenue (expense)	<u>12,900</u>	<u>12,900</u>	<u>(41,199)</u>	<u>(54,099)</u>
Change in net position	131,160	131,160	45,717	(85,443)
Net position - beginning	<u>1,845,213</u>	<u>1,845,213</u>	<u>1,845,213</u>	
Net position - ending	\$ <u>1,976,373</u>	<u>1,976,373</u>	<u>1,890,930</u>	<u>(85,443)</u>



# MEMORANDUM

TO: Town Council  
CC: Linda Asbell  
FROM: Dr. Mark E. Vargus, Mayor  
DATE: January 8, 2016  
RE: Melody - Carrie Lane Road Rehabilitation

---

As we all know, Melody and Carrie lane have deteriorated significantly from their original construction in 1995. Consistent with our known road issues, the shoulders have disintegrated at various places, the road has heaved upward and sunk, and there are numerous utility cuts through the road and road base which result in an uneven surface. We do not have the financial resources to replace the roads with concrete. The most economical solution is to reconstruct the failed chip-seal, including filling all of the potholes and leveling the road surface.

We will be sending out the project to open bidding. In order to bid the project, our engineers are required to create the technical standards for the project. The engineers must also measure quantities to put in the bid documents. For example, we cannot ask a company to submit bids to "fix potholes".

**First, the engineers have to document exactly what "fixing" means** - the technical standard may be 10 inches of flex-base compacted to 95%, with 3 inches of asphalt, and then 3 inches of chip seal, for example. **Second, the engineers have to quantify how many** pothole repairs are needed (how many square feet) so that the firms can bid. They have to measure exact street lengths and widths.

**The project will be built to TxDOT standards.** We aren't going to use a guy who knows a guy who has a truck who will fling gravel out of the bed. This repair will be designed, inspected, and done correctly the first time, and our engineers will make sure. The post construction inspection costs are not included as part of the tasking, as we typically pay for that separately.

Once we send it out to bid, the town is under no obligation to award the contract unless the Town Council allocates the funds. **I do not anticipate any issues with the funds to perform the work, should the project move forward.**

The task order from Kimley-Horn (attached) is to perform all of the engineering work and run the bidding process up to the awarding of the contract. The lump sum fee is \$14,500. The timeline would allow for a Spring or early Summer project completion.

We currently have \$16,085 in our road maintenance fund. In the first quarter of our current fiscal 2016 (October-December) the fund revenues were \$8,500 and we are on pace for \$38,000 annually.

I look forward to your comments;

INDIVIDUAL PROJECT ORDER NUMBER 064487101

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and THE TOWN OF LAKEWOOD VILLAGE (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated April 6, 2015, which is incorporated herein by reference.

**Identification of Project: Melody Lane & Carrie Lane Road Rehabilitation**

**SPECIFIC SCOPE OF BASIC SERVICES**

**1. Task 1 – Plans & Contract Documents**

The intent of the bidding documents would be limited to describing the performance requirements of the project and to reasonably define quantities for bidding purposes. The rehabilitation shall be a chip seal method for Melody Lane and Carrie Lane.

- a. Plans
  - i. Prepare plan sheets as necessary. Plan sheet will consist of a 22"x34" sheet at a scale of 1"=40' horizontal. The following sheets are anticipated: cover page, general notes sheet, six (6) plan sheets showing the limits of pavement rehabilitation, standard details, and TxDOT standards
- b. Contract Documents
  - i. Engineers Joint Contract Documents Committee (EJCDC) will be utilized. Contract Documents will include:
    - 1. Notice to Bidders
    - 2. Instruction to Bidders
    - 3. Bid Form
    - 4. Bid Bond
    - 5. Contract Agreement
    - 6. Performance Bond
    - 7. Payment Bond
    - 8. Standard General Conditions
    - 9. Supplementary Conditions
- c. Submit 95% complete plans, contract documents, and opinion of probable construction cost for review and comments
- d. Conduct Meeting with Town to review 95% plans
- e. Make revisions based on the Towns' review of the 95% submittal
- f. Submit Final Plans and Contract Documents

**2. Task 2 – Bidding Phase Services**

- a. Print and issue up to twenty (20) sets of bidding documents. Bidding documents shall be prepared as 11"x17" plan sets. 22"x34" plans will not be provided for bidding purposes. Additional sets of bidding documents shall be printed, only upon the Town's authorization, as Additional Services.
- b. Prepare the Notice to Bidders and submit to the Town for advertising.
- c. Issue addenda as required
- d. Attend bid opening, prepare a tabulation of bids, and prepare a letter of recommendation for award of contract.
- e. Prepare the contract documents for execution by the contractor, receive and review such documents for completeness, and forward to the Town for review and execution.

### 3. Task 3 – Construction Phase Services

- a. Pre-Construction Conference – Kimley-Horn will conduct a Pre-Construction Conference prior to commencement of Work at the Site.
- b. Monthly Construction Progress Meetings – Kimley-Horn will not attend any monthly construction meetings.
- c. Recommendations with Respect to Defective Work – Recommend to Client that Contractor's work be disapproved and rejected while it is in progress if, on the basis of such observations, Kimley-Horn believes that such work will not produce a completed Project that conforms generally to Contract Documents.
- d. Clarifications and Interpretations – Respond to reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents to Client as appropriate to the orderly completion of Contractor's work. Any orders authorizing variations from the Contract Documents will be made by Client.
- e. Change Orders – Kimley-Horn will not review or prepare change orders.
- f. Shop Drawings and Samples – Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.
- g. Substitutes and "or-equal." – Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
- h. Disagreements between Client and Contractor – If requested by Client, render written decision on all claims of Client and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of Contractor's work.
- i. Substantial Completion. – Kimley-Horn will not attend the substantial completion site visit.
- j. Final Notice of Acceptability of the Work – Conduct a final site visit to determine if the completed Work of Contractor is generally in accordance with the Contract Documents and the final punch list. Recommend in writing, final payment to Contractor.
- k. Limitation of Responsibilities – Kimley-Horn shall not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual or entity performing or furnishing the Work. Kimley-Horn shall not have the authority or responsibility to stop the work of any Contractor.



### **ADDITIONAL SERVICES IF REQUIRED:**

Any services not specifically provided for in the above scope will be considered additional services and can be performed at our then current hourly rates. Additional services we can provide include, but are not limited to, the following:

- Assisting Town or contractor in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this Agreement. Such services, if any, shall be furnished by Kimley-Horn on a fee basis negotiated by the respective parties outside of and in addition to this Agreement.
- Sampling, testing, or analysis beyond that specifically included in the Scope of Services referenced herein above.
- Preparing applications and supporting documents for government grants, loans, or planning advances, and providing data for detailed applications.
- Appearing before regulatory agencies or courts as an expert witness in any litigation with third parties or condemnation proceedings arising from the development or construction of the Project, including the preparation of engineering data and reports for assistance to the Town.
- Providing professional services associated with the discovery of any hazardous waste or materials in the project route.
- Providing additional presentations to the Town Council.
- Providing construction staking, additional platting, or other surveying services not identified in the above Scope of Services.
- Providing any easement acquisition services.
- Attending additional public meetings during the project.
- Preparation of Easement Documents
- Perform any materials testing.
- Perform welding and coating inspections.
- Application for payment
- Any services not listed in the Scope of Services.
- Record Drawings
- Pre-Bid Meeting

## SCHEDULE

Task 1 – Plans & Contract Documents	60 Calendar Days
Task 2 – Bidding Phase Services	30 Calendar Days

## TERMS OF COMPENSATION:

The Consultant will provide the Scope of Services for Task 1 and 2 for a lump sum fee:

Task 1 – Plans & Contract Documents	\$12,500
<u>Task 2 – Bidding Phase Services</u>	<u>\$2,000</u>
<b>Total Lump Sum Fee</b>	<b>\$14,500</b>

The services identified in the scope of services for Task 3 – Construction Phase Services will be provided on a labor fee plus expense basis. Labor fee will be billed according to the rate schedule which is subject to annual adjustment. Direct reimbursable expenses such as express delivery services, fees, air travel, and other direct expenses will be billed at 1.15 times cost. A 6% fee will be added to each invoice to cover certain other expenses such as in-house duplicating, local mileage, telephone calls, facsimiles, postage, and word processing. Administrative time related to the project may be billed hourly. Technical use of computers for design, analysis, GIS, and graphics, etc. will be billed at \$25.00 per hour. All permitting applications, and similar fees will be paid directly by the Client.

Senior Engineer I / Senior Professional I	\$245 - \$280
Senior Engineer II / Senior Professional II	\$230 - \$260
Engineer / Professional	\$170 - \$230
CAD Technician	\$150 - \$165
Designer	\$115 - \$175
Analyst	\$145 - \$190
Support Staff /Technician	\$ 65 - \$ 125

Additional services will be negotiated at the time they are identified.

ACCEPTED:

TOWN OF LAKEWOOD VILLAGE

KIMLEY-HORN AND ASSOCIATES, INC.

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**TOWN OF LAKEWOOD VILLAGE  
CERTIFICATE OF OCCUPANCY  
CUSTOMER SERVICE INSPECTION  
ORDINANCE 16-xx**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, REQUIRING RECERTIFICATION OF OCCUPANCY INSPECTION UPON CHANGES IN WATER BILLING RESPONSIBLE PARTIES FOR PROPERTIES INSIDE THE CORPORATE LIMITS OF THE TOWN OF LAKEWOOD VILLAGE; REQUIRING A TCEQ CUSTOMER SERVICE INSPECTION FOR PROPERTIES INSIDE THE CORPORATE LIMITS OF THE TOWN OF LAKEWOOD VILLAGE AND PROPERTIES LOCATED IN THE EXTRA TERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE WHICH RECEIVE WATER SERVICE FROM THE TOWN OF LAKEWOOD VILLAGE; PROVIDING FOR THE COLLECTION OF FEES; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE.**

**WHEREAS**, inadequate home maintenance directly affects the health, life, safety and welfare of the citizens of the Town and Extra Territorial Jurisdiction (ETJ) and negatively impacts the health and vitality of the surrounding neighborhood, Town, and ETJ as a whole;

**WHEREAS**, it is the responsibility of the Town to protect the safety of new residents and ensure that existing structures are in compliance with relevant property maintenance codes;

**WHEREAS**, Title 30 Texas Administrative Code, Chapter 290, Rule 290.46 requires water providers to perform customer service inspections (CSI) where the water purveyor has reason to believe that cross-connections or other potential contaminant hazards may exist;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:**

### **Section 1: Findings**

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

### **Section 2: Repeal**

CO / CSI Ordinance 12-07 is hereby repealed in its entirety.

### **Section 3: Penalty Clause**

#### **A. Violation**

A person who violates any provision of this ordinance is guilty of separate offenses for each day during which the violation is continued after notification. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined by this ordinance.

#### **B. Fine**

Each offense is punishable by a fine of not more than two-thousand (\$2,000) nor less than two-hundred (\$200). The minimum fine established in this paragraph shall be doubled for the second conviction of the same offense within any 24-month period and tripled for the third and subsequent convictions of the same offense within any 24-month period. At no time shall the minimum fine exceed the maximum fine established in this paragraph.

### **Section 4: Legal Rights**

The penal provision imposed under this Ordinance shall not preclude the Town of Lakewood Village from filing suit to enjoin the violation. The Town of Lakewood Village retains all legal rights and remedies available to it pursuant to local, state, and federal law.

### **Section 5: Severability**

#### **A. Unconstitutional or Invalid Section**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

#### **B. Independent Sections**

The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

**Section 6: Estoppel / Waiver**

The failure of the Town to enforce any term or condition of this Ordinance shall not constitute a waiver or estoppel or any subsequent violation of this Ordinance.

**Section 7: Effective Date**

The amendments to this Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the Town Council of the Town of Lakewood Village, Texas  
this the xxth day of xxx, 2016.

---

Dr. Mark Vargus  
Mayor

ATTEST:

---

Linda Asbell, TRMC  
Town Secretary

## **Exhibit A**



# **CERTIFICATE OF OCCUPANCY / CUSTOMER SERVICE INSPECTION ORDINANCE**

Adopted: xx xx, 2016

## SECTION 1: PROVISIONS

### 1.1. PURPOSE

A certificate of occupancy is evidence that the home complies substantially with the local codes as adopted by the Town of Lakewood Village and is safe to occupy.

### 1.2. APPLICATION

#### 1.2.1. Certification of Occupancy

The Town shall not provide municipal services (water, wastewater, or solid waste), nor shall the Town release electrical power, nor shall the town permit the occupancy of said residence until a Certification of Occupancy (CO) inspection has been performed and passed.

#### 1.2.2. Customer Service Inspection

The Town shall not provide municipal services, nor shall the Town release electrical power, nor shall the Town permit the occupancy of said residence until a CSI inspection has been performed and passed.

#### 1.2.3. Triggers

- 1) A new home is constructed and occupied;
- 2) An application for utilities is received for an existing home; or
- 3) A request is received for Reconnection of utilities for existing accounts that have not been in "good standing" for a period of six (6) months or more.

~~Upon receipt of an application for utilities which would result in a change in responsible party for a utility account within the corporate limits of the Town, the Town shall not provide municipal services (water, wastewater, or solid waste), nor shall the Town release electrical power, nor shall the town permit the occupancy of said residence until a Recertification of Occupancy (RO) has been performed and passed. Upon receipt of an application for utilities which would result in a change in responsible party for a utility account located in either the Town or the ETJ, the Town shall not provide municipal services, nor shall the Town release electrical power, nor shall the town permit the occupancy of said residence until a CSI inspection has been performed and passed. The CSI inspection report is to be retained by the Town for at least ten years and is to be available for inspection by TCEQ (30 TAC Chapter 290.46(i))~~

### ~~1.2.1.3.~~ SCOPE

This ordinance applies to all single and multi-family homes within the Town of Lakewood Village and the utility service area of the ETJ.

### **Exceptions**

An inspection is not required if the change in the responsible billing party arises due to any of the following:

- 1) New home construction;



- 2) Homes where a passing RO/CSI inspection has been obtained within 90 days prior to the current change in ownership or responsible party for a utility account; or
- 3) The new responsible party is a member of the current household.

#### **1.3.1.4. RECERTIFICATION OF OCCUPANCY INSPECTION**

The inspection shall be performed by the building official or his/her authorized designee. Areas to be covered under the inspection include general health and safety issues and include, but are not limited to:

- ☐ Electrical Hazards (exposed conductors, electrical service panels, GFCI protection in all wet areas, primary cold water ground and secondary grounding);
- ☐ Existing plumbing (visible leaks, fixtures, proper air gaps, vacuum breakers at all hose bibbs);
- ☐ Interior structure conditions (walls, ceiling);
- ☐ Smoke detectors (located in all bedrooms and adjacent areas);
- ☐ Foundation conditions (cracks/breaks);
- ☐ Stairs, hand / guardrail condition;
- ☐ Exterior surfaces (rotted);
- ☐ Exits from home (including operable bedroom windows);
- ☐ Heating equipment (water heater/furnace);
- ☐ A/C equipment condition (in proper working order);
- ☐ Adequate ventilation in bathrooms and laundry rooms (windows or exhaust fans);
- ☐ Garbage and debris (outside);
- ☐ Accessory buildings (structural condition, exterior surface rotted);
- ☐ Fence condition (rotted, upright position);
- ☐ Driveway / sidewalk hazards (cracks, breaks with more than three (3) inches of deflection and cracks in excess of three (3) inches); and
- ☐ Address posted minimum size four (4) inches of contrasting color.

#### **1.4.1.5. CUSTOMER SERVICE INSPECTION**

The inspection is to be performed by the building official or his/her authorized designee with a valid TCEQ CSI license or T.S.B.P.E. W.S.P. endorsement. The inspection shall assess whether the potential for contamination of the Town water supply exists. As per 30 TAC Chapter 290, the inspection should, at a minimum, ensure that neither cross-connections nor unacceptable plumbing practices are present, and identify and prevent potential contaminant hazards and illegal lead materials. The inspector must use the TCEQ approved CSI form (30 TAC 290.47(d)).

#### **1.5.1.6. FEES**

The fees associated with the required inspections and re-inspections are established in the Town's Consolidated Fee Ordinance.



~~The fee for the combined RO/CSI inspection shall be \$100. The fee for the CSI inspection shall be \$50. The fee must be paid prior to the inspection. Each subsequent reinspection shall require payment of \$100 for RO/CSI or \$50 for CSI only.~~

**End of Exhibit A**

**TOWN OF LAKEWOOD VILLAGE  
ANIMAL CODE 16-xx**

**AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS PROVIDING FOR THE CONTROL OF ANIMALS; PROVIDING FOR DEFINITIONS; PROVIDING FOR ENFORCEMENT; PROVIDING FOR REGISTRATION; FEES AND TAGS; PROVIDING FOR RABIES CONTROL; PROVIDING FOR DUTIES OF OWNERS; PROVIDING FOR LIVESTOCK; PROVIDING AUTHORITY TO ISSUE CITATIONS; PROVIDING FOR A CUMULATIVE REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PEANALTY; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lakewood Village, Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

**WHEREAS**, the Town Council of Lakewood Village, Texas in order to provide for the general health and welfare of the citizens of this Town is permitted to enact certain rules and regulations concerning animal control; and

**WHEREAS**, the Town Council of the Town of Lakewood Village, Texas adopts the Texas Health and Safety Code, Chapter 822, as supplemented and amended by the terms of this

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:**

**Section 1: Findings**

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

**Section 2: Repeal**

Animal Code 13-04 ordinance is hereby repealed in its entirety.

**Section 3: Penalty Clause**

**A. Violation**

A person who knowingly violates any provision of this chapter is guilty of separate offenses for each day during which the violation is continued after notification. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined by this ordinance.

**B. Fine**

Each offense is punishable by a fine of not more than two-thousand (\$2,000) nor less than two-hundred (\$200). The minimum fine established in this paragraph shall be doubled for the second conviction of the same offense within any 24-month period and tripled for the third and subsequent convictions of the same offense within any 24-month period. At no time shall the minimum fine exceed the maximum fine established in this paragraph.

#### **Section 4: Legal Rights**

The penal provision imposed under this Ordinance shall not preclude the Town of Lakewood Village from filing suit to enjoin the violation. The Town of Lakewood Village retains all legal rights and remedies available to it pursuant to local, state, and federal law.

#### **Section 5: Severability**

##### **A. Unconstitutional or Invalid Section**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

##### **B. Independent Sections**

The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

#### **Section 6: Estoppel / Waiver**

The failure of the Town to enforce any term or condition of this Ordinance shall not constitute a waiver or estoppel or any subsequent violation of this Ordinance.

#### **Section 7: Effective Date**

The amendments to this Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the Town Council of the Town of Lakewood Village, Texas this the xxth day of xxx, 2016.

---

Dr. Mark Vargus  
Mayor

ATTEST:

---

Linda Asbell, TRMC  
Town Secretary

## **Exhibit A**



## ANIMAL CODE

Adopted: xx xx, 2016

## SECTION 1. RESPONSIBILITY FOR ENFORCEMENT

Enforcement of this Ordinance shall be the responsibility of the proper State and Denton County authorities, the Mayor or his/her designee, or any persons duly appointed by the Town Council.

## SECTION 2. DEFINITIONS

Animal: any living creature, including but not limited to, dogs, cats, horses, birds, fish, mammals, reptiles, insects, fowl and livestock, but specifically excluding human beings.

At Large: any animal that is not completely confined by a building wall, or fence of sufficient strength or construction to restrain the animal and prevent the animal from leaving therefrom at any time, or except when such animal is either on a leash or held in the hands of the owner or keeper, or under direct supervision of the owner within the limits of the owner's private property. An animal within an automobile or other vehicle of its owner, shall not be deemed as "running at large."

Cat: a domesticated animal that is a member of the feline family.

Dangerous Animal: as defined by Chapter 822 of the Texas Health and Safety Code, and more specifically Section 822.041 as it pertains to dogs. The term shall also apply to snakes as defined in this Ordinance.

Dog: a domesticated animal that is a member of the canine family.

Harbor: the act of keeping and caring for animals or of providing a premise to which the animal returns for food, shelter, or care for a period of at least 10 days.

Kennel: any lot, building, structure, enclosure or premises where five (5) or more adult dogs and/or cats, of the age of six (6) months or older, are kept for the purpose of breeding for sale, exchange or giving away.

Livestock: species of animals which are normally suited for, or are kept or used on, a farm, ranch or similar setting for agricultural purposes such as animal husbandry, food or food production, production of fiber or clothing, material, riding, driving, pulling, hauling, commerce, or similar purpose. For purposes of this ordinance the following similar species of animals shall be considered to be livestock, regardless of age, breed, or sex, unless otherwise stated herein by the animal control officer.

- |           |                             |
|-----------|-----------------------------|
| 1. Bovine | 4. Sheep                    |
| 2. Equine | <u>5.</u> Swine             |
| 3. Goats  | <del>5-6.</del> <u>Fowl</u> |

Owner/Ownership: a person who owns or has custody or control of or having title to any animal; or a person who harbors or keeps, or causes or permits to be harbored or kept, any animal in their care, or who permits an animal to remain on or about their premises.

Public Nuisance: any animal which molests passerby or passing vehicles; attacks other animals; roams at large, damages public or private property; barks, whines, meows, howls, squawks or crows in a frequent or continuous manner that disturbs any person of ordinary sensibilities in the vicinity.

**Snakes:** Family Helodermatidea (venomous lizards); Family Viperidae (rattlesnakes, copperheads, cottonmouths, other pit vipers and true vipers); Family Elapidae (coral snakes, cobras, mambas, and other elapids); the following listed species of Family Colubridae-Dispholidus typus (Boomslang), Hydromastes gigas (water cobra), Boiga (mangrove snake) and Thelotornis (African twig snake) only; Order Phidia, and Order Crocodilia (crocodiles, alligators, caimans, and gavals).

### SECTION 3. REGISTRATION; FEES; TAGS

1. **Required Registration.** It shall be unlawful for the owner of any dog or cat over the age of four (4) months to keep or maintain said dog or cat within the Town limits without properly registering said dog or cat with the Town of Lakewood Village, Texas, in accordance with this ordinance. Not dog or cat shall be deemed registered with the Town until and unless it has a current rabies vaccination. Any owner of a dog or cat subject to this Ordinance shall timely provide the Town with the following and be responsible for ensuring that said registration information is current.
  - a. A completed "Animal Registration Form" as provided by the Town, together with a photograph of the dog or cat for attachment to the registration form. ~~(See example registration form as Attachment #1);~~ and
  - b. Proof that the dog or cat has been properly injected with a rabies vaccine licensed for use in that species by the United States Department of Agriculture and administrated by a veterinarian licensed to practice in the State. Not more than 24 months shall have elapsed since the most recent vaccination; and
  - c. The Owner shall be responsible for providing the Town with future updated vaccination documents, which reflect compliance with this section so long as the dog or cat is kept or maintained within the corporate limits of the Town of Lakewood Village, Texas. If there is a change in ownership of a registered dog or cate, the new owner shall have the registration transferred to their name. There shall be no charge for said transfer.
2. **Fees.** To properly register a dog or cat under this Ordinance, an Owner shall pay a onetime registration fee in the amount established in the Consolidated Fee Ordinance ~~of \$5.00~~ per dog or cat.
3. **Tags.** A metal tag issued by a licensed veterinarian depicting the current vaccination must be affixed to a collar or harness that must be worn by a dog at all times.

### SECTION 4. RABIES CONTROL

1. **Vaccination.** Every owner of a dog or cat four (4) months of age or older shall have such animal vaccinated against rabies. All dogs and cats shall be vaccinated every two (2) years in accordance with Section 3 above.
2. **Certificate of Vaccination.** Upon vaccination, the veterinarian shall execute and furnish to the owner of the dog or cat as evidence thereof, a certificate upon a form furnished by the veterinarian. The veterinarian shall retain a duplicate copy, and the Owner shall provide a copy to the Town. Such certificate shall contain the following information:



- a. The name, address and telephone number of the owner of the vaccinated dog or cat;
  - b. The date of vaccination;
  - c. The type of rabies vaccine used;
  - d. The year and number of the rabies tag; and
  - e. The breed, age, color and sex of the vaccinated dog or cat.
3. Proof. It shall be unlawful for any person who owns or harbors a dog or cat to fail or refuse to exhibit their copy of the certificate of vaccination upon demand by any person charged with the enforcement of this Ordinance.
4. Harboring Unvaccinated Animals. It shall be unlawful for any person to harbor any animal that has not been vaccinated against rabies, as provided herein, or that cannot be identified as having a current vaccination certificate.

#### **SECTION 5. DUTIES OF OWNERS**

1. It shall be unlawful for any person who owns or harbors animals to:
  - a. Fail to prevent a dog from running at large within the corporate limits of the Town of Lakewood Village. All dogs must be on a leash or contained on the owner's property. Each time a dog runs at large in violation of this ordinance constitutes a separate offense.
  - b. Allow their dog or cat to be a public nuisance.
  - c. Keep, possess, own, control, maintain, use or otherwise exercise dominion over any animal or animals which by reason of noise, odor or sanitary conditions, become offensive to a reasonable and prudent person of ordinary tastes and sensibilities, or which constitutes or becomes a health hazard as determined by the Town Council.
  - d. Keep or harbor any livestock, dangerous animals or snakes as defined by this Ordinance or any platted lot within the corporate limits of the Town of Lakewood Village, Texas.
  - e. Keep, maintain, own or operate a dog kennel or cat kennel within the corporate limits of the Town of Lakewood Village, Texas.
  - f. Fail or refuse to exhibit a copy of the certificate of vaccination upon demand to any person charged with the enforcement of this Ordinance.

#### **SECTION 6. AUTHORITY TO ISSUE CITATION**

1. Any authority as described in Section 1 of this Ordinance shall have the authority to issue citations for any violation of this Ordinance.
2. If the person being cited is not present, the authority may send the citation to the alleged offender by registered or certified mail.

**End of Exhibit A**



## MEMORANDUM

TO: Town Council  
FROM: Clint Bushong  
RE: Agenda E.5: Water Heater Permit Fee

A water heater is often forgotten about as it is hidden in a utility closet or sitting alone in the attic providing years of trouble free maintenance.....that is until

- the temperature becomes inconsistent;
- banging or clanging noises are heard;
- a leaking tank is discovered.

Assuming the water heater was correctly installed with all safety measures in place, the above symptoms result in little risk to a homeowner if discovered early, but if left unchecked, the symptoms can lead to a catastrophic failure of a ruptured tank resulting in potential harm to residents and costly damage to the home.

The Town has been proactive about adopting codes that require the latest safety precautions. Additionally, the Town performs an inspection when a Certificate of Occupancy is triggered. However, the Town is dependent on DIY homeowners to “do the right thing” and request a permit which will provide the Building Inspector the opportunity to double check the installation.

Historically, the Town issues very few permits for water heater replacements. This is odd since water heaters have a finite life and the age of homes in Lakewood Village span from the 70’s to present day. The objective is to increase compliance through awareness complemented with a reduced fee for water heater replacements. A friendly reminder reinforcing the importance of a correctly installed water heater can be featured on the Town’s website. The table below illustrates the incentive for DIY homeowners that may be reluctant to pay the permit fee do to the cost with respect to the purchase price of the water heater.

	Retail Cost of Water Heater	Current Permit Fee	Proposed Permit Fee
50 Gallon Electric	\$325	\$75 / \$325 = 23%	\$25 / \$325 = 8%
50 Gallon Propane	\$700	\$75 / \$700 = 11%	\$25 / \$325 = 4%

I’m looking forward to the discussion.

*Clint Bushong*

**TOWN OF LAKEWOOD VILLAGE, TEXAS**

**ORDINANCE NO. 16-XX**

**AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ADOPTING REGULATIONS GOVERNING ELECTIONEERING ON PUBLIC PROPERTY; ESTABLISHING RULES FOR CANDIDATE FORUMS; PROVIDING FOR A PENALTY FINE NOT TO EXCEED ONE-HUNDRED DOLLARS; PROVIDING A SAVINGS CLAUSE AND AN EFFECTIVE DATE.**

**WHEREAS**, The 83rd Texas Legislature passed House Bill 259 which modified Texas Elections Code Section 61.003 and Section 85.036 which requires that the Town of Lakewood Village allow electioneering on Town Hall property when polling is underway; and

**WHEREAS**, Texas Elections Code §61.003(a-1) and §85.036(b) authorizes a municipality to enact reasonable regulations concerning the time, place, and manner of electioneering on property used as a polling place; and

**WHEREAS**, the Town Council of Lakewood Village has determined that electioneering as public speech is beneficial to the free-flowing exchange of ideas, and provides opportunities for candidates and citizens to become better informed; and

**WHEREAS**, in order to facilitate and encourage candidate / voter forums the Town Council of Lakewood Village finds that the adoption of rules are necessary to insure fair and equal access and meet the conditions expressed by the Texas Ethics Advisory Board;

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:**

**Section 1: Findings**

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

**Section 2. Purpose and Intent**

This ordinance is adopted to provide regulations governing electioneering on public property outside the one-hundred foot exclusion zone during the voting period. Regulations herein are adopted governing electioneering on public property outside of the voting period and outside of the exclusion zone. Regulations herein are adopted to ensure fair and equal candidate access to candidate forums meet Texas Ethics Board standards.

### **Section 3. Definitions**

The following definitions shall apply unless the context clearly indicates or requires a different meaning. Unless defined otherwise, all terms shall be defined as in the Texas Elections Code.

*Voting Period:* Unless the election has been cancelled, the voting period shall commence on the poll opening on the first day of early voting and end when polls close on election day.

*Campaign Period:* The campaign period shall commence on the first day when candidates may file to run for office in Lakewood Village and ends when polls open on the first day of early voting or upon cancellation of the election.

### **Section 4. Restrictions on Electioneering**

#### **(a) At All Times**

The following prohibitions are in addition to those contained in the Texas Elections Code:

- (1) the placement or distribution of campaign literature inside Town Hall or placement in or attached to any of the Town's bulletin boards or the marquee;
- (2) the placement or attaching of any political sign to any publically owned buildings (Town Hall, etc.), town equipment, town fences, street signs, utility poles, benches, fire hydrants, or other public improvements.

#### **(b) During the Campaign Period**

The purpose of this ordinance is not to curtail political speech or discourage candidates seeking to interact with citizens. Due to the lack of public meeting places and location of likely meeting places (park, mailbox locations) on public property within the 100 foot exclusion zone, as a practical matter it is desirable to allow some electioneering therein, therefore the following regulations apply during campaign periods:

- (1) handouts, distribution of political advertising and solicitations to voters is permitted on Town property as long as it is done in a manner which does not harass voters, impede traffic, or cause potential safety hazards (e.g. standing in an intersection handing out flyers, blocking the sidewalk).
- (2) with the exception of a town authorized candidate/voter forum, Town Hall cannot be rented and can only be used for official town business during the Campaign and Election periods.
- (3) the placement of signs on town property within 100 feet of the polling place is prohibited.

## **Section 5. Candidate / Voter Forums**

Facilitating and encouraging candidates and voter interaction is beneficial to all parties and allows citizens to make informed governance choices. Under Texas Elections Code § 255 the expenditure of government resources in advocacy of an issue or candidate. However, in various opinions the Texas Ethics Advisory Board has found that at times when as all candidates have equal notice and equal access to an event, then the event will not be considered advocacy for or against any candidate regardless of whether or not all candidates choose to attend.

In determining the rules and procedures of the forum, deference to mutual agreements between the candidates shall govern, so long as they are not contrary to Code or Ethics Advisory Opinions. In lieu of any agreements, the following rules shall govern the Forum/s:

### **(a) Requestor**

1. A voter citizen forum shall be held at the request of any candidate who has filed to run for office in a contested election. All candidates must be invited. All candidates must be treated with equal dignity and must have equal opportunity to participate in the process.
2. The forum can only be cancelled by the requestor. Non-participation by a candidate will not subject the forum to cancellation.

### **(b) Schedule**

Candidates will be given an opportunity to mutually agree on forum dates. If agreement cannot be met, then each candidate shall select one date and time during the campaign period, subject to:

1. A forum may not be held on the day of a meeting of the Town Council;
2. The starting time of the forum may not be earlier than 6pm on a weekday.

### **(c) Format**

In the absence of a mutual agreement, the following format shall apply:

1. To insure confidentiality, citizens will be allowed to submit written questions and each candidate will have equal time to respond. Under the direction of the moderator, citizens may also publically ask questions.
2. The moderator will be a council member who is a candidate in the current election.
3. The opportunity for opening and/or closing statements not to exceed 5 minutes will be made to all candidates. The speaking order of the closing statements shall be the reverse of the opening statements.

**Section 6. Severability**

(a) *Unconstitutional or Invalid Section.* Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

(b) *Independent Sections.* The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

**Section 7. Estoppel / Waiver**

The failure of the Town to enforce any term or condition of this Ordinance shall not constitute a waiver or estoppel or any subsequent violation of this Ordinance.

**Section 8. Penalties**

Any person violating any provisions or terms of this ordinance shall be subject to a penalty of up to one-hundred dollars upon conviction. Each day the violation continues shall be considered a separate offence. **First-time violators shall be given notice and 48 hours to cure the violation without penalty.**

**Section 9. Effective Date**

This Ordinance shall become effective from and after its date of passage and publication as provided by law.

**PASSED AND APPROVED** by the Town Council of the Town of Lakewood Village, Texas, this the 14th day of January, 2016

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Dr. Mark E Vargus  
Mayor

**ATTEST:**

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Linda Asbell, TRMC  
Town Secretary



# MEMORANDUM

TO: Town Council  
CC: Linda Asbell  
FROM: Dr. Mark E. Vargus, Mayor  
DATE: January 8, 2016  
RE: Proposed 2016 Utility CAPX Projects

In 2014 we expended a record amount of town funds on infrastructure including the refurbishment of the sewer plant, new pumps and motors for the water system, the new 6" water main on Lakecrest, and the addition of new fire hydrants. Overall we spent over \$250,000 on town improvements, which resulted in a **planned** drawdown of our utility fund capital reserves.

In fiscal year 2015 our utility capital expenditures were just under \$44,000. The spending primarily consisted of the installation of new fire hydrant (Hillside) and the purchase of backup pumps for our lift-stations. Through increased efficiency, better preventative maintenance, and reduced spending, we were able to add \$91,151 to our utility fund capital reserves.

For the current year, I am proposing the following capital projects:

**1. An emergency interconnect** between the LWV water system and the Little Elm water system on Eldorado. We are working on final language on an interlocal agreement (ILA) with Little Elm. Issues that myself and staff are currently working on include the engineering, permitting, and inspection process of the pipeline, as well as obtaining an easement from CoServ to place the water line. With council approval the goal is to have the project complete by June. Once the technical details have been finalized, I will bring to council the ILA and the actual project costs.

**The estimated cost is approximately \$70,000.** We currently have 230 connections, importantly, when we reach 250 houses, TCEQ rules require us to have backup power generators - *unless you have an emergency interconnect*. So without the pipeline we will have to buy large generators to power the wells and pumps.

## **Texas Administrative Code 290.45(b)(1)(D)**

For more than 250 connections, the system must meet the following requirements:

(v) emergency power for systems which serve more than 250 connections and do not meet the elevated storage requirement. **Alternately, an emergency interconnection can be provided with another public water system that has emergency power and is able to supply at least 0.35 gpm for each connection in the combined system.**

**2. Additional fire hydrants for Hillside Drive** - See attached map for current and proposed locations. The three proposed hydrants will complete the Phase 2 installation (Hillside phase) and we will meet the current subdivision best-practices fire flow designs which requires all houses be within 250 feet of a hydrant.

**Estimated cost \$24,000 (\$8,000 per installation).**

The final Phase 3 - which will include Peninsula and Parkwood Drive require more engineering as the roads are serviced by a three-inch main, unlike Hillside and Lakecrest which have the required six inch main. Therefore to install hydrants, **some** (NOT ALL) of the main service line for Parkwood and Peninsula will have to be upsized to 6" lines. This will likely entail having to bore under existing driveways to lay the main-line extensions. We are continuing to analyze various alternatives. **None of the alternatives will have any effect on the concrete roads.**

### **3. Site upgrades for the sewer plant.**

a. The new storage facility is in place, all of the water and sewer equipment has been inventoried and relocated to the new building. All storage racks are in place. The towns landscaping equipment has been relocated to the building. The ice and snow removal chemicals have been placed inside the building. We are currently adding electrical power and lighting. Final cost is expected to be approximately \$7,000 to \$8,000.

b. widening and rebuilding of the all-weather access road to plant and relocating the main gate. We are extending the south road to full width (20' from 10') to allow for greater access. Recently CoServ relocated power poles such that one is now in the road right-of-way which is causing us a problem. We are also moving the gate and nearby fencing to better accommodate vehicular traffic and to provide room for the recycled water facilities. The road will be chip and sealed when the Melody-Carrie road rehab project is undertaken. We have already begun prep-work on the existing road by adding road base, and re-grading to fix erosion and drainage issues. Total cost should be less than \$5,000.

c. Noise suppression at sewer plant. We have already made some changes to the blower motor configuration to reduce noise. We will be adding 8' tall fencing to the east and northeast corners of the plant where we could not extend the berm. This will completely hide the plant from view from Peninsula Drive and should significantly reduce noise pollution. The cost will be less than \$3,000.

**In closing, for reference, as of today, January 8th, we have:**

**\$ 33,690** in our Utility Fund operating bank account, and  
**\$ 186,448** in our Utility Fund CAPX account

I look forward to your comments;

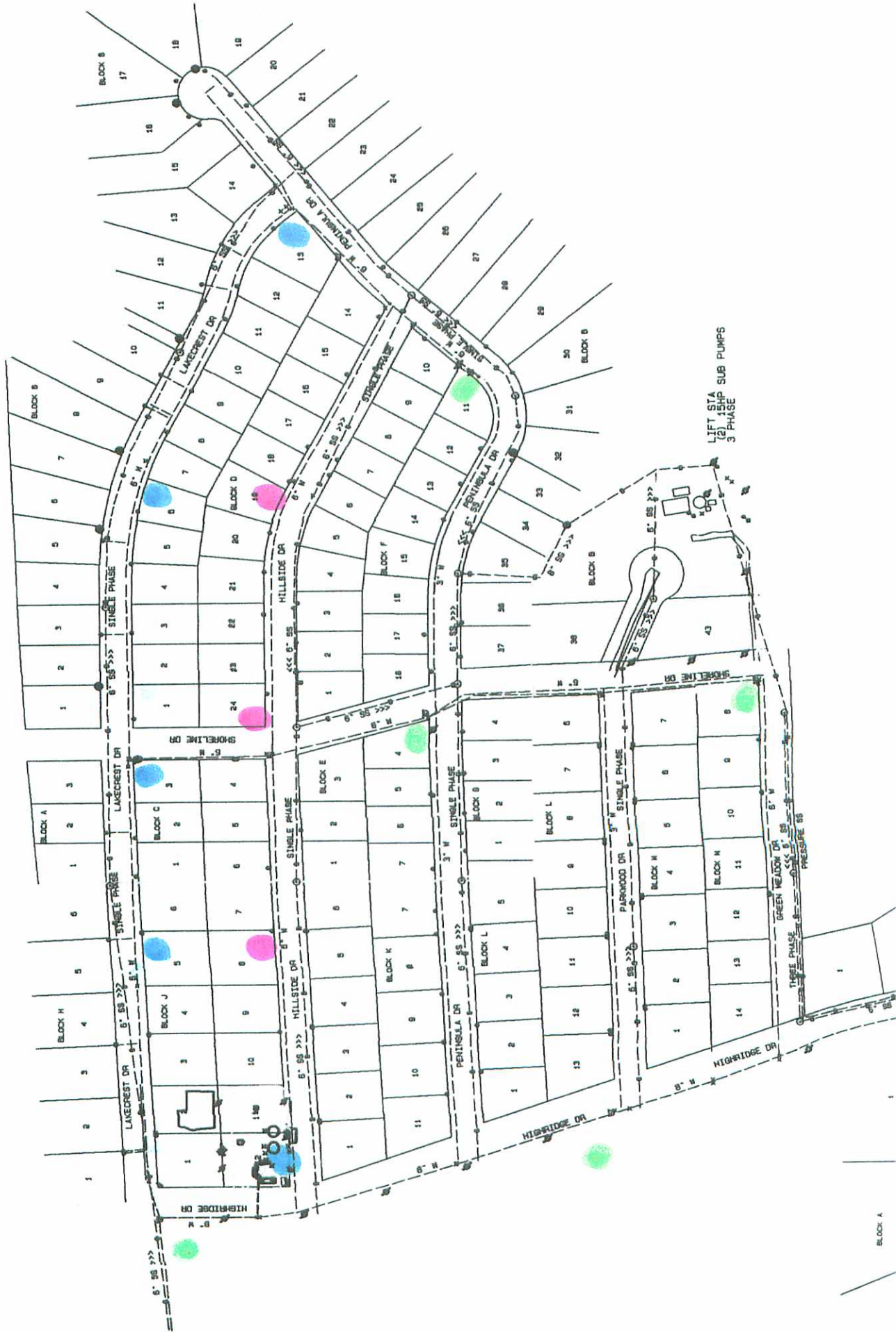




Pre-existing Hydrants

Phase 1  
New hydrants  
(Complete)

Proposed Phase 2  
New hydrants.





# MEMORANDUM

TO: Town Council  
CC: Linda Asbell  
FROM: Dr. Mark E. Vargus, Mayor  
DATE: January 8, 2016  
RE: Safety and Highridge Mailbox Reconstruction

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Given the increased parking in the Melody-Highridge intersection, I believe the time has come for us to fix the safety issue before we have an incident. I am proposing that we relocate and rebuild the Highridge mailbox facility.

The current mailbox location and facility are now 20 years old and are in poor shape, as well as being situated in a location with poor sight lines and no ability to pull off the road. It is time that we fix this eyesore and improve safety.

I am proposing the following:

- The size of the facility will be unchanged, it is 40 feet long by 8 feet wide. There will be no change to the layout of the individual mailbox units. A new platform will be built approximately 20 feet to the north on Highridge. Thus, there will be no interruption in service. The old facility will be demolished and the area returned to green space.
- The platform will be 11 feet off of the street, to allow for a **full-width access lane** that will take you completely off of the road. The access lane will be approximately 60 feet long to allow for transition onto and off of Highridge. **The entire facility including the access lane will be located in the Town's right-of-way.** There will be no encroachment on private property.
- The building will be covered, with a composite **shingle roof**. The building will have energy efficient lighting operating on low-light sensors. The facility will be encircled by a metal railing (sorry but the last remaining green pipe is going away).
- The bulletin board will be replaced, and the mailboxes will be painted.

Importantly, the facility will be located at the entry point to the trail system which will allow for us to re-purpose the facility later. When the mailboxes are ultimately relocated, the facility can be used to support the trail system.

The total costs are estimated to be approximately \$10,000 to \$12,000. The majority of the funds will come from the EDC (as we did with the Hillside mailbox relocation)

I look forward to your comments;



# MEMORANDUM

TO: Town Council  
CC: Linda Asbell  
FROM: Dr. Mark E. Vargus, Mayor  
DATE: January 8, 2016  
RE: Snow and Ice removal plan

The town now owns commercial de-icing equipment and we now have specialized chemicals for snow and ice removal. Accordingly, it would be advantageous to have a coordinated action plan in the case of a weather emergency.

## Weather Emergency Plan

**A. Activation.** The Mayor, Mayor Pro-tem, or their designee may declare a weather emergency and activate the plan. Little Elm Services is the town's approved contractor to provide emergency services, operate our equipment, and use our supplies.

**B. Primary Treatment Areas.** The following area's will have the highest priority

- Highridge & Melody area
- Highridge & Woodcrest area
- Highridge & Lakecrest intersection
- Lakecrest curve
- Town entrance & Eldorado intersection

**C. Secondary Treatment Areas.** All intersections (i.e. change of direction areas)

- Highridge & Meadowlake
- Stowe & Melody, Stowe & Carrie
- Shoreline intersections

At this time, we are attempting to coordinate our efforts with those of Little Elm and Denton County. In cooperation with them, we may undertake additional responsibilities.

I look forward to your comments;



## MEMORANDUM

TO: Town Council  
FROM: Linda Asbell, TRMC, Town Secretary  
DATE: January 8, 2016  
RE: Agenda Item E.11. – Resolution Prohibiting Firearms During Open Meetings

The 2015 Texas legislature approved a number of provisions related to both concealed and open carrying of firearms. As of January 1, 2016 anyone holding a current Concealed Handgun License and anyone issued a License To Carry after January 1, 2016 will be allowed to carry a handgun either openly or concealed.

The legislature specifically stated that local governments may not prohibit the licensed carrying of a handgun at city hall and city parks. There are a few very limited exceptions. One exception allows the Town Council to prohibit the carrying of a handgun (either carried openly, or concealed) into any meeting that fall under the open meetings act. This prohibition would restrict handguns from any regular or special town council meeting, and any meetings of committees or boards/commissions. Notice of the prohibition must be given to license holders through written or oral notification and/or the posting of signs that comply with requirements of Texas Penal Code §30.06 and §30.07. Other areas are secure sections of police stations and municipal courtrooms and court offices. The proposed resolution prohibits handguns from any Lakewood Village open meetings. Council members and other Town Officials who hold a handgun license have no special right to carry a handgun into a posted open meeting.

Texas Penal Code § 46.03 addresses locations where a person carrying firearms, illegal knives, clubs, and other weapons defined in 46.05(a) may not enter. Specifically § 46.03(a)(3) states: “on the premises of any government court or offices utilized by the court, unless pursuant to written regulations or written authorization of the court.” Lakewood Village’s Town Hall is a multi-use facility. The council chambers also function as our municipal court and both offices in town hall are offices in which court functions take place, i.e. pleas entered, fines paid, etc. The Penal Code does not require that any signage posted to enact the prohibition. Attorney General Ken Paxton issued an opinion (KP-00047) on multi-use government buildings used by a court stating that “the legislature has not clearly demarcated, or established, a precise boundary in a building or portion of a building at which handguns are prohibited or permitted”. Essentially, although the Penal Code clearly prohibits carrying in a court or court offices, the legislature did not clearly address the issue of multi-use town halls. The attorney general opinion simply acknowledged it was not clarified by the legislature and recommended that “the responsible authority that would notify license holders of their inability to carry on the respective premises must make the determination of which government courtrooms and offices are essential to the operation of the government court.” I have contacted our presiding judge to request a determination but, as of the writing of this memo, the determination has not yet been received.

**RESOLUTION NO. 16-**

**A RESOLUTION OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, AUTHORIZING THE TOWN SECRETARY TO POST THE REQUIRED SIGNAGE AND/OR TO PROVIDE ORAL OR WRITTEN NOTICE AS REQUIRED BY STATE LAW TO PROHIBIT THE CARRYING OF HANDGUNS, BOTH CONCEALED AND/OR OPEN CARRY, BY HANDGUN LICENSE HOLDERS IN THE ROOM OR ROOMS WHERE MEETINGS OF THE TOWN COUNCIL AND/OR ITS BOARDS, COMMISSIONS, OR COMMITTEES ARE BEING CONDUCTED PURSUANT TO THE TEXAS OPEN MEETINGS ACT.**

**WHEREAS**, Texas Penal Code Section 46.035(c) provides that a handgun license holder commits an offense if the license holder intentionally, knowingly, or recklessly carries a handgun under the authority of Subchapter H, Chapter 411, Government Code, regardless of whether the handgun is concealed or carried in a shoulder or belt holster, in the room or rooms where a meeting of a governmental entity is held and if the meeting is an open meeting subject to Chapter 551, Government Code, and the entity provided notice as required by that chapter; and

**WHEREAS**, State law provides that notice of the prohibition of carrying concealed or open carry handguns during the meetings of the governmental entity that are being held pursuant to the Texas Open Meetings Act be provided by a sign containing certain language that is printed in a certain size or from the owner of the property or someone with apparent authority to act for the owner by oral or written communication; and

**WHEREAS**, the Town Council desires to prohibit the carrying of handguns by license holders, regardless of whether it is a concealed handgun or carried openly in a shoulder or belt holster, in the meeting room or rooms of all meetings of the Town Council and/or its boards, commissions, or committees that are being conducted pursuant to the Texas Open Meetings Act; and

**WHEREAS**, to effectuate that prohibition, the Town Council authorizes and directs the Town Secretary, or her designee, to post the required signage and/or to provide oral or written communications in accordance with State law to provide license holders with notice that the carrying of handguns, both concealed and/or open carry, are prohibited in the room or rooms where meetings of the Town Council and/or its boards, commissions and committees are being conducted pursuant to the Texas Open Meetings Act.

**NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:**

1. That all matters stated above are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

2. That the Town Council authorizes and directs the Town Secretary, or her designee, to post the required signage and/or to provide oral or written communications in accordance with State law to provide license holders with notice that the carrying of handguns, both concealed and/or open carry, are prohibited in the room or rooms where meetings of the Town Council and/or its boards, commissions and committees are being conducted pursuant to the Texas Open Meetings Act.

**PASSED AND APPROVED** on this 14th day of January, 2016.

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Dr. Mark E. Vargus,  
Mayor

ATTEST:

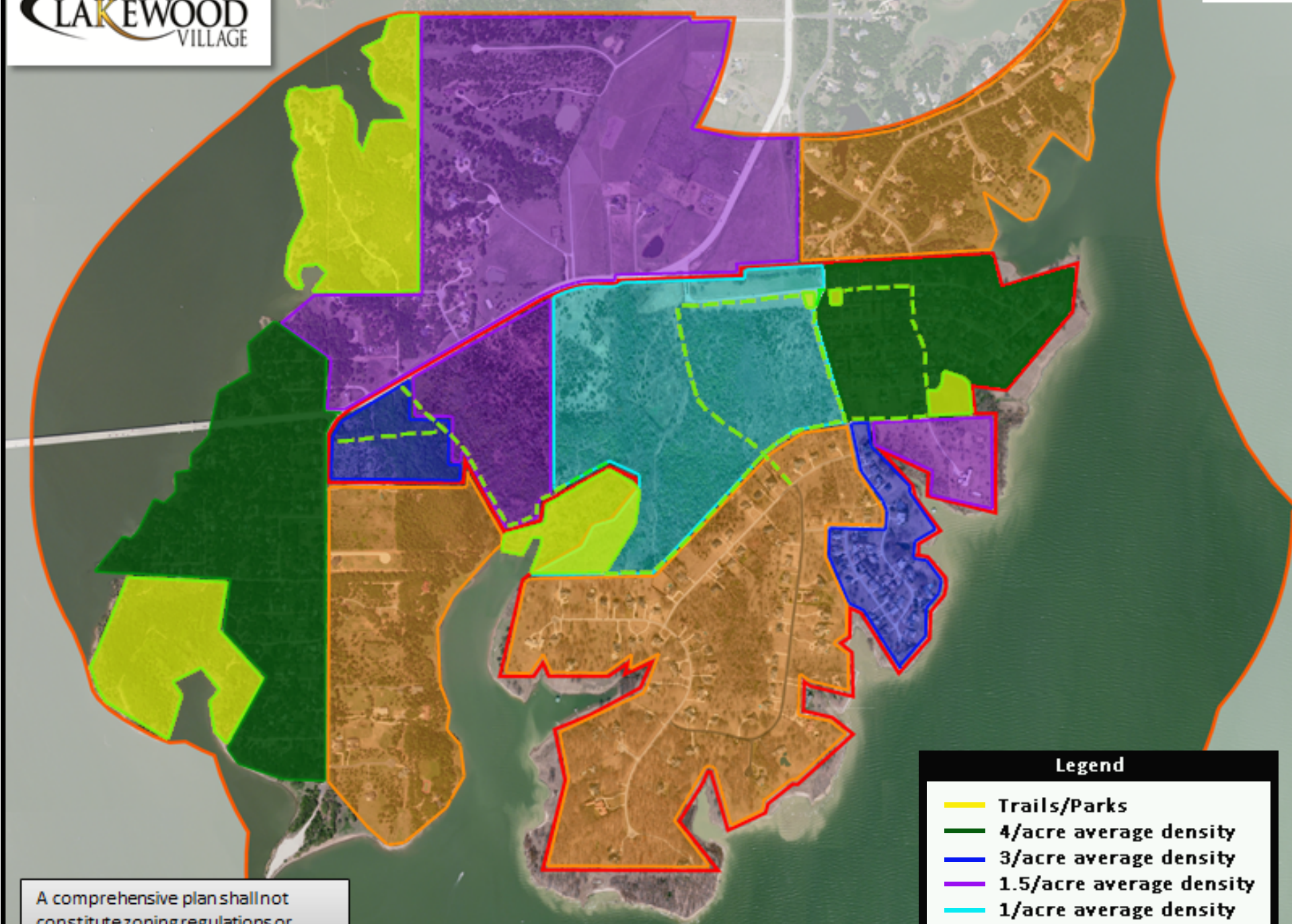
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Linda Asbell, TRMC  
Town Secretary





# FUTURE LAND USE MAP



A comprehensive plan shall not constitute zoning regulations or establish zoning district boundaries.

## Legend

- Trails/Parks
- 4/acre average density
- 3/acre average density
- 1.5/acre average density
- 1/acre average density
- .8/acre average density



