

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

DECEMBER 14, 2017

Council Members:

Dr. Mark Vargus, Mayor
Ed Reed – Mayor Pro-Tem
Clint Bushong
Gary Newsome
Dan Tantalo
Elizabeth Shields

Town Staff:

Linda Asbell, TRMC, CMC, Town Secretary

REGULAR SESSION - 7:00 P.M.

With a quorum of the Council Members present, Mayor Vargus called the Regular Meeting of the Town Council to order at 7:00 p.m. on Thursday, December 14, 2017, 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)

Jared Patterson, 4412 Sapphire Drive, Frisco, Texas introduced himself to council and stated he is running for State Representative for House District 106. Mr. Patterson reviewed his extensive public service history and thanked council for the opportunity to introduce himself. Mr. Patterson invited people to contact him with any questions or concerns.

PUBLIC HEARING:

(Agenda Item C)

A public hearing was held to provide an opportunity for citizens to comment on the proposed amendment of land use assumptions, capital improvements plan, and imposition of water and wastewater impact fees and adoption of associated ordinance.

Mayor Vargus reviewed the procedures for adopting new impact fees.

No one requested to speak.

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
DECEMBER 14, 2017**

Page 2

MOTION: Upon a motion made by Councilman Bushong and seconded by Councilman Newsome, council voted five (5) “ayes”, no (0) “nays” to close the public hearing at 7:04 pm. The motion carried.

CONSENT AGENDA:

(Agenda Item D)

1. Ordinance Calling General Election for May 5, 2018 (Asbell)
2. Minutes of November 9, 2017 Council Meeting (Asbell)
3. Depository Services Agreement (Asbell)

MOTION: Upon a motion made by Councilman Bushong and seconded by Mayor Pro-Tem Reed, council voted five (5) “ayes”, no (0) “nays” to approve the consent agenda items as presented. The motion carried.

REGULAR AGENDA:

(Agenda Item E)

**Consideration of Audit of 2016-2017 Fiscal
Year, Mr. Wayne Nabors, Nabors CPA
Services (Vargus)**

(Agenda Item E.1)

Mayor Vargus introduced Mr. Nabors of Nabors CPA Services. Mr. Nabors reviewed the scope of his audit and the management responsibility for the financial statements. Mr. Nabors reported that the financial statements are presented fairly and Lakewood Village has received a clean audit. There was some discussion about the management’s discussion and analysis. Mr. Nabors reviewed the standards and procedures used for Lakewood Village’s audit and reported that these are the same standards and procedures followed by all municipalities being audited. He also reported that he undergoes a peer review on his audits every three years. Mr. Nabors reviewed the balance sheet for the governmental funds. Reserve balance is recommended to be 25%, Lakewood Village has 64% in governmental fund. Mr. Nabors stated the governmental fund has a very healthy reserve. A 1:1 debt ratio is recommend, Lakewood Village currently has a 5.5:1 ratio which shows Lakewood Village to be very liquid. Mr. Nabors reported that Lakewood Village has assigned funds for road repairs. Mr. Nabors reviewed the difference between “restricted” funds and “assigned” funds. Mr. Nabors reported that a \$17,135 positive variance on budget revenues and a negative variance of \$6,777 in expenditures. The majority of the positive variance was from sales tax. Mr. Nabors reported the town was approximately 85% effective in budgeting procedures which is very good, especially when the net change in funds is positive. There was some discussion about the sale of the property on Melody lane and how that sale affected the ending fund balance. Mr. Nabors reviewed the statement of revenues for the Utility Fund. Mr. Nabors reported that the Utility Fund has a 20% reserve, the recommendation

is to maintain a 33% reserve balance. There was some discussion about restricted funds for water deposits. The Utility Fund has a ratio of 1.5:1 which is higher than the 1:1 recommended. The town has adequate liquidity to pay bills as they come due in the utility fund. Mr. Nabors reported that every municipality struggles to achieve a 33% reserve and fluctuation in fund balances. Mr. Nabors reported that Lakewood Village has more limited opportunities to grow bottom-line than larger municipalities because larger municipalities have a more broad scale of revenue opportunities. Mr. Nabors reported that he reviewed the accounting practices, segregation of duties, cash handling, internal control on expenditures, as well as other administrative duties and found no exceptions. Mr. Nabors reported that all information requested was provided in a timely manner; and he reviewed each bank statement which were all reconciled to the penny. Mr. Nabors reported that he is feels Lakewood Village is very stable and has good controls to prevent fraudulent activities. There was some discussion about the preparation of the budget and the council's responsibility for both the budget and the financial statements.

Mr. Nabors concluded the audit presentation and then offered to answer any questions based on his experience as a city councilman he will be happy to answer those. No questions were asked.

MOTION: Upon a motion made by Councilman Bushong and seconded by Councilwoman Shields, council voted five (5) "ayes", no (0) "nays" to accept the audit of 2016-2017 fiscal year as presented. *The motion carried.*

**Consideration of Impact Fee Ordinance
(Vargus & Bushong)**

(Agenda Item E.2)

Mayor Vargus stated the CIAC provided the council with their comments on the proposed changes. There was some discussion about the previous impact fee calculations requiring the town to participate in the on-site infrastructure. The proposed version of impact fees does not require the town to participate in the on-site infrastructure which saves the current citizens from those costs. There was some discussion about the history of the adoption of impact fees and the reason the amendments to the adopted impact fees were proposed.

Mayor Vargus introduced Town Engineer, Mr. Todd Strouse of Kimley Horn. Mr. Strouse reported that the language in the ordinance is standard language used in impact fee ordinances.

MOTION: Upon a motion made by Mayor Pro-Tem Reed and seconded by Councilman Bushong, council voted four (4) "ayes", one (1) "nays" (Tantalo) to approve the impact fee ordinance as presented. *The motion carried.*

**Discussion of Finance and Audit Committee
Ordinance (Shields)**

(Agenda Item E.3)

Councilwoman Shields reported that she emailed the Texas State Law Library and the Texas Municipal League for assistance to identify the Local Government Code sections that provide authority for the town to create this committee. There was discussion about the typical practice of council being to discuss an ordinance at one council meeting and vote on the ordinance at a future meeting. Councilwoman Shields reviewed the ordinance. Mayor Vargus reported that he reviewed all the municipalities in the metroplex and only found two cities that have a finance/audit committee. Councilwoman Shields stated that she is proposing this committee to help the town in lieu of hiring a finance director. There was some discussion about the proposed responsibilities of the purpose and duties of the committee. There was some discussion about the client confidentiality an auditor is required to keep. There was some discussion about assuring document integrity and maintaining security of town records. Council discussed the number of members in the proposed committee. Councilman Tantalo recommended removing councilmembers from membership on the committee. Councilwoman Shields stated she recommended including five members of the public because she has received five applications and would like to give all applicants an opportunity to serve. There was some discussion about the proposed term limit. There was some discussion about standardization of any reports the committee would deliver to the town council and defining responsibilities of officers as well as which members of the committee are able to vote. Mayor Vargus stated Councilwoman Shields has put a lot of work into this ordinance and he appreciates her efforts.

**Consideration of Request from
Neighborhood Watch Committee for Signs
(Newsome)**

(Agenda Item E.4)

Councilman Newsome distributed information about Neighborhood Watch signs and the cost of purchase and installation. Councilman Newsome reported that cost of two signs and an extra pole would be approximately \$100. There was some discussion about potential locations of neighborhood watch signs. Officer Olivarez recommended reflective signs.

MOTION: Upon a motion made by Councilman Bushong and seconded by Mayor Pro-Tem Reed, council voted five (5) “ayes”, no (0) “nays” to approve not more than \$250 to purchase and install one pole and two signs. *The motion carried.*

Councilman Newsome read a statement from Janie Newsome, president of the Neighborhood Watch thanking each volunteer for assisting the Neighborhood Watch.

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
DECEMBER 14, 2017**

Page 5

EXECUTIVE SESSION:

(Agenda Item F)

At 9:06 p.m. Mayor Vargus recessed into executive session in accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss the following: (1) §551.071(2): Consultation with 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; (2) §551.087: To discuss or deliberate regarding commercial or financial information that the Town of Lakewood Village has received from a business prospect that the Town seeks to have locate, stay, or expand in or near the territory of the Town of Lakewood Village and with which the Town is conducting economic development negotiations; and/or to deliberate the offer of a financial or other incentive to the business prospect.; (3) § 551.072 Texas Government Code to wit: deliberations about real property; and (4) § 551.076 Texas Government Code to wit: deliberations regarding security devices.

RECONVENE:

(Agenda Item G)

Mayor Vargus reconvened the regular session of the Lakewood Village Town Council at 9:18 p.m.

REPORTS

(Agenda Item H)

No reports

ADJOURNMENT

(Agenda Item I)

MOTION: Upon a motion made by Mayor Pro-Tem Reed and seconded by Councilman Newsome council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Meeting of the Lakewood Village Town Council at 9:19 p.m. on Thursday, December 14, 2017. The motion carried.

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
DECEMBER 14, 2017**

Page 6

These minutes approved by the Lakewood Village Town Council on the 8th day of February 2018.

APPROVED

Ed Reed
MAYOR PRO-TEM

ATTEST:

Linda Asbell, TRMC, CMC
TOWN SECRETARY