

**LAKEWOOD VILLAGE TOWN COUNCIL**

**COUNCIL MEETING**

**SEPTEMBER 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, 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 7:05 p.m. on Thursday, September 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

**PRESENTATIONS:**

**(Agenda Item B)**

Mayor Vargus presented a proclamation designating September 17 – 23, 2017 as Constitution week. The presentation was received by a representative of the Prestonwood Chapter of the Daughters of the American Revolution.

Mayor Vargus presented a proclamation designating October 2017 as Domestic Violence Awareness Month. The proclamation was received by a representative of Denton County Friends of the Family.

**VISITOR/CITIZENS FORUM:**

**(Agenda Item C)**

Dave Getka, 620 Melody Lane, stated he previously served for seven years as on the Lakewood Village Town Council. Mr. Getka stated that he finds it unacceptable that Councilman Tantalo distributed a flyer to other municipalities that airs his grievances. Mr. Getka stated that he spoke to Councilman Tantalo when he was a citizen and believed that Councilman Tantalo would be a

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good replacement for him when he left office. Mr. Getka stated that he was very disappointed that Councilman Tantalo alienated the entire council at his first meeting. Mr. Getka gave Councilman Tantalo a copy of the book *How to Win Friends and Influence People*. Mr. Getka also distributed a list of the accomplishments of the council prior to Councilman Tantalo and Councilwoman Shields tenure. Mr. Getka stated that he disapproved of Councilman Tantalo's attempts to impugn Councilman Clint Bushong during the election. Mr. Getka reported that he looked at the Projects Board and out of 34 projects Councilman Tantalo's is not participating on any project. Mr. Getka stated that he has reviewed Councilman Tantalo's history since being elected and determined that Councilman Tantalo has not accomplished anything. Councilman Tantalo stated that he disagreed. Mr. Getka invited Councilman Tantalo to come to his house to discuss these issues anytime.

**PUBLIC HEARING:**

**(Agenda Item D)**

A public hearing was held to provide an opportunity for citizens to comment on the proposed combined property tax rate of \$0.30/\$100. Mayor Vargus opened the public hearing at 7:21 p.m. Mayor Vargus reviewed the effective and rollback tax rates. Mayor Vargus invited questions from the audience. No one requested to speak.

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilwoman Shields, council voted five (5) "ayes", no (0) "nays" to close the public hearing at 7:26 pm. *The motion carried.*

**CONSENT AGENDA:**

**(Agenda Item E)**

1. Minutes of August 10, 2017 Council Meeting (Asbell)
2. Resolution setting Public Hearing for Amendments to the Capital Improvements Plan, Land Use Assumptions, and Impact Fees for Water and Wastewater (Asbell)

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

**REGULAR AGENDA:**

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**(Agenda Item F)**

**Consideration of Ordinance Adopting the  
2017 Property Tax Rate of \$0.30/\$100  
(Asbell)**

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**(Agenda Item F.1)**

Mayor Vargus reviewed the tax rate.

**MOTION:** Upon a motion made by Councilman Newsome and seconded by Councilman Bushong, council voted five (5) “ayes”, and no (0) “nays” to approve the 2017 Property Tax Rate of \$0.30/\$100 as presented. *The motion carried.*

**ROLLCALL VOTE**

Mayor Vargus – present and not voting  
Mayor Pro-Tem Reed - aye  
Councilman Bushong - aye  
Councilman Newsome - aye  
Councilman Tantalo - aye  
Councilwoman Shields - aye

**Consideration of Ratification of Ordinance  
17-02 Adopting Fiscal Year 2017-2018  
Budget (Asbell)**

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**(Agenda Item F.2)**

Mayor Vargus reported that the budget was adopted last month and needs to be ratified following the adoption of the tax rate. Councilman Tantalo reported that he voted against this and reported the budget summary shows a comparison with numbers from June instead of a full year.

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Mayor Pro-Tem Reed, council voted three (3) “ayes”, and two (2) “nays” to approve the 2017 Property Tax Rate of \$0.30/\$100 as presented. *The motion carried.*

**ROLLCALL VOTE**

Mayor Vargus – present and not voting  
Mayor Pro-Tem Reed - aye  
Councilman Bushong - aye  
Councilman Newsome - aye  
Councilman Tantalo - nay  
Councilwoman Shields - nay

**Discussion of Municipal Development  
District Sponsored Community Event on  
October 14<sup>th</sup> (Asbell)**

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**(Agenda Item F.3)**

Mayor Vargus reported that the 40<sup>th</sup> anniversary of the incorporation of the town is this year. The Municipal Development District will host a community event. Linda Loudon, Municipal Development District Board Member reported that the event will be held on October 14<sup>th</sup>. The MDD will provide meat, and lemonade, guests are asked to bring a covered dish. A bounce house and a live band will be at the event. The MDD has set a budget and is asking for the town to contribute \$300 toward the event. Linda Loudon invited all citizens to come and meet their neighbors and participate. All citizens of the MDD will be invited. Businesses in the area are invited to set up a booth and provide information. Councilman Tantalo stated that he would donate \$100. The event will be held at the town hall park. Brent Ashton stated that he would donate \$200. Mayor Vargus thanked the Board of the Municipal Development District for coordinating this event. Councilman Tantalo asked for volunteers to clean up Sunday morning.

**Consideration of Investment Policy (Vargus)**

**(Agenda Item F.4)**

Mayor Vargus reported that Town funds have been held at Point Bank because the Town locked in a two-percent interest rate in the depository agreement. The interest rate reset when the agreement renewed and the town is now receiving 0.29% interest. Investing in a pool/money market account will allow the town to take advantage of the increasing interest rates. The State of Texas requires compliance with the Public Funds Investment Act. Each municipality adopts an investment policy stating the strategy and acceptable investment instruments. Municipalities are only permitted to invest in bonds and money markets. The State of Texas requires certification of each investment, provided by the company stating that the investment complies with State Law and the Town of Lakewood Village investment policy. Mayor Vargus stated that investments are not covered by FDIC insurance. Treasury Bonds are considered “risk-free” investments. TexPool investments are short-term investments and the rules are established by the State of Texas in order to eliminate as much possible risk as possible. There was some discussion about the numbers and types of government agencies that participate in TexPool. All applications to participate in TexPool are approved by the State Comptroller. Councilwoman Shields stated that at the last council meeting the council agreed that participation in this pool is a good idea. Her concern is setting a limit on the amount invested, insuring that some funds are maintained in a bank account for security reasons. Mayor Vargus explained the cash flow fluctuations during the year due to ad valorem taxes being collected primarily December through February. There was some discussion about creation of a risk model. Councilman Tantalo stated that he spoke to Point Bank about the town accounts. Mayor Vargus reviewed the edits to the investment policy proposed by Councilman Tantalo. There was some discussion on controls within the investment policy. There was some discussion of annual auditing of the investments. Mayor Vargus reported on the current town controls; two-signatures, review of invoices, moving

of funds between bank accounts, and minimizing the amount of funds held in the checking accounts. Mayor Vargus reported that there are problems when requiring multiple authorizers on investment transfers due to open meetings regulations. Councilman Tantalo reported that he talked to Point Bank and they want to continue to work with the town. Mayor Vargus reported the depository agreement with the bank a five year contract at a fixed interest rate. When the interest rates are trending up and it does not make sense to commit to an interest rate that is lower now and will increase later. Carl Menckhoff, M.D., former Mayor Pro-Tem, stated that there are issues being discussed that are not related to the policy being considered. Dr. Menckhoff stated that he liked the compromise Councilman Bushong and Councilwoman Shields recommended for getting approval when funds are transferred out to investment accounts but no approval being needed when funds are being transferred in to town operating accounts. Mayor Vargus reviewed the proposed strategy in the ordinance. Use of local financial institutions for demand deposits would mean using a local bank like Point Bank for checking accounts and use of regulated investment pools, like TexPool, to invest reserve funds. The strategy prohibits holding of any individual securities except for certificates of deposit. There was some discussion on the limitations of the accounts that town funds can be transferred from and to within TexPool. Mayor Vargus stated that council would establish the policy on investment risk. Council reviewed the investment reporting requirements. There was some discussion about the repeal clause. Mayor Vargus reported that he will incorporate most of Councilman Tantalo's proposed changes and will propose language for council to consider based on their feedback about controls. There was some discussion about inclusion of non-boilerplate language potentially making it more difficult to obtain required certifications. Mayor Vargus reported that he believes a recent law change removes the certification requirement from TexPool because the pool is run by the State. There was some discussion about vetting TexPool. There was some discussion about inviting TexPool to attend a future meeting.

Motion: *no motion made*

**Consideration of Resolution Authorizing  
Participation in TexPool Investment Pools  
(Vargus)**

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**(Agenda Item F.5)**

Councilman Tantalo stated that he is concerned about why the town is leaving Point Bank. Mayor Vargus stated the town is not leaving Point Bank.

Motion: *no motion made*

**Consideration of Authorizing Expenditures  
for Road Repairs (Newsome)**

**(Agenda Item F.6)**

Councilman Newsome reported that a few of the patches made last year have failed and the vendor will warrantee those patches and will make additional repairs. Mayor Vargus reported that Councilman Newsome worked with the vendor and the vendor identified areas that need to be repaired with paint. Council then allocated a specific amount of money and the vendor made the repairs based on council's direction. There was some discussion about repairs to be made on Carrie Lane and Highridge Drive. Mayor Vargus stated that the road fund currently has approximately \$29,000. He would like council to approve spending \$25,000 on repairs and allow for a 10% contingency. Councilman Tantalo asked if the town was going to issue a request for proposals. Mayor Vargus explained the process to be followed for requests for bids or proposals. The engineers are required to give specifications that the vendors will use to bid and it does not make financial sense for such a small job. There was some discussion about the selection process for the contractor. Mayor Pro-Tem Reed recommended that council delay road repairs because small repairs will not satisfy people that want good roads and the money not spent can be saved and earn interest. There was some discussion about the vendor providing warrantee work on the patches that have failed.

**MOTION:** Upon a motion made by Councilman Newsome and seconded by Councilman Bushong, council voted two (2) "ayes", three (3) "nays" (Reed, Tantalo, Shields) to approve \$25,000 with a 10% contingency for the repair of the asphalt roads. *The motion failed.*

**Discussion of Dark Skies Initiative (Reed)**

**(Agenda Item F.7)**

Mayor Pro-Tem Reed stated that information he presents regarding the Dark Skies Initiative may be changed in future meetings as more information becomes available. Mayor Pro-Tem Reed reviewed the history of the International dark Sky Association. Mayor Pro-Tem Reed reported that Dripping Springs and Horseshoe Bay are the only two cities he is aware of in the State of Texas to achieve Dark Skies Certification. The requirements are extensive and would need broad support from local utilities and other organizations. The timeline for implementation and certification is between two and five years. Mayor Pro-Tem Reed reviewed the next steps required for taking on this project. Mayor Vargus reported that two-thirds of the town has not been developed and could be developed to comply with established requirements. There was some discussion about flood or security lights on existing homes. There was some discussion about the possibility of receiving a grant to offset some of the cost of implementation.

**Consideration of Fence Ordinance (Vargus)**

**(Agenda Item F.8)**

Mayor Vargus stated that he reviewed the regulations of a few other municipalities and he proposed a very simple ordinance for Lakewood Village. He reviewed the history of the change to the fence ordinance for waterfront properties. Mayor Vargus reported on the prohibition on solid fences inside the floodplain. There was some discussion about allowing waterfront properties to construct solid fences near the house to allow for privacy. Paul Bowers, owner of waterfront property on Carrie Lane stated that he would like to be able to fence his property. Shay Ruth, Lakecrest, stated that she does not live on the water but she has a view of the lake and would like to protect that view. Jeff Williams, Highridge Drive, stated that it is common for communities to have fencing restrictions and he likes the open feel in town. Mehrdad Farjadian, 704 Stowe Lane, showed an aerial view of his backyard and his neighbor's backyard. Mr. Farjadian showed the area he would like to construct a wood or masonry fence that would provide both privacy and a sound damper between him and his neighbor. There was some discussion about the possibilities of water front properties to have some privacy. There was some discussion about council reviewing the ordinance and considering it at the next council meeting.

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

**Consideration of Simple Recycling Program  
(Asbell)**

**(Agenda Item F.9)**

Town Secretary Asbell reviewed the program. There was some discussion about the contract terms. There was some discussion about donations of items to non-profit charities. Town Secretary Asbell reported that she would present the contract to the council for consideration at a future council meeting.

**MOTION:** *No motion made*

**Consideration of Ordinance Regulating  
Wireless Network Facilities Within the  
Public Right-of-Way (Asbell)**

**(Agenda Item F.10)**

Mayor Vargus reported that the federal government restricted the individual State's ability to regulate wireless node facilities. The State of Texas responded with Senate Bill 1004. Town Secretary Asbell reported that the town passed a resolution in opposition to Senate Bill 1004. A form of the senate bill passed. The ordinance presented is a compilation of ordinances passed by other municipalities and based on Texas Municipal League's recommendations. Town Secretary Asbell reported that she created a design manual and an application form for council to consider.

Chad Maddison, 615 Melody, stated that he that is in the telecommunications industry and offered to review the law and see if there is an option for requiring a design facade. Mr. Maddison could propose any changes to the ordinance, if necessary, at the next council meeting. There was some discussion about passing the ordinance next month after a detail review of the current law and the ability of the town to require a design facade.

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

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

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**(Agenda Item F.11)**

Councilwoman Shields reviewed her proposal for creation of a finance and audit committee. There was some discussion about how many municipalities have a finance and audit committee in place. There was some discussion about attending a local finance audit committee and reviewing the reports and lessons-learned. Councilwoman Shields reported that when she attended a Texas Municipal League training class she learned about the benefits of this type of committee. The committee would provide input and support to the council. There was some discussion about what the goals and objectives would be for creation of this committee. There was some discussion about maintaining document integrity for the records in town hall. There was some discussion about the selection process for the members and leadership of the committee. Councilman Bushong stated that he would attend a finance committee meeting with Councilwoman Shields.

**Discussion of August 2017 Mayor's Letter  
(Vargus)**

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**(Agenda Item F.12)**

Mayor Vargus reviewed the typical process for handling contacts by developers. After an initial meeting with Town Secretary Linda Asbell, occasionally a developer will request a meeting with the Mayor. Mayor Vargus reported that he will meet with the developers and often Mayor Pro-Tem Reed and/or Councilman Newsome will attend the meeting. Mayor Vargus reported on initial meetings with the property owner currently building the wedding venue on Eldorado. Mayor Vargus reported the property owner was initially interested in purchasing a property off of Boy's Camp Road and requested water and sewer service to that property. Mayor Vargus reported on the discussions about development of that property. Mayor Vargus stated he was notified of a zoning change being proposed by the Town of Little Elm and learned that the wedding venue was going to be developed on property north of Cardinal Ridge. Mayor Vargus reported that the property owner contacted the Town of Lakewood Village many times requesting water and sewer service to that property. Mayor Vargus stated that he would not discuss providing utilities with a property owner that is partially in the Town of Little Elm and partially in the Town of Oak Point Extra Territorial Jurisdiction. Mayor Vargus reported the first

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funeral he ever attended as an adult was for a close friend that was killed by a drunk driver. Mayor Vargus stated that he provides his opinion and vision in the Mayor's letter and he is careful not to speak for the entire council. Councilwoman Shields stated that because the Mayor represents the town, he also represents the council. Mayor Vargus stated that many municipalities have mayors that author mayor's letters and those mayors write those letters providing their independent vision and opinions in those letters. Councilwoman Shields reported that she spoke to an officer who provides oversight to wedding type events and that officer stated that there are typically not many issues associated with those events. Councilwoman Shields encouraged citizens to research similar venues and form their own opinions. Mayor Vargus stated that he does not believe that our citizens' safety is improved with this type of venue in place. Mayor Vargus stated that there is a lot of misinformation being circulated about his communication with this developer and he wants to clarify the facts. Councilman Tantalo stated that he is concerned the Mayor's letter has been used to publish his personal opinions and that puts the Town of Lakewood Village in an adversarial position with neighboring cities. Mayor Vargus stated that he believes Councilman Tantalo is attempting to impede his ability to write a Mayor's letter and is spreading misinformation to further that objective. Mayor Vargus reported on his agenda process and the authority to control the agenda items.

**EXECUTIVE SESSION:**

**(Agenda Item G)**

At 11:15 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.; and (3) § 551.072 Texas Government Code to wit: deliberations about real property

**RECONVENE:**

**(Agenda Item H)**

Mayor Vargus reconvened the regular session of the Lakewood Village Town Council at 11:42 p.m.

**COUNCIL AND STAFF COMMENTS**

**(Agenda Item I)**

Town Secretary Linda Asbell thanked Councilman Bushong for all the work he has done making improvements to Town Hall, specifically to the back office.

**ADJOURNMENT**

**(Agenda Item J)**

**MOTION:** Upon a motion made by Councilman Bushong and seconded by Councilwoman Shields council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Meeting of the Lakewood Village Town Council at 11:44 p.m. on Thursday, September 14, 2017. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 12th day of October 2017.

APPROVED

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Ed Reed  
MAYOR PRO-TEM

ATTEST:

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Linda Asbell, TRMC, CMC  
TOWN SECRETARY