

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

DECEMBER 10, 2020

Council Members:

Dr. Mark Vargus, Mayor
Darrell West – Mayor Pro-Tem
Clint Bushong
Serena Lepley
Matt Bissonnette
Eric Farage

Town Staff:

Linda Asbell, TRMC, CMC – Town Secretary
Tad Dunn, Deputy Town Attorney (via teleconference)

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 10, 2020 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 citizens to comment on the requested annexation of A0339A C.C. Dickson, Tr 2A, 14.9108 acres, and A0339A C.C. Dickson, Tr 2A (1), 0.164 acres.

No one requested to speak.

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MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Farage, council voted five (5) “ayes”, no (0) “nays” to close the public hearing at 7:02 pm. *The motion carried.*

CONSENT AGENDA:

(Agenda Item D)

1. Minutes of September 10, 2020 Council Meeting (Asbell)
2. Minutes of November 12, 2020 Council Meeting (Asbell)
3. Reappointment of Presiding Judge Bertrand (Asbell)

MOTION: Upon a motion made by Councilman Bissonnette and seconded by Councilwoman Lepley, 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 Variance for 820 Carrie Lane, Front Facing Garage (Asbell)

(Agenda Item E.1)

Mayor Vargus reported this is a new construction with a side entry three vehicle garage. The owner would like to construct an additional garage with a front facing door.

MOTION: Upon a motion made by Councilwoman Lepley seconded by Councilman Farage, council voted five (5) “ayes”, no (0) “nays” to approve the variance as requested for a front facing garage. *The motion carried.*

Consideration of Variance for 327 Peninsula Drive, Front Facing Garage (Asbell)

(Agenda Item E.2)

Mayor Vargus reported this lot is approximately seventy feet wide, the owner originally submitted a side entry garage but was unable to meet the side yard setbacks. Due to the small size of the lot a variance for front facing garage is required.

MOTION: Upon a motion made by Councilman Bissonnette seconded by Councilman Farage, council voted five (5) “ayes”, no (0) “nays” to approve the variance as requested for a front facing garage. *The motion carried.*

**Presentation of Audit of 2019-2020 Fiscal
Year, Mr. Wayne Nabors, Nabors CPA
Services (Vargus)**

(Agenda Item E.3)

Mayor Vargus reported on the additional work required by Mr. Nabors to track the new concrete road project. Mr. Nabors reported that the leadership in the town has done an excellent job in managing the large project and with the reporting and tracking projects like this require. Mr. Nabors stated the financial statements are the responsibility of the town leadership, his responsibility is to verify the financial statements adhere to governmental accounting standards and to express an opinion as to accuracy based on generally accepted accounting standards. Mr. Nabors reported the financial statements reflect fairly in all material respects the financial position of the town. Mr. Nabors stated the town has received a “clean” audit for the thirteen year in a row.

Mr. Nabors reviewed the balance sheet. The town has a 177% reserve balance which is well above the recommended 25% minimum. Mr. Nabors reported the town is in a very strong cash position. The General Fund has a debt ratio of 95/1, the minimum recommended ratio is 1/1. The town is in a very strong debt position. General Fund revenues were up approximately 20% and expenses were up approximately 10%. Mayor Vargus reported on the cash on hand to cover utility deposits held by the town.

Mr. Nabors reviewed his governance letter to the town. The audit reviews segregation of duties, file retention, policy compliance, cash management, compliance with previous audit recommendations, if the auditor had any disagreements with management during the audit, and compliance with requests made during the audit. Mr. Nabors reported all aspects reviewed were in compliance with requirements and the town management fully participated in the audit. Documents were well organized and readily available.

Mr. Nabors stated the Town of Lakewood Village is a top example when compared to the other municipalities of the same or even larger size. Mr. Nabors reported that the town of Lakewood Village was at one point, prior to 2007, un-auditable due to non-compliance and lack of financial records. In 2007 Mayor Vargus reviewed the financial records and prepared a comprehensive annual financial report which put the town in a position to receive an audit and the town has been receiving clean audits every year since that year. There was some discussion about COVID relief funds and special audits.

MOTION: Upon a motion made by Councilwoman Lepley seconded by Mayor Pro-Tem West, council voted five (5) “ayes”, no (0) “nays” to accept the audit report. *The motion carried.*

Mayor Vargus reviewed the cash flow in the Utility Fund. Mayor Vargus reported on the importance of cash flow because major projects are self-funded and covered by reserve funds.

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Mayor Vargus reviewed the projects and operating cash flow over the previous three years. Most municipalities will sell bonds or take out a loan to cover the cost of project. Utility fund operating cash flow in 2017 was \$60,512, operating cash flow in 2020 is \$220,085.

Discussion of Concrete Roads (Vargus)

(Agenda Item E.4)

Mayor Vargus reported concrete was poured on portions of Highridge and portions of Carrie will be poured tomorrow depending on weather. There was some discussion about the construction schedule and milling on Melody Lane. Road construction is currently approximately one month ahead of schedule. There was some discussion about the electric line being lowered on Carrie Lane tomorrow.

Mayor Vargus reviewed the changed orders on the project. Funds expended to date and costs outstanding were reviewed. The current cash gap is approximately \$400,000, however the town currently has approximately \$900,000 cash in the bank excluding tax money.

**Consideration of COVID Operations Policy
(Vargus)**

(Agenda Item E.5)

Mayor Vargus reported that Denton County notifies the town when an address has a COVID positive test result. Recently the town was notified of a COVID positive address and a few days later an application for a building permit was made by that address. The town cannot send a building inspector into a house with a known positive case. This situation necessitated the adoption of a policy to protect staff. No inspections will be made on a property with a positive case for 21 days from the date of notification. Residents can reduce the 21-day moratorium by providing negative test results for every member in the household. Council expressed support for the policy.

MOTION: *No motion was made*

**Consideration of Resolution Accepting an
Annexation Petition (Asbell)**

(Agenda Item E.6)

Town Secretary Asbell reviewed the resolution and reported the petition was received from the Little Elm Independent School District for annexation of their property on Eldorado. The resolution formalizes the timeline for the public hearing and mailing of notices.

MOTION: Upon a motion made by Mayor Pro-Tem West seconded by Councilman Bissonnette, council voted five (5) “ayes”, no (0) “nays” to approve the resolution accepting the annexation petition. *The motion carried.*

**Review of Lakewood Village Investment
Policy (Vargus)**

(Agenda Item E.7)

Mayor Vargus reviewed the current investment policy and reported on the requirement to review the investment policy. Mayor Vargus reported town funds are yielding 1.02% at Point Bank and TexPool is currently yielding 0.13%. In March Mayor Vargus moved funds out of TexPool in anticipation of declining short-term rates.

**Discussion of Rocky Point Water
System/Last Resorts Water System (Vargus)**

(Agenda Item E.8)

Mayor Vargus reported on the status of water service to the Last Resorts water system customers. There was some discussion of Texas Commission on Environmental Quality boil water notice for the Last Resort water system for a pressure problem in June. There was some discussion about a water main break in the Last Resort water system caused by pressure against the one-inch PVC pipe which the previous operator installed as a water main. Town Secretary Asbell reported on the status of the data migration to set up the Last Resorts customers in Rocky Point water billing system. The Last Resorts water meters will be read on December 15, 2020 and billed on January 15, 2020.

Discussion of Nuisance Ordinance (Vargus)

(Agenda Item E.9)

Mayor Vargus reported that Town Attorney Messer is preparing a nuisance ordinance. The draft should be available for review at the January meeting. There was some discussion about the status of an open records request made to Denton County regarding a nuisance violation that occurred in town.

EXECUTIVE SESSION:

(Agenda Item F)

At 8:12 p.m. Mayor Vargus recessed into executive session in accordance with

- (1) § 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 re: Development agreements, development and zoning standards;
- (2) § 551.071(1) Texas Government Code to wit: Consultation with the Town Attorney regarding pending or contemplated litigation, re: Town of Lakewood Village V.

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- Patterson Professional Services;
- (3) § 551.072 Texas Government Code to wit: deliberations about real property regarding Sam Hill Ventures, Sanctuary at Sunset Cove, Project Left Field; and Project Slade Rock; and
- (4) § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding Sam Hill Ventures, and Sanctuary at Sunset Cove, Project Left Field; and Project Slade Rock.

RECONVENE:

(Agenda Item G)

Mayor Vargus reconvened the regular session at 9:19 p.m. No action was taken.

ADJOURNMENT

(Agenda Item H)

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Mayor Pro-Tem Vargus council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Meeting of the Lakewood Village Town Council at 9:20 p.m. on Thursday December 10, 2020. The motion carried.

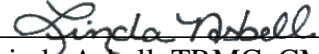
These minutes approved by the Lakewood Village Town Council on the 14th day of January 2021.

APPROVED:



Darrell West
MAYOR PRO-TEM

ATTEST:



Linda Asbell, TRMC, CMC
TOWN SECRETARY

