

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

JANUARY 12, 2023

Council Members:

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

Town Staff:

Linda Ruth, TRMC, CMC – Town Administrator/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, January 12, 2023, 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:

No one requested to speak.

PUBLIC HEARING:

(Agenda Item C)

A public hearing was held to provide an opportunity for citizen comment on the critical water emergency.

No one requested to speak.

MOTION: Upon a motion made by Councilman Farage and seconded by Mayor Pro-Tem West, the council voted five (5) “ayes”, no (0) “nays” to close the public hearing at 7:01 p.m. *The motion carried.*

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
JANUARY 12, 2023**

Page 2

CONSENT AGENDA:

(Agenda Item D)

1. Minutes of November 17, 2022 Council Meeting (Ruth)
2. Replat of 416 Lakecrest Drive (Ruth)
3. Vacate Northshore Preliminary Plat Approved on February 10, 2022 (Ruth)
4. Buy Board Interlocal Agreement/Resolution (Ruth)

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

REGULAR AGENDA:

(Agenda Item E.

**Presentation of the Fiscal Year 2021-2022
Financial Audit Report, Mr. Wayne Nabors,
Nabors CPA Services (Vargus)**

(Agenda Item E.1)

Mr. Wayne Nabors reported the town had received a clean audit, meaning the financial statements fairly report the town’s financial position without any material misstatements. Mr. Nabors reported the town has a very healthy cash reserve. Mr. Nabors reviewed the debit the town retired during the fiscal year. There was some discussion about revenues collected over revenues budgeted and the budget versus actual expenses. Mr. Nabors reported the council was fiscally wise to use the Public Improvement District funds to pay off the outstanding debt. Mr. Nabors stated the Town is in an extremely good cash position. Mr. Nabors reviewed the status of the bond issuances including the retirement of the 2014 bonds and the amortization of the 2020 and 2022 bonds. Mr. Nabors reported on the qualitative portions of the audit and reported that the town management fully participated in the audit process. There was some discussion about the requirements of the Governmental Accounting Standards Board. Mayor Vargus reported that the Utility Fund was impacted by the well failure. Mayor Vargus reviewed the American Recovery funds and the Public Improvement District payment. Mr. Nabors stated the Town leadership has done a good job of managing both debt and cash.

Mayor Vargus reviewed the impact of the property appraisals on the budget and property tax collections. Mayor Vargus reported that year marks the town’s fifteenth clean audit in a row. Prior to Mayor Vargus taking office the town had not previously successfully completed an audit.

MOTION: Upon a motion made by Councilman Farage and seconded Mayor Pro-Tem West the council voted five (5) “ayes”, no (0) “nays” to accept the Fiscal Year 2021-2022 financial audit as presented by Mr. Wayne Nabors. *The motion carried.*

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
JANUARY 12, 2023**

Page 3

**Presentation of the Investment Report for the
First Quarter of Fiscal Year 2023-2024
(Vargus)**

(Agenda Item E.2)

Mayor Vargus reviewed the investment report. Mayor Vargus reported the excess funds over \$50,000 are typically kept in TexPool because the interest earnings are higher. Mayor Vargus reported the town has just over \$3,000,000 cash. The earliest date the town can defease the outstanding bonds and be debt free is February 2027.

Mayor Vargus reviewed the bond payment schedule and the anticipated revenues to be used to make the payments.

**Discussion of Amending Fiscal Year 2023-
2024 Budget (Vargus)**

(Agenda Item E.3)

Mayor Vargus reviewed the current budget versus actual and reported on the appraisal district property valuations as of today. Mayor Vargus reviewed cash flow and the expected \$600,000 surplus in the general fund budget for each of the next three years. The excess funds can be used to build reserves and pay off the bonds early. The long-term goal is to reduce the property tax rate to zero.

Mayor Vargus stated that the town needs to start working on a new town hall. The current building will not be functional to support the future population. The surplus funds can be used toward the new town hall. Mayor Vargus reported he and the Town Administrator have had some preliminary meetings with a couple of architects. Mayor Vargus reported that in the near future he will bring a proposal to the council to engage an architect.

Mayor Vargus reviewed the proposed changes to the budget.

**Discussion of Water/Wastewater Capital
Improvement Projects (Vargus)**

(Agenda Item E.4)

Mayor Vargus reported the North Texas Groundwater Conservation District approved the Town's application for the new well yesterday. The engineers have already had the location of the new ground water storage tank surveyed. Town Engineer Kevin Ware completed an inspection of the fiberglass storage tanks and reported plumbing to the tanks will need to be replaced with larger pipes to accommodate the additional water output of the new well.

Mayor Vargus reported on the status of the wastewater plant improvements. The town engineer is handling sending out bids for some of the components. There was some discussion about

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
JANUARY 12, 2023**

Page 4

purchasing a modified backhoe for public works. Mayor Vargus stated the new equipment would be used on several infrastructure projects. Approximately one-half of the cost of the back-hoe would be covered by the Public Improvement District or other developers. Councilman Bushong reported the town needs to have equipment so rental fees are not incurred and/or Sam Morgan is not having to use his personal trailer.

**Consideration of Approval of Municipal
Development District Pilot Project for
Remote-Read Water Meters (Ruth)**

(Agenda Item E.5)

Municipal Development District President, Linda Loudon reported the MDD board supports this project. Mayor Vargus reported the meters are approximately \$100 and the special relay equipment is another approximate \$120. The pilot program will be deployed only on the properties that used to be in the Last Resort water system. The town has been billing the Last Resort customers the minimum bill. Public Works has a plan to identify the addresses serviced by each water meter. During the pilot program the town will not have to pay for use of the remote read software. Councilman Bushong reported testing will be performed to verify the accuracy and compatibility of the remote read software with the utility billing software. If the pilot program is successful and plan will be developed to expand the remote read meters to additional customers in Rocky Point and Lakewood Village.

MOTION: Upon a motion made by Councilwoman Lepley and seconded Councilman Farage, the council voted five (5) “ayes”, no (0) “nays” to approve the Municipal Development District pilot project for remote-read water meters as discussed. *The motion carried.*

**Amendment of Regional Sewer Cost
Allocation and Rough Proportionality
Determination by Town Engineer, involving
developments in the town limits and
extraterritorial jurisdiction (Vargus)**

(Agenda Item E.6)

Mayor Vargus stated that council will consider this at the next council meeting. Mayor Vargus reported the bids on the lift station came in lower than expected so the allocations will need to be restated.

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
JANUARY 12, 2023**

Page 5

EXECUTIVE SESSION:

(Agenda Item F)

At 8:15 p.m. Mayor Vargus recessed into executive session in accordance with

1. § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, Project Lightning Bolt; and
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 re: Development agreements, development and zoning standards; and
3. § 551.072 Texas Government Code to wit: deliberations about real property regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, and Project Lightning Bolt.

RECONVENE:

(Agenda Item G)

Mayor Vargus reconvened the regular session at 9:07 p.m.

ADJOURNMENT

(Agenda Item H)

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Councilman Farage the council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Meeting of the Lakewood Village Town Council at 9:07 p.m. on Thursday January 12, 2023. The motion carried.

These minutes were approved by the Lakewood Village Town Council on the 27th day of January 2023.

APPROVED:



Darrell West
Mayor Pro-Tem

ATTEST:


Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

