



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

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

REGULAR SESSION – AGENDA

Call to Order and Announce a Quorum is Present

A. PLEDGE TO THE FLAG:

B. 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.

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

D. PUBLIC HEARING: - A public hearing is scheduled to allow for public comment on the Town of Lakewood Village management of its extraterritorial jurisdiction and future annexations.

E. REGULAR AGENDA:

1. Mid-Year Financial Review (Vargus)
2. Update on new storage tank installations (Vargus)
3. Approval of Municipal Development District expenditures for Compliance Related Water System Improvements (Reed)
4. Consideration of Renewal of the Economic Development Agreement between the Town of Lakewood Village and the Lakewood Village Municipal Development District (Asbell)
5. Consideration of Interlocal Boundary Agreement with Oak Point (Vargus)
6. Resolution on planning and scheduling of future meetings and timelines (Vargus)
7. Minutes of the March 10, 2016 Town Council Meeting (Asbell)

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; and (3) § 551.087 Texas Government Code to wit: Economic Development Negotiations

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 11:30 p.m. on Friday, April 8, 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 MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by the MDD Board during this meeting.



MEMORANDUM

TO: Town Council
CC: Linda Asbell
FROM: Dr. Mark E. Vargus, Mayor
DATE: April 7, 2016
RE: Midyear Financial Review

Our current fiscal year runs from October 1, 2015 to September 30, 2016. March 31st marks the end of our second quarter. The following spreadsheets provide detailed account specific information. This memo will provide a general overview as well some interpretative guidance.

GENERAL FUND

General Fund revenues are front loaded, as we receive approximately 80 percent of the anticipated revenues in December and January. Throughout the year we then draw down our funds as we pay for town maintenance, salaries, street lights, mowing, etc. We also typically receive revenue from two to five new home building permits each year, but this occurs at random, unplanned times. **Sales tax receipts are the sole revenue stream that the Town receives on a regular monthly basis.**

Year to date revenues are \$390,923 and expenses \$339,761. At year end, I expect both to be within 10 percent of the annual budget, and the overall budget balanced. Revenues from sales taxes and building permits are higher than expected, while on the expense side attorney costs and Fire/EMS fees are greater than anticipated. I see no significant financial issues.

UTILITY FUND

In contrast to the GF, the Utility Fund revenues are back-loaded; we earn significantly more revenue in the summertime July – September 4th quarter. However, on the expense side, the UF incurs large annual payments at the start of the year (the administrative fees, insurance, licensing fees, etc.). Historically, the majority of CAPX for the UF also was incurred early in the year when the water system demand was minimal and operational safety margins were the greatest. Thus it is not unusual for the cash flow to be negative early in the year.

Year to date revenues are \$148,708 and expenses \$173,781. However, this is during our low demand season and the expenses includes significant CAPX expenditures. If we look at just operating results (we remove the CAPX and allocate annual costs proportionally), then our operating revenue was \$138,988 and the operating expenses were \$95,363, resulting in an operating surplus of \$43,626.

Comparing our current results to the same time period last year, our water revenues are 9.77 percent above the prior period, while sewer and garbage are 2 percent lower. Overall on a seasonally adjusted basis our revenues are 3.1 percent higher. However, caution is advised as the unprecedented rain from last year makes comparisons difficult. Overall, I believe at the end of the year our numbers will be very close to the budget.

CASH LIQUIDITY

The following table compares our cash balances relative to the start of the year.

| | General | Utilities | MDD | EDC | RMF | Debt Service | TOTAL |
|---------------|-----------------|-------------------|----------------|-------------------|-----------------|-----------------|-----------------|
| 1-Oct-15 | \$175,331.56 | \$218,349.61 | \$5,860.35 | \$12,490.12 | \$8,097.42 | \$165.68 | \$420,295 |
| 31-Mar-16 | \$222,522.37 | \$203,193.67 | \$9,471.20 | \$1,335.59 | \$22,156.59 | \$12,730.07 | \$471,409 |
| Change | \$47,191 | (\$15,156) | \$3,611 | (\$11,155) | \$14,059 | \$12,564 | \$51,115 |

Overall, our cash position is \$51,115 higher than at the beginning of the year. Over the remaining two quarters there should be a corresponding draw down of the general fund cash, and a significant increase in the utility fund cash balance. The Road Maintenance Fund is significantly greater than budgeted due to increased sales tax and franchise fees. The debt servicing fund will essentially be depleted when we make our August payment. Overall, I would expect our cash balances to end the fiscal year in the neighborhood of \$420,000 to \$ 450,000 depending on additional CAPX.

BOND PAYMENTS

Our two bond payments occur in February and August. The February payment includes the cancellation of a specified number of bonds, as well as interest (so it is already included in the table above). The August payment is interest only. On January 28, 2016 we made our bond payment of \$159,646.40, which included the cancellation of \$145,000 in bonds. Our debt servicing fund (which receives the extra \$0.05 tax) currently has \$12,730.07. Our upcoming August payment is \$13,203.65 which we should have in the fund as we collect our remaining outstanding property taxes.

OVERALL, events appear to be proceeding according to our financial plans. However, we may have to revisit the budget if we incur significant unplanned engineering, CAPX, or road costs.

I look forward to your comments;



2016 BUDGET SUMMARY

| CASH BUDGET | | | |
|------------------------------|-------------------------|-------------------------|--------------------------------|
| | 2016 | 31-Mar-16 | |
| General Fund Revenues | \$402,650 | \$390,923 | |
| General Fund Expenses | <u>\$398,000</u> | <u>\$339,761</u> | |
| General Fund Surplus | \$4,650 | \$51,162 | |
| | | | |
| | | | |
| Utility Fund Revenues | \$315,320 | \$148,708 | Operations \$138,988 |
| Utility Fund Expenses | <u>\$288,000</u> | <u>\$173,781</u> | <u>\$95,363</u> |
| Utility Fund Surplus/Deficit | \$27,320 | (\$25,073) | \$43,626 |
| | | | |
| | | | |

General Fund Revenues

| | | | | | |
|---------------------------------|-----------------------------|------------------------------|------------------|------------------|--|
| | | General Fund Expenses | | | |
| | | | | | |
| | | BUDGET | BUDGET | YTD | |
| | | 2015 | 2016 | 31-Mar-16 | |
| Operating Expenses | | | | | |
| 5022 | Street Repair | | | | |
| 5012 | Attorney Fees | \$20,000 | \$50,000 | \$68,575 | |
| 5051 | Payroll | \$57,000 | \$60,000 | \$30,000 | |
| 5055 | Benefits - Insurance | \$8,000 | \$8,200 | \$3,988 | |
| 5056 | Payroll Tax Expense | \$4,400 | \$4,600 | \$1,953 | |
| 5058 | UF Payroll Tax Sharing | | | \$552 | |
| 5057 | Benefits- Retirement | \$2,900 | \$3,000 | \$3,000 | |
| 5016 | Building Inspections | \$18,000 | \$18,000 | \$11,475 | |
| 5011 | Town Engineer | \$0 | \$0 | | |
| 5014 | Fire/EMS | \$26,000 | \$29,000 | \$19,050 | |
| 5027 | Town Hall Improvements | \$1,000 | \$1,000 | \$2,552 | |
| 5070 | Capital Improvements | \$0 | \$0 | \$5,900 | |
| | Debt Servicing (Principle) | \$128,000 | \$145,000 | \$145,000 | |
| 5075 | Debt Servicing (Interest) | \$38,526 | \$27,800 | \$14,646 | |
| 5200 | Contingency Fund | \$3,000 | \$3,000 | \$949 | |
| 5026 | Town Mowing | \$2,000 | \$1,500 | \$600 | |
| | Parks/Recreation/Playground | \$35,000 | \$8,000 | \$4,138 | |
| 5021 | Town Maintenance | \$4,000 | \$4,000 | \$4,759 | |
| 5013 | Accounting Fees | \$10,500 | \$10,500 | \$10,500 | |
| 5102 | Travel Meeting Expenses | \$2,400 | \$3,600 | \$1,934 | |
| 5031 | Telephone/Telecom | \$1,700 | \$1,600 | \$910 | |
| 5032 | Electricity | \$6,680 | \$6,800 | \$2,468 | |
| 5033 | Propane | \$800 | \$600 | \$590 | |
| 5101 | Continuing Education | \$1,500 | \$1,000 | \$225 | |
| 5001 | Office Supplies | \$1,000 | \$1,000 | \$998 | |
| 5008 | Elections | \$2,000 | \$3,000 | \$807 | |
| 5002 | Postage | \$200 | \$200 | \$7 | |
| 5003 | Computers Maintenance | \$1,000 | \$200 | \$170 | |
| 5061 | Appraisal District | \$1,300 | \$1,300 | \$814 | |
| 5007 | Advertising | \$300 | \$300 | \$580 | |
| 5103 | Membership Dues | \$500 | \$1,000 | \$911 | |
| 5062 | Tax Collector | \$300 | \$300 | | |
| 5085 | Town Functions | \$2,000 | \$1,500 | \$1,185 | |
| 5024 | Animal Control | \$200 | \$200 | \$75 | |
| | | | | | |
| | Court Attorney Fees | \$1,000 | \$1,000 | | |
| 5280 | Municipal Court | | | | |
| 5041 | Abatement Mowing | \$700 | \$700 | \$330 | |
| | Lien Recording Fees | \$90 | \$100 | \$120 | |
| | Postage | | | | |
| | | | | | |
| TOTAL OPERATING EXPENSES | | \$381,996 | \$398,000 | \$339,761 | |
| | | | | | |
| | | | | | |

[illegible]

| | | Utility Fund Expenses | | | | | |
|---------------------------------|--|-----------------------|-----------|-----------|------------|-----------------------|--|
| | | | | | | | |
| | | BUDGET | BUDGET | YTD | | | |
| | | 2015 | 2016 | 31-Mar-16 | Operations | | |
| Operating Expenses | | | | | | | |
| Capital Improvements | | | \$51,000 | \$39,810 | | | |
| GIS Mapping | | \$2,000 | | \$320 | | | |
| Operator Salaries | | \$36,600 | \$36,600 | \$18,300 | \$18,300 | | |
| Payroll | | | \$8,000 | \$7,215 | \$7,215 | | |
| Engineer | | | \$30,000 | \$7,125 | | | |
| Contract Labor | | \$8,000 | | | | | |
| Electricity (Water) | | \$17,000 | \$17,000 | \$5,083 | \$5,083 | | |
| Electricity (Sewer) | | \$21,000 | \$21,000 | \$7,106 | \$7,106 | | |
| Solid Waste | | \$40,000 | \$42,000 | \$20,566 | \$20,566 | | |
| Water Repairs | | \$10,000 | \$10,000 | \$197 | \$197 | | |
| Sewer Repairs | | \$10,000 | \$10,000 | \$7,078 | \$7,078 | | |
| Water Scheduled Maintenance | | \$0 | \$1,000 | \$880 | \$880 | | |
| Sewer Scheduled Maintenance | | \$1,000 | \$1,000 | \$1,000 | \$1,000 | | |
| Insurance | | \$5,600 | \$4,600 | \$4,928 | \$2,464 | | |
| Contingency Fund | | \$1,000 | \$1,000 | | | | |
| Water Equipment | | \$2,500 | \$2,000 | \$4,253 | | | |
| Sewer Equipment | | \$500 | \$1,000 | \$4,172 | | | |
| Chemicals (Water) | | \$800 | \$1,000 | \$502 | \$502 | | |
| Chemicals (Sewer) | | \$500 | \$800 | \$57 | \$57 | | |
| Laboratory (Water) | | \$600 | \$500 | \$294 | \$294 | | |
| Laboratory (Sewer) | | \$4,500 | \$4,500 | \$2,319 | \$2,319 | | |
| Office Supplies | | \$2,000 | \$1,500 | \$1,199 | \$1,199 | | |
| Postage | | \$1,500 | \$1,800 | \$588 | \$588 | | |
| TCEQ Licensing Fees (Water) | | \$450 | \$500 | \$484 | \$242 | | |
| TCEQ Licensing Fees (Sewer) | | \$1,250 | \$1,250 | \$2,065 | \$1,033 | | |
| Sludge Removal (Sewer) | | \$1,200 | \$1,200 | | | | |
| Computers / IT | | | | | | | |
| Software Licensing Fees | | \$700 | \$750 | \$240 | \$240 | | |
| Fee for Administrative Services | | \$35,260 | \$38,000 | \$38,000 | \$19,000 | | |
| Total Operating Expenses | | \$203,960 | \$288,000 | \$173,781 | \$95,363 | <= Operating Expenses | |
| | | | | | \$138,988 | <= Operating Revenues | |
| | | | | | \$43,626 | <= Surplus | |

Municipal Development District Budget

| | 2015 | 2016 | YTD |
|----------------------------|------------|-----------|-----------|
| | BUDGET | BUDGET | 31-Mar-16 |
| Operating Revenues | | | |
| Interest | \$10 | \$10 | \$11 |
| Water Revenue | \$16,000 | \$14,200 | \$7,756 |
| Late Fees | \$350 | \$400 | \$181 |
| | \$16,360 | \$14,610 | \$7,948 |
| Operating Expenses | | | |
| Operator | \$2,400 | \$2,400 | \$1,200 |
| Admin Fee | \$4,200 | \$4,250 | \$3,175 |
| TCEQ Licensing Fee | \$175 | \$175 | |
| Electricity | \$1,200 | \$1,200 | \$449 |
| Repairs | \$600 | \$1,500 | |
| Chemicals | \$200 | \$200 | |
| Laboratory | \$600 | \$720 | \$252 |
| Postage | \$0 | | |
| Supplies | \$0 | | |
| Contingency | \$0 | | |
| Interest Expense | \$400 | | |
| | \$9,775 | \$10,445 | \$5,076 |
| Operating Income | \$6,585 | \$4,165 | \$2,872 |
| CAPX | \$0 | \$0 | (\$6,889) |
| Non-Operating Revenue | | | |
| Sales Tax | \$8,160 | \$15,000 | \$8,529 |
| Water Tap Fee | | | \$1,575 |
| Meter Set Fee | | | \$390 |
| Non-Operating Expenditures | | | |
| Debt Servicing | (\$12,000) | \$0 | |
| LWV Road Project | (\$2,720) | (\$5,000) | (\$2,843) |
| Non Operating Income | (\$6,560) | \$10,000 | \$7,651 |

Capital Projects - Utility Fund

Fire Hydrant Project

| | |
|------------------|---------|
| Hillside (east) | \$8,000 |
| Peninsula (west) | \$8,000 |

| | |
|----------------------------|----------|
| Utilities Service Building | \$35,000 |
|----------------------------|----------|

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\$51,000



MEMORANDUM

TO: Town Council
FROM: Linda Asbell, TRMC, Town Secretary, MDD Secretary
DATE: April 8, 2016
RE: Agenda Item E3 – MDD Expenditures for Compliance Related Improvements

The MDD recently approved a comprehensive proposal from Sam Morgan to purchase a water storage tank and pressure tank, construct foundations for both the storage and the pressure tanks, relocate both tanks to Rocky Point, plumb the tanks, relocate liquid level electrical controls and replace the roof on the existing Rocky Point Water System well house. This proposal was approved at a total of \$22,245. The Board also approved \$5,375 for the cost of electrode wiring to the new storage tank and electrode wiring in the tank for pump up and pump down operation and includes a \$3,000 contingency allocation.

The MDD Board is focused on bringing the Rocky Point Water System into compliance with all TCEQ standards. The only additional major expense the board expects is the cost of fencing the water system property. Bids are being collected and will be presented at a future meeting for approval.



Economic Development Agreement

WHEREAS, Article III, Chapter 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code authorize the Town to make loans of public funds for promoting local economic development; and

WHEREAS, Section 380.001-(2) of the Texas Local Government Code permits the Town to enter into agreements that promote economic development in the Town's extraterritorial jurisdiction; and

WHEREAS, the creation of the Lakewood Village Municipal Development District (MDD) and the imposition of a ½ percent sales and use tax was approved by a majority of the qualified voters residing in the District on May 9, 2009; and

WHEREAS, Section 377.071 of the Texas Local Government Code permits a Municipal Development District to accept loans from a political subdivision of the state to fund a development project; and

WHEREAS, Section 377.001(3) and Section 505.154 of the Texas Local Government Code provides that the MDD's authorized projects include the improvement of water supply facilities; and

WHEREAS, The Town Council of Lakewood Village believe that improvements in the water infrastructure in the ETJ will promote economic development and improve public health and safety,

NOW, THEREFORE, THE TOWN OF LAKEWOOD VILLAGE AND THE LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT ENTER INTO THE FOLLOWING LOAN AGREEMENT:

Sunset Provision - Loan shall terminate and all outstanding balances shall be repaid within 90 days following the third anniversary of the effective date of this agreement unless the agreement is extended.

Interest Rate and Calculation - The interest shall be calculated and accrue on the last day of each month. The interest rate shall be 0.5 percent per month. The accrued interest shall be calculated as: loan balance on last day of the month net of payments * 0.005. The rate is inclusive of all commitment, standby line of credit, and loan administration fees.

Maximum Borrowing:

The maximum amount of indebtedness, including accrued interest shall not exceed \$50,000.

Financial Reporting

The MDD shall report to the Town Council, at least semi-annually, details of the financial condition of the MDD.

PASSED AND APPROVED by the Town Council of the Town of Lakewood Village on this 14th day of April, 2016

APPROVED

ATTEST

Dr. Mark E. Vargus, Mayor
Town of Lakewood Village

Linda Asbell, TRMC, Town Secretary
Town of Lakewood Village

PASSED AND APPROVED by the Lakewood Village Municipal Development District on this _____ day of _____, 2016

APPROVED

ATTEST

Dan Tantalo, President
Lakewood Village MDD

Ed Reed, Vice President
Lakewood Village MDD

Interlocal Agreement

This Interlocal Agreement, with Exhibit A attached hereto and incorporated herein by reference for all purposes (hereinafter “Interlocal Agreement”), effective as of the date last executed herein below, is entered into by and between the **Town of Lakewood Village**, a general law municipality located in Denton County, Texas (“Lakewood Village”), and the **City of Oak Point**, a general law municipality located in Denton County, Texas (“Oak Point”) (each also individually referred to as “City” or “Party” and collectively referred to as the “Cities” or “Parties”), each acting by and through their duly authorized representatives.

WHEREAS, Lakewood Village and Oak Point are municipalities that share common extraterritorial jurisdiction (“ETJ”) boundaries and are empowered by state law and the Texas Constitution to establish their respective corporate boundaries and ETJ; and

WHEREAS, Lakewood Village and Oak Point previously agreed to release certain portions of their ETJ to the other Party pursuant to that Interlocal Boundary and ETJ Contract executed on December 22, 2010 and recorded as Instrument No. 2010-129164 in the Deed Records of Denton County, Texas (the “Boundary Contract”); and

WHEREAS, the Cities seek to avoid conflicts and uncertainty relative to the extent and location of their respective corporate limits and ETJ; and

WHEREAS, Lakewood Village intends to execute boundary and ETJ agreements with the City of Little Elm, Texas (“Little Elm”), wherein Lakewood Village may release ETJ to Little Elm, acquire ETJ from Little Elm, and adjust its corporate boundaries with Little Elm; and

WHEREAS, each City reviewed its respective corporate boundaries and ETJ based upon its respective population and Chapter 42 of the Texas Local Government Code, and has determined that each City may release ETJ, exchange area, and adjust its boundaries with Little Elm in certain areas without affecting the rights of the other City; and

WHEREAS, the Cities find and determine it necessary for the health, safety and welfare of their residents to confirm boundaries and ETJ and make certain agreements regarding their respective boundaries without disputes or conflicts with each other; and

WHEREAS, this Interlocal Agreement is made under the authority granted by and pursuant to Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended, providing for the cooperation between local governmental bodies, for beneficial governmental purposes; and

WHEREAS, the governing bodies of the Cities approved this Interlocal Agreement with Exhibit A, a copy of which is attached hereto and incorporated herein for all purposes, showing the area wherein Lakewood Village has exclusive authority to release ETJ and adjust boundaries with Little Elm (the “Lakewood Village/Little Elm Exchange Area”); and

NOW THEREFORE, for and in consideration for the mutual covenants and agreements contained herein, the Cities agree as follows:

SECTION 1 INCORPORATION OF PREMISES

The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2 AGREEMENTS OF THE CITIES

- 2.01 The Lakewood Village/Little Elm Exchange Area. Oak Point hereby acknowledges and agrees that it has no jurisdiction or authority to extend its corporate boundaries and ETJ into, or exchange area, within the Lakewood Village/Little Elm Exchange Area. Oak Point acknowledges and consents to any release, exchange, and adjustment of boundaries and ETJ between Lakewood Village and Little Elm within the Lakewood Village/Little Elm Exchange Area. Oak Point agrees that its boundaries and ETJ will not extend into the Lakewood Village/Little Elm Exchange Area due to a release or exchange of ETJ or boundaries between Lakewood Village and Little Elm. Oak Point and will not assert any police powers or other governmental powers, nor annex property or expand its ETJ, into any portion of the Lakewood Village/Little Elm Exchange Area without the written consent of the Town Council of Lakewood Village. Oak Point hereby releases and waives any claim against Lakewood Village or Little Elm which Oak Point may have now or in the future to include any portion of the Lakewood Village/Little Elm Exchange Area within Oak Point's ETJ or corporate boundaries or to extend Oak Point's ETJ or corporate boundaries into the Lakewood Village/Little Elm Exchange without the written consent of the Town Council of Lakewood Village.
- 2.02 No Impact on Boundary Contract. The Cities agree that this Interlocal Agreement does not affect or amend the Boundary Contract.
- 2.03 Governmental Function. The Cities further agree that the Interlocal Agreement, Boundary Contract, and existing and future agreements by each City with Little Elm to release territory, exchange area, or adjust boundaries with Little Elm consistent with the terms of this Interlocal Agreement constitute a valid exercise of governmental functions pursuant to the Texas Local Government Code and Texas Government Code.
- 2.04 Property Records. The Cities agree that a copy of this Interlocal Agreement and Exhibit A may be recorded in the deed records of Denton County, Texas, and will further be made available by each Party at each City's respective City Hall.

SECTION 3 CONSIDERATION

- 3.01 The Cities agree and stipulate that the mutual covenants and agreements contained herein, and the actions taken by each of the Cities in fulfilling its agreements hereunder

are good and valuable consideration for this Interlocal Agreement and serve the valid governmental purpose of establishing and confirming corporate boundaries and ETJ.

SECTION 4 GENERAL PROVISIONS

- 4.01 Default. In the event of a breach of this Interlocal Agreement by either Party, the other Party may pursue only injunctive relief or specific performance through declaratory judgment. The Cities waive and release all other remedies. The Cities waive immunity only for this remedy.
- 4.02 Additional Documents. The Cities agree to cooperate fully and in good faith to execute any and all supplementary documents and to take all actions which are necessary to give full force and effect to the basic terms of this Interlocal Agreement.
- 4.03 Immunity. Nothing in this Interlocal Agreement shall be deemed a waiver of the governmental, sovereign, or official immunity afforded by law to the Cities, either individually or collectively, except for the remedy in Section 4.01 of this Interlocal Agreement. The Parties stipulate that this Interlocal Agreement is not subject to the terms of Local Government Code Ch. 271, Subchapter I.
- 4.04 Notices. All written notices required under this Interlocal Agreement must be hand delivered or sent by certified mail return receipt requested addressed to the proper Party at the following addresses:

Town of Lakewood Village:

| | |
|------------|---|
| Attention: | Mayor |
| Address: | 100 Highridge Drive Lakewood Village, TX 75068 |

City of Oak Point:

| | |
|------------|--|
| Attention: | City Manager |
| Address: | 100 Naylor Road Oak Point, TX 75068 |

Each Party may change the address to which notices are sent by giving the other Party written notice of the new address in the manner provided by this paragraph.

- 4.05 Capacity. Each of the signatories below hereby represents that this Interlocal Agreement has been approved by his or her City Council and that he/she has full capacity and authority to sign this Interlocal Agreement on behalf of his/her City.

- 4.06 Waiver of Breach. Forbearance or waiver of one or more instances of breach of this Interlocal Agreement by any Party shall not constitute a continuing forbearance or a waiver of any subsequent breach of this Interlocal Agreement.
- 4.07 Applicable Law / Venue/ Mediation. This Interlocal Agreement shall be construed under, and in accordance with the laws of the State of Texas, and exclusive venue shall lie in Denton County, Texas. If one or more disputes arise with regard to the interpretation, performance and/or breach of this Interlocal Agreement or any of its provisions, the Cities agree to attempt in good faith to resolve same by scheduling and attending one day of mediation. The mediation shall be conducted within thirty (30) days of the dispute with a mediator agreed to by the Cities, and the cost of the mediation shall be shared equally by the Cities. If the Cities are unable to agree to a mediator, a district judge of Denton County shall choose a mediator. If a City refuses to mediate, that City shall not recover or seek to recover attorney's fees or costs in any lawsuit brought to construe or enforce this Interlocal Agreement. The Cities expressly agree that the dispute resolution provisions specified herein shall be a condition precedent to the filing of suit.
- 4.08 Legal Construction/Severability. In case any section, article, paragraph, provision, sentence, clause, phrase or word contained in this Interlocal Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Interlocal Agreement, and this Interlocal Agreement shall be construed as if the invalid, illegal, or unenforceable provision had not been included in this Interlocal Agreement. Such holding shall not affect the validity of the remaining portions of this Interlocal Agreement, and the respective governing body of each of the Cities hereby declares it would have passed and approved such remaining portions of this Interlocal Agreement despite such invalidity, which remaining portions shall remain in full force and effect.
- 4.09 Entire Agreement. This Interlocal Agreement constitutes the sole and entire agreement of the Cities and supersedes any prior understandings or written or oral agreements between the Cities relating to the subject matter of this Interlocal Agreement.
- 4.10 Construction. This Interlocal Agreement has been negotiated by the Parties and shall be deemed drafted equally by the Parties hereto. The language of all parts of this Interlocal Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply.
- 4.11 Amendment. No amendment, modification, or alteration of the terms of this Interlocal Agreement shall be binding unless it is in writing, dated subsequent to the date of this Interlocal Agreement, and duly approved and executed by the authorized representative of each of the Cities to this Interlocal Agreement; however, each City may release ETJ and adjust mutual boundaries with other cities, not inconsistent with this Interlocal Agreement, without the written consent of the other Party to this Interlocal Agreement.

- 4.12 Counterparts. This Interlocal Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

[The remainder of this page is left blank intentionally.]

Dr. Mark E. Vargus, Mayor
Town of Lakewood Village, Texas

DATE EXECUTED: _____

ATTEST:

Linda Asbell, TRMC
Town Secretary
Town of Lakewood Village, Texas

APPROVED AS TO FORM:

Andy Messer, Town Attorney
Town of Lakewood Village, Texas

Luke Olson, City Manager
City of Oak Point, Texas

DATE EXECUTED: _____

ATTEST:

Amy Bockes, City Secretary
City of Oak Point, Texas

APPROVED AS TO FORM:

City Attorney
City of Oak Point, Texas

Exhibit A

Map of “Lakewood Village/Little Elm Exchange Area” and “Oak Point/Little Elm Exchange Area”



THE TOWN OF LAKEWOOD VILLAGE, TEXAS

RESOLUTION NO. 16-XX

A RESOLUTION ESTABLISHING A UNIFORM TIMELINE FOR ADMINISTERING OATHS OF OFFICE, APPOINTING BOARD MEMBERS AND ELECTING OFFICERS; PROVIDING FOR SCHEDULING OF BUDGET AND TAXATION PUBLIC HEARINGS AND RELATED ACTIONS.

WHEREAS, the Town of Lakewood Village ("Town") is a general law Type A municipality who conducts its municipal elections on the May uniform election date; and

WHEREAS, changes in election laws and statutory timelines and canvassing requirements have created uncertainty as to whether the Town's newly elected municipal officers can be sworn in at the Towns regular May meeting; and

WHEREAS, by coordinating scheduling with the Municipal Development District, newly elected councilmembers can participate in the appointment of new members; and

WHEREAS, Chapter 102 of the Texas Local Government Code imposes strict deadlines for the imposition of ad-valorem taxes and the adoption of the municipal budget which require consultation with the newly appointed officers and board members;

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

1. PURPOSE AND INTENT

This resolution is adopted to allow for the orderly transition of Council members and Board members while planning for the necessary budget related statutory requirements. Changes in election dates and canvassing requirements has created uncertainty as to whether newly elected councilmembers can be sworn in at our regular May meeting. This resolution establishes the June meeting as the official date when new Councilmembers will take office. In a similar manner, for consistency, this resolution also sets forth uniform dates whereby MDD board appointments expire and allow for the orderly appointment of its members and election of officers.

2. DATES OF MEETINGS.

The goal of this resolution is to provide for long-range planning and scheduling to meet our statutory obligations in an efficient manner without the use of special meetings. However, should the circumstances require it, nothing herein should be interpreted as a limiting the ability of the Town Council to call special meetings.

The Town's regular scheduled monthly meeting is the second Thursday at 7:00 p.m. at Town Hall, 100 Highridge Drive, Lakewood Village, Texas. The Municipal Development District's regular monthly meeting is the fourth Thursday at 5:30 p.m. at Lakewood Village Town Hall.

3. SCHEDULE.

(a) June Regular Meeting:

Town Council

Administer Oaths of Office to Newly Elected Councilmembers
Election of Mayor Pro-tem
Naming of Official Newspaper
Ratification of Financial Controls Ordinance (if Mayoral change)
Appointments to Municipal Development District Board (terms expire in June)

Municipal Development District Board

Election of Officers

(b) July Regular Meeting:

Town Council

Mayor Submits Proposed Budget for discussion only
First Public Hearing on Budget

Municipal Development District Board

President Submits Proposed Budget for Consideration

(c) August Regular Meeting:

Town Council

Consideration of the Town Budget
Second Public Hearing on the Budget
Consideration of the Municipal Development District Budget
First Public Hearing on the Proposed Tax Rate

(d) September Regular Meeting:

Town Council

Consideration of the Tax Rate
Second Public Hearing on the Proposed Tax Rate
Ratification of the Budget

PASSED, RESOLVED, AND APPROVED on this 14th day of April 2016.

Dr. Mark E. Vargus,
Mayor

ATTEST:

Linda Asbell, TRMC
Town Secretary

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

MARCH 10, 2016

Council Members:

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

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 Session of the Town Council to order at 7:00 p.m. on Thursday, March 10, 2016, 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 Comprehensive Plan including thoroughfare plan and future land use assumptions. Mayor Vargus opened the public hearing at 7:02 pm.

Mayor Vargus reported that Councilman Bushong is absent this meeting and the components of the comprehensive plan will be presented at a future meeting.

No one requested to speak.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Duff, council voted three (3) “ayes” and no (0) “nays” to close the public hearing at 7:02 pm. *The motion carried.*

PUBLIC HEARING:

(Agenda Item D)

A public hearing was held to allow owner, lienholder, or mortgagee of 665 Woodcrest Drive to show cause why the building or portion thereof shall not be declared to be an unsafe building and why the Town Council should not order said building to be vacated, repaired, removed, or demolished. Mayor Vargus opened the public hearing at 7:08 pm.

Mayor Vargus introduced Attorney Sammy Hooda, representing property owner, Wells Fargo. Mr. Hooda stated that based on his inspection of the property he will be recommending that Wells Fargo demolish the property and allow the town of Lakewood Village to take ownership of the property. Mr. Hooda stated that the condition of the property is deeply concerning and he does not believe the property can be rehabilitated and brought into compliance with building standards. There was some discussion about the various violations and dangers within the structure. Mr. Hooda stated that he feels Wells Fargo should relinquish the property to the town and the town will demolish the structures, or alternatively Wells Fargo can demolish the structures and then sell the land as a vacant property. There was some discussion about the ownership of the property. Wells Fargo listed the property for sale on an auction site. When Wells Fargo received the notices from the town about the public hearing the property was removed from the auction site. Mr. Hooda requested the town allow 90 days for Wells Fargo to plan a course of action and report back to the town.

Mr. Greg Bowden reported that he has been interested in purchasing the property for many years and expressed interest in exploring the possibility of purchasing and rehabilitating the house. There was discussion about zoning and code requirements and estimations of the cost to bring the property into compliance.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Newsome, council voted three (3) “ayes” and no (0) “nays” to close the public hearing at 7:27 pm. *The motion carried.*

CONSENT AGENDA:

(Agenda Item E)

1. Minutes of February 4, 2016 Council Meeting (Asbell)
2. Minutes of February 11, 2016 Council Meeting (Asbell)
3. Minutes of February 18, 2016 Council Meeting (Asbell)
4. Ordinance Cancelling General Election and Declaring Winners (Asbell)

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Duff, council voted three (3) “ayes” and no (0) “nays” to approve the variance as requested. *The motion carried.*

REGULAR AGENDA:

(Agenda Item F)

**Consideration of Ordering 665 Woodcrest
Drive to be declared an unsafe building and
ordering it to be vacated, repaired, removed,
or demolished (Vargus)**

(Agenda Item F.5)

Mayor Vargus proposed that the council table this item for 90 days to allow Wells Fargo time to decide the appropriate method to resolve this property. Mr. Bowden reported that he would still be interested in purchasing the property.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Newsome, council voted three (3) “ayes” and no (0) “nays” to table this item for 90 days. *The motion carried.*

**Consideration of Appointments to the
Municipal Development Board (Asbell)**

(Agenda Item F.6)

Mayor Vargus reported that the board of Municipal Development District currently has five members and two additional people are interested in serving on the board of the MDD. Mayor Vargus reported that town council members will be no longer be required to serve on the board as new members are added.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Duff, council voted three (3) “ayes” and no (0) “nays” to appoint Mr. Bernd Mueller and Mr. Eric Farage to the Municipal Development Board. *The motion carried.*

**Consideration of Professional Services
Agreement with LandPlan (Vargus)**

(Agenda Item F.7)

Mayor Vargus reported that he believes LandPlan will be making a submission in the near future so he would like to have a professional services agreement in place prior to any submission. There was some discussion on the scope and purpose of the professional services agreement.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Newsome, council voted three (3) “ayes” and no (0) “nays” to authorize Mayor Vargus to re-execute the Professional Services Agreement with

LandPlan subject to updating the dates and the engineering fees to reflect Kimley Horn's rates. *The motion carried.*

**Consideration of Sanitary Buffer Zone
Ordinance (Asbell)**

(Agenda Item F.8)

Mayor Vargus reported that Town Secretary Linda Asbell submitted this ordinance to cover additional wells the town acquires or operates in compliance with the TCEQ requirements.

MOTION: Upon a motion made by Mayor Pro-Tem Menckhoff and seconded by Councilman Duff, council voted three (3) "ayes" and no (0) "nays" to approve the Sanitary Control Buffer Zone Ordinance as presented. *The motion carried.*

**Discussion of Texas Commission on
Environmental Quality Inspection and
Designation of Superior Water System for
Lakewood Village Water System (Vargus)**

(Agenda Item F.9)

Mayor Vargus reported that the Town water system recently was inspected by the TCEQ and for the first time the town received a perfect score. The town is working toward receiving a Superior Water System designation. Mayor Vargus reported on the requirements and standards that must be met to qualify for the superior designation. There was some discussion about performing an internal audit annually to assure the Town remains compliant with the Superior Water System standards.

**Consideration of Texas Commission on
Environmental Quality Inspection and
Deficiencies of the Rocky Point Water
System (Vargus)**

(Agenda Item F.10)

Mayor Vargus reviewed each of the alleged and potential violations as well as the plan for resolving these items. Municipal Development District Board President, Dan Tantalo, reviewed the MDD phased plan for compliance. President Dan Tantalo reported that the MDD has a cash flow problem and the board is looking to the town for assistance to implement plan. President Dan Tantalo reported that the MDD would like to bring the plan to the Town Council for approval between 60 and 90 days. Mayor Vargus reported on the plan to acquire equipment from the old Lincoln Park water system and the anticipated cost of \$20,000.

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**Consideration of Repair/Rehabilitation of
Melody Lane & Carrie Lane (Vargus)**

(Agenda Item F.11)

Mayor Vargus reviewed the proposals received from Kimley Horn for three options of repair for Melody and Carrie Lane. The cost was much higher than anticipated. There was some discussion on interlocal agreements with Denton County for road repair work. Mayor Vargus reported that the Town had a good relationship with County Commissioner Cynthia White and received great road work at a reduced rate. Councilman Newsome reported that he and Councilman Ed Reed could meet with Hugh Coleman and explore the possibility of coming to an agreement for Denton County to provide road work to the town again. Dan Tantalo indicated that he would like to attend the meeting with Hugh Coleman if everyone was open to that.

MOTION: *No motion was made.*

Discussion of Comprehensive Plan (Vargus)

(Agenda Item F.12)

Mayor Vargus reported that there is nothing new to review in the document.

MOTION: *No motion was made*

EXECUTIVE SESSION:

(Agenda Item G)

At 8:31 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) § 551.072 Texas Government Code to wit: deliberations about real property; and (3) § 551.087 Texas Government Code to wit: Economic Development Negotiations

RECONVENE:

(Agenda Item H)

Mayor Vargus reconvened the regular session of the Lakewood Village Town Council at 9:11 pm.

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COUNCIL AND STAFF COMMENTS

(Agenda Item I)

Mayor Vargus read a thank you letter received from the Republican Committee for use of Town Hall during the election.

ADJOURNMENT

(Agenda Item J)

MOTION: Upon a motion made by Councilman Newsome and seconded by Councilman Duff, council voted three (3) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lakewood Village Town Council at 9:12 p.m. on Thursday, March 10, 2016. The motion carried.

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

APPROVED

Dr. Mark E. Vargus
MAYOR

ATTEST:

Linda Asbell, TRMC
TOWN SECRETARY