



**LAKWOOD VILLAGE
MUNICIPAL DEVELOPMENT DISTRICT**

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

FEBRUARY 23, 2017 5:30 PM

AGENDA

Call to Order and Announce a Quorum is Present

A. REGULAR AGENDA:

1. Discussion of the Fiscal Year 2015-2016 Financial Audit
2. Discussion of Municipal Development District Financial Report
3. Discussion of Rocky Point Water Operations
4. Discussion of Projects
5. Consideration of 2016-2017 Fiscal Year Budget Amendment
6. Consideration of Minutes of October 27, 2016 Meeting

B. COMMENTS:

C. ADJOURNMENT:

I do hereby certify that the above notice of meeting was posted on the designated place for official notice at 5:00 p.m. on Thursday, February 16, 2017.

Linda Asbell, TRMC
MDD Secretary/Town Secretary

The Municipal Development District Board 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 LAKWOOD VILLAGE TOWN COUNCIL may attend this meeting. No action will be taken by the Town Council during this meeting.

TOWN OF LAKEWOOD VILLAGE

Balance Sheet
Government Funds
September 30, 2016

	General <u>Fund</u>	Municipal Development <u>District</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents - unrestricted	\$ 113,748	5,771	119,519
Cash and cash equivalents - restricted	164		164
Due from other funds	269		269
Receivables (net of allowance for uncollectibles):			
Property taxes	42		42
Sales taxes	<u>3,842</u>	<u>1,516</u>	<u>5,358</u>
Total assets	\$ <u>118,065</u>	<u>7,287</u>	<u>125,352</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Deferred revenue	\$ 42		42
Other liabilities	<u>48,345</u>		<u>48,345</u>
Total liabilities	<u>48,387</u>		<u>48,387</u>
Fund balances:			
Restricted	164	7,287	7,451
Assigned:	6,459		6,459
Unassigned	<u>63,055</u>		<u>63,055</u>
Total fund balance	<u>69,678</u>	<u>7,287</u>	<u>76,965</u>
Total liabilities & fund balances	\$ <u>118,065</u>	<u>7,287</u>	<u>125,352</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LAKEWOOD VILLAGE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2016

	<u>General Funds</u>	<u>Municipal Development District</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes			
Property	\$ 252,452		252,452
Franchise	42,836		42,836
Sales	36,779	17,807	54,586
Fines and forfeitures	6,888		6,888
Licenses and permits	38,476		38,476
Fees and service charges	15,633		15,633
Interest	1,079		1,079
Miscellaneous	<u>11,321</u>		<u>11,321</u>
Total revenues	<u>405,464</u>	<u>17,807</u>	<u>423,271</u>
 EXPENDITURES			
General government	286,292	5	286,297
Public safety	38,100		38,100
Public works	71,656		71,656
Capital outlay	20,505		20,505
Debt service:			
Principal	145,000		145,000
Interest and fiscal charges	<u>27,850</u>		<u>27,850</u>
Total expenditures	<u>589,403</u>	<u>5</u>	<u>589,408</u>
Excess/(deficiency) of revenues over expenditures	<u>(183,939)</u>	<u>17,802</u>	<u>(166,137)</u>
 OTHER FINANCING SOURCES			
Transfers (to)/from other funds	<u>66,573</u>	<u>(11,552)</u>	<u>55,021</u>
Total other financing sources	<u>66,573</u>	<u>(11,552)</u>	<u>55,021</u>
Net change in fund balances	(117,366)	6,250	(111,116)
Fund balance, beginning	<u>187,044</u>	<u>1,037</u>	<u>188,081</u>
Fund balance, ending	\$ <u>69,678</u>	<u>7,287</u>	<u>76,965</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LAKEWOOD VILLAGE

Statement of Net Position

Proprietary Funds

September 30, 2016

	Business-Type Activities		
	LWV Utility Fund	Rocky Point Utility Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 101,339	864	102,203
Cash and cash equivalents - restricted	39,300	2,500	41,800
Accounts receivable (net of allowance for uncollectibles)	13,464	620	14,084
Total current assets	154,103	3,984	158,087
Noncurrent assets:			
Due from other funds	17,890		17,890
Capital assets:			
Land	39,011	15,922	54,933
Water systems and improvements	1,464,115	89,248	1,553,363
Sanitation systems and improvements	1,457,952		1,457,952
Buildings and improvements		3,533	3,533
Less: Accumulated depreciation	(1,253,449)	(7,880)	(1,261,329)
Total noncurrent assets	1,725,519	100,823	1,826,342
Total assets	\$ 1,879,622	104,807	1,984,429
LIABILITIES			
Current liabilities:			
Customer deposits	\$ 39,300	2,500	41,800
Sales tax payable	837		837
Other payables	24,634	129	24,763
Due to other funds	269	17,890	18,159
Total current liabilities	65,040	20,519	85,559
Total liabilities	65,040	20,519	85,559
NET POSITION			
Invested in capital assets, net of related debt	1,707,629	100,823	1,808,452
Restricted	39,300	2,500	41,800
Unrestricted	67,653	(19,035)	48,618
Total net position	\$ 1,814,582	84,288	1,898,870

The notes to the financial statements are an integral part of this statement.

TOWN OF LAKEWOOD VILLAGE
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
September 30, 2016

	Business-Type Activities		
	LWV	Rocky Point	Totals
	Utility Fund	Utility Fund	
OPERATING REVENUES			
Water	\$ 143,844	15,760	159,604
Sewer	102,550		102,550
Sanitation	44,562		44,562
Fees and services	19,584		19,584
Other income	<u>5,753</u>	<u>5,318</u>	<u>11,071</u>
Total operating revenues	<u>316,293</u>	<u>21,078</u>	<u>337,371</u>
 OPERATING EXPENSES			
Contract services	126,101	2,400	128,501
Administrative	70,799	1,513	72,312
Repairs and maintenance	38,137		38,137
Miscellaneous	406		406
Garbage collections	41,131		41,131
Depreciation	<u>79,065</u>	<u>2,205</u>	<u>81,270</u>
Total operating expenses	<u>355,639</u>	<u>6,118</u>	<u>361,757</u>
 Operating income (loss)	 <u>(39,346)</u>	 <u>14,960</u>	 <u>(24,386)</u>
 NONOPERATING REVENUES (EXPENSES)			
Interest revenue	997	25	1,022
Interest expense		<u>(90)</u>	<u>(90)</u>
Total nonoperating revenues (expenses)	<u>997</u>	<u>(65)</u>	<u>932</u>
 Income (loss) before transfers	 (38,349)	 14,895	 (23,454)
 Transfers (to)/from other funds	 (38,000)	 6,252	 (31,748)
 Change in net position	 (76,349)	 21,147	 (55,202)
 Net position - beginning	 <u>1,890,931</u>	 <u>63,141</u>	 <u>1,954,072</u>
 Net position - ending	 <u>\$ 1,814,582</u>	 <u>84,288</u>	 <u>1,898,870</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LAKEWOOD VILLAGE
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2016

	Business-Type Activities		Totals
	LWV Utility Fund	Rocky Point Utility Fund	
Cash flows from operating activities:			
Cash received from customers and users	\$ 324,551	21,158	345,709
Cash payments to suppliers	<u>(255,041)</u>	<u>(3,913)</u>	<u>(258,954)</u>
Net cash provided by operating activities	<u>69,510</u>	<u>17,245</u>	<u>86,755</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	<u>(92,331)</u>	<u>(43,818)</u>	<u>(136,149)</u>
Net cash used by capital and related financing activities	<u>(92,331)</u>	<u>(43,818)</u>	<u>(136,149)</u>
Cash flows from noncapital financing activities:			
Advance proceeds	(20,000)	20,000	
Advance repayments	2,110	(2,110)	
Interest income/expense	90	(90)	
Transfer in/(out)	<u>(38,000)</u>	<u>6,252</u>	<u>(31,748)</u>
Net cash used by noncapital financing activities	<u>(55,800)</u>	<u>24,052</u>	<u>(31,748)</u>
Cash flows from investing activities:			
Interest on deposits and investments	<u>907</u>	<u>25</u>	<u>932</u>
Net cash provided by investing activities	<u>907</u>	<u>25</u>	<u>932</u>
Net increase in cash and cash equivalents	(77,714)	(2,496)	(80,210)
Cash and cash equivalents - beginning	<u>218,353</u>	<u>5,860</u>	<u>224,213</u>
Cash and cash equivalents - ending	<u>\$ 140,639</u>	<u>3,364</u>	<u>144,003</u>

Reconciliation of Net Income to Net Cash Provided/(Used) by Operating Activities

Operating income	\$ (39,346)	14,960	(24,386)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	79,065	2,205	81,270
(Increase)/decrease in accounts receivable	5,658	80	5,738
Increase/(decrease) in customer deposits	2,600		2,600
Increase/(decrease) in other payables	21,393		21,393
Increase/(decrease) in sales tax payable	<u>140</u>		<u>140</u>
Total adjustments	<u>108,856</u>	<u>2,285</u>	<u>111,141</u>
Net cash provided by operating activities	<u>\$ 69,510</u>	<u>17,245</u>	<u>86,755</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Lakewood Village, Texas, have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. **Reporting Entity**

The Town of Lakewood Village is a municipality governed by an elected mayor and town council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Town of Lakewood Village has both blended and discrete component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended Component Unit. The Lakewood Village Municipal Development District (MDD) is a political subdivision of the State of Texas and the Town, established by the voters in 2009 for the purposes of promoting economic development within the Town as prescribed by Chapter 377 of the Texas Local Government Code. The MDD is presented as a governmental fund type. The fund is supported by a one-half cent sales tax which is currently used in full to fund the cost of construction of infrastructure, other capital asset acquisition, and debt service related to the Rocky Point proprietary fund. As of September 30, 2016, the amount provided by the MDD to the Rocky Point Proprietary fund totals \$58,431.

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TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

-continued-

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

C. Measurement focus, basis of accounting, and financial statement presentation(continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following proprietary funds:

The *LWW Utility fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The enterprise fund is for water, sewer, and solid waste operations.

The *Rocky Point Utility fund* is used to account for those operations that are financed and operated in a manner similar to private business or where the council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The enterprise fund is for water operations.

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TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

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(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

6. Fund Equity (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

As of September 30, 2016, fund balances are composed of the following:

	<u>General Fund</u>	<u>Municipal Development District</u>	<u>Total Governmental Funds</u>
Nonspendable:	\$		
Restricted:			
Municipal Development		7,287	7,287
Debt service	164		164
Committed:			
Assigned:			
Road maintenance	6,459		6,459
Unassigned:	<u>63,055</u>	<u> </u>	<u>63,055</u>
Total fund balances	\$ <u>69,678</u>	<u>7,287</u>	<u>76,965</u>

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the general fund and water and sewer fund. All annual appropriations lapse at fiscal year end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

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TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

-continued-

(3) DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments (continued)

- b. *Custodial Credit Risk* - Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has no investments.
- c. *Credit Risk* - This is the risk that an issuer of an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The Town has no investments.
- d. *Interest Rate Risk* - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town has no investments.
- e. *Foreign Currency Risk* - This is the risk that exchange rates will adversely affect the fair value of an investment. The Town is not exposed to foreign currency risk.
- f. *Concentration of Credit Risk* - This is the risk of loss attributed to the magnitude of the Town's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. The Town has no investments.

B. Receivables

Receivables at September 30, 2016 consisted of the following:

	<u>General Fund</u>	<u>Municipal Development District</u>	<u>LWV Utility Fund</u>	<u>Rocky Point Utility Fund</u>	<u>Total</u>
Property taxes	\$ 42				42
Sales taxes	3,842	1,516			5,358
Accounts receivable	—	—	13,464	620	14,084
Total receivables	\$ <u>3,884</u>	<u>1,516</u>	<u>13,464</u>	<u>620</u>	<u>19,484</u>

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TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

-continued-

(3) DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities: (continued)				
Rocky Point Utility:				
Land	\$ 15,922			15,922
Building & improvements	3,533			3,533
Water system	<u>45,430</u>	<u>43,818</u>		<u>89,248</u>
Totals at historical cost	64,855	43,818		108,703
Less accumulated depreciation	<u>(5,675)</u>	<u>(2,205)</u>		<u>(7,880)</u>
Component unit capital assets, net	\$ <u>59,210</u>	<u>41,613</u>		<u>100,823</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government Activities:

Administration	\$ 5,277
Public works	<u>69,058</u>

Total depreciation expense - government activities \$ 74,335

Business-type activities:

LWV Utility	\$ 79,065
Rocky Point Utility	<u>2,205</u>

Total depreciation expense - business-type activities \$ 81,270

D. Long-term Debt

Note Payable

In February 2012, the Town of Lakewood Village and the Lakewood Village MDD entered into an economic development agreement. Under the terms of the three-year agreement, the Town agreed to make available up to \$50,000 from the Town's proprietary fund. Interest on the line-of-credit accrues monthly at the rate of 0.5 percent of the outstanding balance. During the 2015 fiscal year the Town Council took action to transfer loan repayment from the MDD to the Rocky Point Utility Fund. On September 30, 2015, the loan was paid in full..

<u>Beginning Balance</u>	<u>Additions</u>		<u>Retirements</u>	<u>Ending Balance</u>
\$ _____	<u>Principal</u>	<u>Interest</u>	<u>(2,200)</u>	<u>17,890</u>
	<u>20,000</u>	<u>90</u>		

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TOWN OF LAKEWOOD VILLAGE

Notes to the Financial Statements

September 30, 2016

-continued-

(3) DETAILED NOTES ON ALL FUNDS (continued)

E. Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of September 30, 2016 is as follows:

Interfund transfers:

	<u>General Fund</u>	<u>MDD Fund</u>	<u>LWV Utility Fund</u>	<u>Rocky Point Utility Fund</u>	<u>EDC</u>	<u>Total</u>
Transfers In:	\$ 66,573			6,252		72,825
Transfers Out:	_____	<u>(11,552)</u>	<u>(38,000)</u>	_____	<u>(23,273)</u>	<u>(72,825)</u>
	<u>\$ (66,573)</u>	<u>(11,552)</u>	<u>(38,000)</u>	<u>6,252</u>	<u>(23,273)</u>	_____

The transfer from the LWV Utility Fund and Rocky Point Utility Fund were to cover administrative and capital asset costs incurred on behalf of the utility fund. The transfer from the general fund was to cover street construction costs paid from general fund reserves, and the transfer from the EDC was to pay for capital asset additions.

(4) COMMITMENTS AND CONTINGENCIES

Litigation

In 2014, the Town sought a Temporary Restraining order to stop construction on a home site within the Town's Extra Territorial Jurisdiction (ETJ) in order to require permitting and inspections to comply with the Town's building code regulations. The order was upheld by the District Court but later reversed by both the lower Appeals Court and the Texas Supreme Court. As a result, a judgement in the amount of \$80,000 was entered against the Town for the defendant's attorney fees and costs. A current liability in the amount of \$40,000 has been recorded in the General Fund as of September 30, 2016. The remaining \$40,000 is accounted for in the government wide statements as a long term liability.

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Rocky Point Utility Fund
Profit & Loss Budget vs. Actual
 October 2016 through January 2017

	Oct '16 - Jan 17	Budget	% of Budget
Ordinary Income/Expense			
Income			
4000 · Interest Received	11.11	10.00	111.1%
4005 · Sales Tax	6,154.32	16,920.00	36.4%
4010 · Water Revenue	5,107.66	15,055.00	33.9%
4013 · Late Fees	87.45	300.00	29.2%
Total Income	11,360.54	32,285.00	35.2%
Expense			
5000 · Administrative Expenses			
5006 · Licensing Fees	0.00	175.00	0.0%
5008 · Fee for Svcs (Admin)	1,050.00	4,250.00	24.7%
Total 5000 · Administrative Expenses	1,050.00	4,425.00	23.7%
5010 · Professional Svcs & Contracts			
5011 · Water Operator	600.00	2,400.00	25.0%
Total 5010 · Professional Svcs & Contracts	600.00	2,400.00	25.0%
5020 · Utility Line Maintenance			
5021 · Scheduled Maintenance	285.00		
5022 · Laboratory	1,077.31	720.00	149.6%
5023 · Water Repairs	0.00	1,500.00	0.0%
5027 · Chemicals	0.00	200.00	0.0%
Total 5020 · Utility Line Maintenance	1,362.31	2,420.00	56.3%
5030 · Utilities			
5032 · Electricity	261.32	1,200.00	21.8%
Total 5030 · Utilities	261.32	1,200.00	21.8%
5040 · Debt Servicing	0.00	8,460.00	0.0%
5060 · Contengency Fund	200.00		
5080 · LWV Road Project	0.00	0.00	0.0%
5100 · Projects Fund	0.00	8,460.00	0.0%
5310 · LWV Operating Loan Interest	332.88	550.00	60.5%
Total Expense	3,806.51	27,915.00	13.6%
Net Ordinary Income	7,554.03	4,370.00	172.9%
Net Income	7,554.03	4,370.00	172.9%



**LAKWOOD VILLAGE
MUNICIPAL DEVELOPMENT DISTRICT**

BOARD MEETING

OCTOBER 27, 2016

Board Members:

Eric Farage, President
Bernd Mueller, Vice President
Dave Batchelder, Treasurer
Linda Asbell, Secretary
Linda Loudon

REGULAR MEETING - 5:30 P.M.

With a quorum of the Board Members present, President Eric Farage, called the board to order at 5:49 p.m. on Thursday, October 27, 2016, in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

REGULAR AGENDA:

(Agenda Item A)

Discussion of Lakewood Village Municipal
Development District Project Fund

(Agenda Item A.1)

President Farage reported that he contacted the Town Attorney to request answers to the questions the board had about sales tax transfer. President Farage stated that the MDD has opened a dedicated Project Fund bank account. The bank account has an opening balance of the sales tax revenue budgeted to go to the town for fiscal year 2015-2016 and the October sales tax.

Discussion of Lakewood Village Municipal
Development District Financial Report

(Agenda Item A.2)

President Farage reviewed the financial reports including current bank balances, budget to operating actual, and cash flow statement. There was some discussion about receiving financial reports during the month.

**LAKWOOD VILLAGE MDD BOARD
REGULAR MEETING
OCTOBER 27, 2016**

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Discussion of Rocky Point Water Operations

(Agenda Item A.3)

President Farage reported that he has gone to the water site regularly and checking the property.

Discussion of Projects

(Agenda Item A.4)

President Farage reported that the Patterson Professional Services attempted to contact another water system to guard the possibility of purchasing the system. The other system declined.

There was some discussion about the MDD taking over operations of the USACE water system. The board discussed financial responsibility for the laboratory and operator fees. There was some discussion about the \$3,000 annual revenue.

The board discussed other possible projects e.g. Acquisition of additional water systems, expanding use of the USACE park area, operations of the area around the old dam.

The board discussed collaborating with the town for a celebration of the 40th anniversary of the incorporation of the town in April 2017; the board discussed placing the Anniversary/Easter 2017 on each agenda going forward.

Consideration of 2016-2017 Fiscal Year Budget
Amendment

(Agenda Item A.5)

President Farage reviewed the financial report and budget numbers from the previous fiscal year.

MOTION: Upon a motion made by Linda Asbell and seconded by Linda Loudon, the Board voted five (5) “ayes” and no (0) “nays” to create an additional bank account for general funds and projects. *The motion carried.*

The board discussed moving \$1,301.24 from projects line to the reserve fund. There was some discussion of using sales tax revenue for payment of the debt to the town for improvements to the water system. There was some discussion about the authority of the board to designate a project that is not exclusively focused on job creation, or commercial development. The board discussed moving forward with obtaining an opinion from the town attorney regarding designation of authorized projects.

There was some discussion regarding unexpected laboratory expenses of \$867.31 and making a budget amendment at a future meeting.

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MOTION: Upon a motion made by Linda Louden and seconded by Dave Batchelder, the Board voted five (5) “ayes” and no (0) “nays” to approve the budget as discussed. *The motion carried.*

Consideration of Minutes of August 25, 2106 Meeting

(Agenda Item A.6)

MOTION: Upon a motion made by Linda Louden and seconded by Dave Batchelder, the Board voted five (5) “ayes” and no (0) “nays” to approved the minutes as presented. *The motion carried.*

EXECUTIVE SESSION

(Agenda Item C)

No executive session was held.

RECONVENE

(Agenda Item D)

COMMENTS:

(Agenda Item E)

No comments were made.

ADJOURNMENT

(Agenda Item F)

MOTION: Upon a motion made by Linda Louden and seconded by Berne Mueller, the Board voted five (5) “ayes” and no (0) “nays” to adjourn the meeting at 7:17 p.m. *The motion carried.*

These minutes approved by the Lakewood Village Municipal Development District Board on the 16th day of February 2017.

SUBMITTED

Linda Asbell, TRMC
MDD Secretary/Town Secretary