

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

FEBRUARY 11, 2014

Council Members:

Mike Schnittker, Mayor
Dr. Mark Vargus, Mayor Pro-Tem
Ken Guthrie
Clint Bushong
Carl Menckhoff, M.D.
Dave Getka

Town Staff:

Linda Asbell, TRMC, Town Secretary
W. Andy Messer, Town Attorney

REGULAR SESSION - 7:00 P.M.

With a quorum of the Council Members present, Mayor Schnittker called the Town Council to order at 7:04 p.m. on Tuesday, February 11, 2014, in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

PLEDGE TO THE FLAG:

(Agenda Item A)

Mayor Schnittker led the pledge of allegiance

VISITOR/CITIZENS FORUM:

(Agenda Item B)

Janie Newsome, 765 Highridge, stated that she is here supporting Mr. and Mrs. Schoknecht of 720 Highridge. Mrs. Newsome stated that she loves Lakewood Village and is unhappy with the look of the property at 650 Highridge. Mrs. Newsome stated that a friend came to visit her and make a comment that the town looks bad because of the property at 650 Highridge. Mrs. Newsome stated that someone from her church made a comment about how bad the property looks. Mrs. Newsome requested that a survey be distributed to find out what residents want.

Gary Newsome, 765 Highridge, stated that he has a great respect for the town council. Mr. Newsome stated that one of the best things that that council does is planning and he appreciates the job the council is doing. Mr. Newsome stated that the property at 650 Highridge is a problem for the whole town. Mr. Newsome stated that he does not believe the concrete work at that property represents industry standard. Mr. Newsome recommends the town establish a standard

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for the final appearance of flatwork. Mr. Newsome stated that at various times there are 16 vehicles parked in front of the house. He stated that as a realtor he is qualified to judge property values and he believes that this property has affected the values of neighboring properties. Mr. Newsome suggested the town look at the possibility of hiring a code enforcement officer. Mayor Schnittker asked Mr. Newsome to make recommendations for what could be changed. Mayor Pro-Tem Vargus stated that the problem is finding a way to write an ordinance to regulate the issues the complaints are addressing. Mr. Newsome stated that the standards he is referring to are both construction and appearance. Mr. Newsome stated that he would like the town to hire a code enforcement officer. Mayor Schnittker stated that all the vehicles currently parked on the property are legally registered. Mayor Schnittker requested recommendations for ordinance changes that will correct this situation. Mr. Newsome reiterated his recommendation that a code enforcement officer be hired so neighbors do not have to police their neighbors. Mr. Newsome stated that this property is an eyesore but he does appreciate the council and the job they each are doing.

Bill Schoknecht, 720 Highridge, stated that he is the next door neighbor to 650 Highridge. Mr. Schoknecht stated that the drainage culvert at 650 Highridge was installed too high and impedes drainage. Mr. Schoknecht stated that several building projects have been performed without a permit and were done improperly. He stated that the addition in the back of the house was finished properly but the front of the house was not constructed properly. Mr. Schoknecht stated that his property values are going down due to this property. Mr. Schoknecht stated that vehicles on the property are unlicensed and should be considered a violation of the Junked Vehicle Ordinance. Mr. Schoknecht reported on a number of trash violations that have only recently been corrected. Mayor Pro-Tem Vargus explained that if stucco was installed improperly and without a permit that the owner would be required to provide a notarized letter acknowledging the work was done without a permit and releasing the town from liability. Mr. Schoknecht stated that going forward he wants the property owner to keep the property clean and install a visual barrier. Mr. Schoknecht stated that the property is an eyesore and an invitation to vandalism. Town Attorney Messer provided an example of what would be considered a public nuisance. Attorney Messer stated that although the neighbors are frustrated by this property, the complaints mentioned do not constitute a nuisance and the town would not have the authority to enforce aesthetic determinations against a property. Attorney Messer invited Mr. Schoknecht to contact him to clarify the town's authority.

Jane Schoknecht, 720 Highridge, stated that she has lived in Lakewood Village for over 40 years. Mrs. Schoknecht stated that she has gotten very involved in the Little Elm community events and would like to get involved in the Lakewood Village events. Mrs. Schoknecht stated that her friends are commenting that the property next to her is an eyesore. She reported that the property remodel has not been completed properly. She reported on the trash around the property. Mrs. Schoknecht reported on the trees that were removed from the property.

CONSENT AGENDA

(Agenda Item C)

1. Acceptance of resignations of Carl Menckhoff, M.D., and Mike Schnittker, from the Board of the Municipal Development District
2. Acceptance of resignations of Clint Bushong, Carolyn Coleman, Dave Getka, and Mary Begis from the Board of the Economic Development Corporation
3. Ordinance Calling and Election for May 2014
4. Minutes of December 12, 2013 Council Meeting

Town Secretary, Linda Asbell, requested the December Council Minutes be removed from the consent agenda and be considered at the March council meeting.

MOTION: Upon a motion made by Mayor Pro-Tem Vargus and seconded by Councilman Guthrie the Council voted five (5) “ayes” and no (0) “nays” to approve the consent agenda items 1, 2, and 3 as presented. *The motion carried.*

REGULAR AGENDA:

(Agenda Item D)

**Update on Status of Concrete Road Project,
Freese & Nichols**

(Agenda Item D.2)

Mr. Dan Prendergast of Freese & Nichols reviewed the current calendar for the bid, award, and construction of the new roads. Mr. Prendergast stated that the only change has been an increase of sodding from two-feet to five-feet. There was some discussion about staging needs for construction which would lower costs. The contractor will pay for inspections and Freese & Nichols will verify inspections and results.

**Consideration of Variance of driveway,
masonry, and garage size requirement for
Property R44518 on Easy Street**

(Agenda Item D.1)

Mr. Richard Stevens, 141 Cottonwood Lane, Little Elm. Mr. Stevens stated that he has purchased a property on Easy Street and is requesting variances for building his home on that property. Mr. Stevens stated that he appreciates that the council has reached out in the extra territorial jurisdiction to assist with cleaning up the area. He reviewed the location of the property. Mr. Stevens requested permission to use Hardy board instead of brick or masonry. He provided pictures of the surrounding properties and indicated that hardy board will fit in with the neighborhood and would be an improvement to the area. Mr. Stevens requested a variance to allow for a smaller garage size, and permission to install a gravel driveway rather than a concrete driveway. Council discussed the variances requested. There was some discussion on the length

and construction of the driveway. There was discussion about requiring a base and a defining edge to contain the gravel.

MOTION: Upon a motion made by Councilman Menckhoff and seconded by Councilman Getka the Council voted five (5) “ayes” and no (0) “nays” to approve the variance requests for R44518 with the stipulation that the driveway has a base and a clean edge barrier. *The motion carried.*

Councilman Guthrie – stated that the council has not received a building permit or plans and historically has not approved variances without an application for a permit.

Consideration of Proposal for Lakecrest Fire Hydrant Installation Project

(Agenda Item D.3)

Mayor Pro-Tem Vargus reviewed the proposal and the email from Attorney Messer stating that the project deals with life/health/safety and does not require going out to bid. Mayor Pro-Tem Vargus stated that \$84,000 was approved in the budget and the bid is for \$87,700. The project agreement requires the construction be completed by May 1st or a 5% penalty will be imposed. Mayor Schnittker stated that he would like to see a plan for the proposed work. Mayor Pro-Tem Vargus reviewed the location of fire hydrants in the original section of Town and the need for additional hydrants which will also require a larger water main to support the hydrants.

MOTION: Upon a motion made by Councilman Getka and seconded by Councilman Guthrie the Council voted five (5) “ayes” and no (0) “nays” to approve the Lakecrest Fire Hydrant Installation Project. *The motion carried.*

Consider all matters incident and related to authorizing appropriate personnel and consultants to proceed with arrangements and the preparation of documents for the issuance and sale of certificates of obligation and resolving other matters incident and related thereto, including the adoption of Resolution No. 14-01 pertaining thereto.

(Agenda Item D.4)

Andrew Freedman with Southwest Securities stated that this is the first time the Town has issued debt and reviewed the process of issuing bonds. Mr. Freedman stated that now is a very good time to issue bonds since the interest rates are new historic lows. Mr. Freedman reviewed the proposed timetable for the sale of bonds. The sale of the bonds will be a private placement with a fixed interest rate. There was some discussion on the structure of the payments.

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Bob Dransfield addressed the most common structure for bond payments. Mr. Dransfield explained that the action council takes tonight does not affect the structure of payments as that will be outlined in the bond documents.

There was some discussion about the entities and process involved in selling bonds. Andrew Freedman and Mark McLiney are with Southwest Securities and act as financial advisors to structure the transactions, interact with the financial market. Their fiduciary responsibility is to the town. Cory Admire and Bob Dransfield are with Norton Rose Fulbright and act as Bond Counsel to draft the legal documents, process the documents, interact with the attorney general's office and ensure all legal documents are accurate. Mr. Dransfield and Ms. Admire stated that they have completed preliminary work to obtain preliminary approval from the Attorney General's office. Mr. Dransfield stated that obtaining this approval is a significant achievement for municipalities that have never issued bonds before.

There was some discussion about the approximate \$35,000 fees involved. There was some discussion on the total amount of the bonds to be issued. Mayor Pro-Tem Vargus reviewed the revised estimates from the engineer for the costs of the road improvements which is \$1,571,000. Council discussed the possibility of issuing \$1,700,000 in bonds to cover the possible construction costs.

MOTION: Upon a motion made by Mayor Pro-Tem Vargus and seconded by Councilman Bushong the Council voted five (5) "ayes" and no (0) "nays" to approve Resolution 14-01 and authorize personnel and consultants to proceed with all arrangements for the issuance and sale of certificates of obligation. *The motion carried.*

Consider all matters incident and related to approving and authorizing publication of notice of intention to issue certificates of obligation, including the adoption of Resolution No. 14-02 pertaining thereto.

(Agenda Item D.5)

This item was discussed concurrently with Agenda Item D.4.

MOTION: Upon a motion made by Mayor Pro-Tem Vargus and seconded by Councilman Getka the Council voted five (5) "ayes" and no (0) "nays" to approve Resolution 14-02 authorizing the publication of notice of intention to issue certificates of obligation. *The motion carried.*

**Consideration of Contract with MuniBilling
for Utility Billing Software Licensing**

(Agenda Item D.6)

Councilman Guthrie reviewed the capabilities of the MuniBilling system and the tests Lakewood Village has performed for utility billing functions. Councilman Guthrie stated that all concerns/issues have been resolved by either Munibilling or Revo (the company providing merchant services). Mayor Pro-Tem Vargus reported that Councilman Guthrie has not only tested the utility billing functions but he has also facilitated the financial reporting and credit card processing functions. Councilman Guthrie stated that he has been working on this project since last October. Councilman Guthrie reviewed the contract terms and the examples of reports and bills provided. Councilman Guthrie recommended that council approve the pricing contract and agreement.

MOTION: Upon a motion made by Councilman Guthrie and seconded by Mayor Pro-Tem Vargus the Council voted five (5) “ayes” and no (0) “nays” to approve the Contract with MuniBilling for Utility Billing Software Licensing. *The motion carried.*

Councilman Getka thanked Councilman Guthrie for all the time he has dedicated to this project. Councilman Getka stated that Councilman Guthrie’s willingness to work on this project has saved the Town a good amount of money.

**Discussion of Status of Hydro-pneumatic
Tank Project**

(Agenda Item D.7)

There was some discussion on the delay and the possibilities of imposing a penalty on the company constructing the tank for missing the delivery date by one month. There was some discussion about the lack of notification received from the company constructing the tank of the delay.

**Consideration of Interlocal Agreement with
Denton County for Election Services**

(Agenda Item D.8)

Town Secretary Linda Asbell reviewed the changes in the terms of the contract from the contract provided last year. Town Secretary Asbell reported that the county is now refusing to lease election equipment if the entity is not participating in the joint election. Town Secretary Asbell reviewed the possible cost impact.

MOTION: Upon a motion made by Mayor Pro-Tem Vargus and seconded by Councilman Guthrie the Council voted five (5) “ayes” and no (0) “nays” to approve the

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Interlocal Agreement with Denton County for Election Services. *The motion carried.*

COUNCIL AND STAFF COMMENTS:

(Agenda Item E)

Mayor Schnittker reported that the March council meeting is scheduled during spring break and should be rescheduled.

ADJOURNMENT

(Agenda Item F)

MOTION: Upon a motion made by Councilman Getka and seconded by Councilman Menckhoff the Council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lakewood Village Town Council at 9:48 p.m. on Tuesday, February 11, 2014. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 24th day of March 2014.

APPROVED

Mike Schnittker
MAYOR

ATTEST:

Linda Asbell, TRMC
TOWN SECRETARY