



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

**TOWN COUNCIL MEETING  
JULY 8, 2014 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 can be taken on these items at this meeting.

**C. REGULAR AGENDA:**

1. Discussion of 2014 Concrete Road Project Update
2. Consideration of Authorizing Acting Mayor Vargus to Accept Change Orders for Concrete Road Project
3. Discussion of Chief Investment Officer Responsibilities
4. Consideration for Authorization for LED Lighting Upgrade for Town Hall
5. Consideration of Town Website Upgrade
6. Discussion of 2014-2015 Budget
7. Consideration of Acceptance of Engagement Letter with Nabors CPA
8. Consideration of Acceptance of Economic Development Corporation 2014-2015 Budget

**D. 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 § 551.087 Texas Government Code to wit: Economic Development Negotiations

**E. RECONVENE:** Reconvene into regular session and consideration of action, if any, on items discussed in executive session.

**F. COUNCIL AND STAFF COMMENTS:** Comments may be made by Council or Staff. No formal action may be taken on these items at this meeting.

**G. ADJOURNMENT**

I do hereby certify that the above notice of meeting was posted on the designated place for official notice before 5:00 p.m. on Friday, July 3, 2014.

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 ECONOMIC DEVELOPMENT CORPORATION and the LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by either the EDC or MDD Boards during this meeting.

**TOWN OF LAKEWOOD VILLAGE, TEXAS  
ORDINANCE NO. 08-01**

**AN ORDINANCE ADOPTING AN INVESTMENT POLICY AND DEFINING SUITABLE INVESTMENTS; PROVIDING FOR PERIODIC REPORTS ON FINANCIAL PERFORMANCE; PROVIDING A REPEAL CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town Council of Lakewood Village, Texas has a fiduciary obligation to invest its citizens' funds prudently;

**WHEREAS**, the Town of Lakewood Village, Texas is vested with full investment powers under the authority of Local Government Code Section 105.072 and the Texas Government Code Chapter 2256 ("The Public Funds Investment Act" as amended);

**WHEREAS**, Texas Government Code Chapter 2256.005 requires municipalities to adopt and maintain a written investment policy and describes specific conditions that the policy must satisfy;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS THAT THE TOWN HEREBY ADOPTS THE FOLLOWING:**

**1. INVESTMENT POLICY:**

It is the policy of the Town of Lakewood Village ("Town") to invest public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the Town of Lakewood Village and conforming to the "Public Funds Investment Act". The receipt of a market rate of return will be secondary to the requirement for safety and liquidity.

**2. SCOPE:**

This Investment Policy applies to all financial assets of the Town. The Town commingles its funds into one pooled investment fund for efficiency and maximum investment opportunity. These funds are defined in the Town's Comprehensive Annual Financial Report and include the general fund and the water/wastewater enterprise fund as well as any new funds created by the Town unless specifically exempted from this policy by the Town Council.

**3. PRUDENCE:**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by the Investment Officer shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures of the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**4. OBJECTIVE:**

It is the policy of the Town that all funds shall be managed and invested with three primary objectives, listed in the order of their priority: safety, liquidity, and yield (return). These objectives encompass:

**A) Safety of Principal**

Safety of Principal is the foremost objective of the Town. Investments of the Town shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. A diversification strategy is a key element of the Town’s investment policy in that it reduces the likelihood of large capital losses attributable to individual securities leading to an overall reduction in the Town’s assets. Diversification will be accomplished through the investment in eligible mutual funds which hold a portfolio of individual securities backed by numerous issuers. All mutual fund investments must be insured by the Securities Investor Protection Corporation (SIPC), a nonprofit corporation established by the U.S. Congress.

**B) Liquidity**

The Town’s investment portfolio must remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated. Mutual fund investments must allow for electronic transfer of funds on a next-business-day basis and be accessible via the internet.

**C) Return on Investment**

The Town’s investment portfolio shall be designed with the objective of attaining a rate of return throughout the budgeting and economic cycles, commensurate with the Town’s investment risk constraints and the cash flow characteristics of the portfolio.

**5. DELEGATION OF AUTHORITY:**

The Town Council, shall designate by resolution or ordinance the Investment Officer of the Town who is responsible for investment management decisions and activities. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Mayor shall serve as interim investment officer in the event circumstances require timely action and the Investment Officer is not available.

**6. ETHICS AND CONFLICTS OF INTEREST:**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Employees and Investment Officials shall disclose to the Town Council any material financial interest in financial institutions that conduct business within this jurisdiction and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Town, particularly with regards to the time of purchases and sales.

**7. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:**

The Town Secretary will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security brokers/dealers selected by credit worthiness who are authorized to provide investment services in the State of Texas. These may include “primary” dealers or regional dealers that qualify under the Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposits shall be made except in a qualified public depository as established by State law. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the Town invests.

**8. ACCEPTABLE INVESTMENT INSTRUMENTS:**

The Town of Lakewood Village is permitted to invest only in the following subset of eligible investments empowered under The Public Funds Investment Act:

- ◆ Obligations of the United States Government or its agencies and instrumentalities;
- ◆ Direct obligations of the State of Texas or its agencies;
- ◆ Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;
- ◆ Certificate deposits issued by State and National banks domiciled in the State of Texas and collateralized or fully insured by FDIC or US Government Securities;
- ◆ SEC registered, no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less whose assets consist exclusively of the US Government securities and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share.
- ◆ Texas Local Government investment pools as defined by the Public Funds Investment Act.

If additional types of securities are approved for investment by public fund by State statutes, they will not be eligible for investment by the Town until this policy has been amended and the amended version approved by the Town Council.

**9. INVESTMENTS IN REAL PROPERTY:**

Nothing in this policy is to be construed as limiting the Town's rights to acquire real property as authorized under the Local Government Code, Section 271 or through eminent domain or other authorized methods.

**10. INVESTMENT REPORTING:**

Each month, the Investment Officer and any employees designated by the Investment Officer shall prepare and submit to the Town Council a written report of all investment transactions. The report will include the following information: 1) a detailed description of the investment position of the Town at the end of the quarter; 2) a summary statement of each pooled fund group that states the beginning market value for the quarter, additions and changes to the market value during the period, and ending market value for the period; 3) state the book value and market value of each separately invested asset at the beginning and end of the quarter by the type of asset and fund type invested; 4) state the maturity date of each separately invested asset that has a maturity date; 5) state the fund or pooled group fund for which each individual asset was acquired; 6) demonstrate compliance with the investment strategy established in this policy and by the Public Funds Investment Act. The report should also include the yield on each fund or pooled group fund. This report must be prepared and signed by all Investment Officers of the Town.

**11. REPEAL CLAUSE**

All ordinances that are in conflict with the provisions of this ordinance be, and the same are hereby repealed and all other ordinances of the Town not in conflict with the provisions of this ordinance shall remain in full force and effect.

**12. SUPERCEDING REGULATION OR STATUTE**

Whenever any applicable statute, regulation, or permit of any state, federal, or other agency, having jurisdiction over the subject matter of this Ordinance, is in conflict herewith, the stricter requirement shall apply, unless mandated otherwise.

**13. SEVERABILITY CLAUSE**

The provisions of this Ordinance are severable, and if any section, article, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

**14. EFFECTIVE DATE**

This ordinance shall be in full force and effect from and after its date of passage and publication as provided by law.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, **on this 16th day of January 2008.**

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**MIKE SCHNITTKER,**  
**Mayor Pro-Tem**

**ATTESTED:**

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**LINDA ASBELL,**  
**City Secretary**



## **MEMORANDUM**

TO: Town Council  
FROM: Linda Asbell, Town Secretary  
DATE: July 3, 2014  
RE: Agenda Item C.4. - LED Lighting Upgrade for Town Hall

Councilman Getka will provide specific information about cost and equipment during the council meeting.





# MEMORANDUM

TO: Town Council  
FROM: Clint Bushong  
RE: Agenda x.x: Upgrade of the Town's Website

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The Town's website is managed with Joomla 1.5.22 which is no longer supported. An upgrade to the latest version will allow the functionality of the website to be improved with features that include notification emails when a new agenda is posted, a local weather forecast, an improved text editor for article creation / maintenance and a site designed for mobile devices.

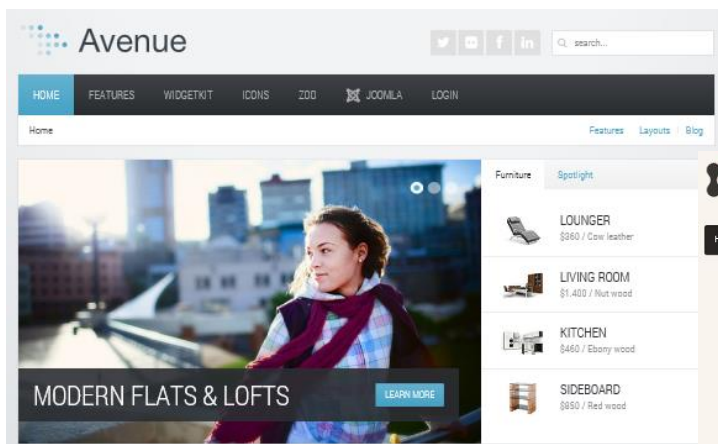
I asked Linda to inquire about upgrading the website and Jeff Fox provided a plan along with costs.

- 1) Joomla 1.5.22 to 3.3 – Free
- 2) New site template - €49 (\$69) (required with upgrade of Joomla)
- 3) New document management - \$69
- 4) Professional upgrade - \$500 (assumes customization of template is not required)
  - a. Duplicate site
  - b. Install and configure new template
  - c. Migrate content and documents
  - d. Test
  - e. Go live!

I have provided screen shots of two potential templates below. Both can be configured to mimic the current layout closely. The templates can be reviewed live during the meeting utilizing a demo site.

I look forward to the discussion.

*Clint Bushong*





# Nabors CPA Services, P.C.

CERTIFIED PUBLIC ACCOUNTANT  
AUDIT, TAX AND CONSULTING SERVICES

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(972) 464-1226

5566 Main Street, Suite 201

Frisco, Texas 75033

*How well do you know your CPA?*

May 28, 2014

Town of Lakewood Village  
100 Highridge Drive  
Lakewood Village, TX 75068

I am pleased to confirm my understanding of the services I am to provide Town of Lakewood Village for the years ended September 30, 2014. I will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Town of Lakewood Village as of and for the years ended September 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Lakewood Village's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to Town of Lakewood Village's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules

## **Audit Objective**

The objective of my audit is the expression of opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinion. If my opinion on the financial statements is other than unqualified (unmodified), I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinion, I may decline to express opinion or to issue a report as a result of this engagement.

**Member of:**  
**American Institute of CPA's**  
**Texas Society of CPA's**

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions, for designating an individual with suitable skill, knowledge, or experience to oversee my assistance with the preparation of your financial statements and related notes and any other non-attest services I provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lakewood Village and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the written representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with my report thereon. Your responsibilities include acknowledging to me in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that

the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to me any significant assumptions or interpretation underlying the measurement or presentation of the supplementary information.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures – Internal Control**

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

**Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I will perform tests of Town of Lakewood Village’s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

**Engagement Administration, Fees, and Other**

I expect to begin my audit for the year ended September 30, 2014 on approximately October 27, 2014 and to issue my reports no later than December 11, 2014. Wayne Nabors is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that I agree that my gross fee, including expenses will not exceed \$10,500. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

An invoice for one half of the audit fee will be submitted at the conclusion of field work for each audit year and one for the remainder upon delivery of the audit report to the Town Council for each audit year.

I appreciate the opportunity to be of service to the Town of Lakewood Village and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,



Nabors CPA Services, P.C.

**RESPONSE:**

This letter correctly sets forth the understanding of Town of Lakewood Village.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## MEMORANDUM

TO: Town Council  
FROM: Linda Asbell, Town Secretary  
DATE: July 3, 2014  
RE: Agenda Item C.8. - EDC 2014-2015 Budget

The EDC has a budget meeting scheduled for July 7, 2014. It is anticipated that a budget will be proposed at that meeting. The proposed budget will be provided at the council meeting.