



Minutes  
April 17, 2018  
City of Lavon City Council  
Lavon City Hall, 120 School Rd., Lavon, TX  
Regular Meeting – Executive Session  
7:00 P.M.

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ATTENDING: CHUCK TESKE, MAYOR  
VICKI SANSON, MAYOR PRO TEM, PLACE 1  
KAY WRIGHT, PLACE 3  
TIM DAVIS, PLACE 4  
MINDI SERKLAND, PLACE 5

ABSENT: MIKE COOK, PLACE 2

1. **MAYOR TESKE CALLED THE MEETING TO ORDER AT 7:02 P.M. AND ANNOUNCED A QUORUM PRESENT.**
2. **MAYOR TESKE LED THE RECITATION OF THE PLEDGE OF ALLEGIANCE AND DELIVERED THE INVOCATION.**

3. **CITIZENS COMMENTS**

There were none.

4. **ITEMS OF INTEREST/COMMUNICATIONS**

- Ms. Wright: Lavon Economic Development Corporation (LEDC) Small Business Bazaar – April 28, 2018
- Ms. Serkland: Sunday April 22, 2018 from 4pm-6pm local Scouts will have a Flag Retirement Ceremony at the Military Heritage Collection of North Texas.
- Rae Norton announced that City Hall is in the beginning stages of planning for “Camp 911” and more specific information will be provided in May.

5. **CONSENT AGENDA**

**A. Approve the Minutes of the March 20, 2018 Meeting.**

**B. Accept the Heritage Public Improvement District #1 Assessment Report Summary dated 3/20/2018 and authorize the payment of invoices included therein.**

**MOTION: APPROVE THE CONSENT AGENDA AS WRITTEN.**

MOTION MADE: WRIGHT  
SECONDED: SANSON  
APPROVED: UNANIMOUS  
Absent: COOK

6. **ITEMS FOR CONSIDERATION**

**A. Presentation of the 2017 Financial Statements and Independent Audit Report-Conway Company.**

City Administrator Kim Dobbs advised that the Texas Local Government code requires that the City’s financial statements be audited annually by an independent certified public accountant and that the City’s 2017 audit was conducted by Mike Ward, CPA of Conway Company CPAs. Mr. Ward distributed and presented the Financial Statement and Independent Audit Report for Fiscal Year 2016-2017 and reviewed the opinion letter that concluded the audit resulted in an unmodified “clean”

opinion indicating that the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles. Mr. Ward explained that an unmodified opinion is the best possible of the four types of opinions that a City can receive. Mr. Ward commended city staff and leaders for maintaining conservative fiscal management policies and procedures that produce a stable, healthy financial position for the City. Mr. Ward noted that in comparison to other cities, Lavon is a “really good operation” and in exceptional shape with respect to fund balance, debt levels and cash levels.

Mr. Ward specifically complimented the efforts of Accounting Administrator Diane Cuellar for a precise and meticulous work product and advised that the entire City staff was accommodating and helpful during the audit process. Mr. Ward recommended that the City continue an ongoing project to update the chart of accounts and present the fund balance and transfers in an alternate way within the budget document. Mayor Teske inquired and Mr. Ward addressed the Texas Municipal Retirement System (TMRS) liability. Mr. Ward invited the Council to contact him with any additional questions.

**B. Discussion and action regarding Resolution No. 2018-04-01 designating authorized signatories for all Wells Fargo Bank accounts associated with the Heritage Public Improvement District No. 1 and providing an effective date.**

Ms. Dobbs provided information regarding the proposed resolution and signature card submitted by the Heritage Public Improvement District (PID) #1 administrator Utility Tax Services. The consensus of the Council was that the signature card should only name the Mayor, Mayor Pro Tem and two appointed staff, Ms. Dobbs and Ms. Norton. Ms. Dobbs will request a revised signature card from the PID administrator. There was no action.

**C. Discussion and action regarding Resolution No. 2018-04-02 expressing official intent to reimburse costs of wastewater treatment plant expansion.**

Ms. Dobbs presented the proposed resolution prepared and recommended by the City’s bond counsel Leroy Grawunder, McCall, Parkhurst & Horton LLP. Ms. Dobbs explained that a reimbursement resolution provides security that the City may obtain if necessary, reimbursement for costs associated with the upcoming wastewater treatment plant sanitary sewer system expansions.

**MOTION: APPROVE RESOLUTION NO. 2018-04-02 EXPRESSING OFFICIAL INTENT TO REIMBURSE COSTS OF WASTEWATER TREATMENT PLANT EXPANSION.**

MOTION MADE: DAVIS  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS  
Absent: COOK

**D. Discussion and action regarding Ordinance No. 2018-04-01 amending the fee schedule to increase the sewer tap fee from \$2700 per unit to \$3200 per unit, incorporate fees adopted for sexually oriented businesses and alcohol regulations and add fees for Site Plan Application and Landscape Plan Application and providing an effective date.**

Ms. Dobbs presented the proposed fee amendments noting that the fees for regulations pertaining to alcohol and sexually oriented businesses were approved by Ordinance Nos. 2018-03-04 and 2018-03-05 respectively; that the proposed fees for Site Plan and Landscape Plan applications are new fees and that the sewer tap fee increases are proposed for both residential and commercial construction. Mr. Davis and Ms. Serkland expressed concern about increasing the residential sewer tap fee for a second time within the fiscal year. Ms. Dobbs explained that the sewer tap fee, incurred by a builder at building permitting, was established in 2004 and had not been increased in thirteen years until the FY 2017-18 fee schedule and that subsequent development demand combined with current economic factors necessitate revisiting the sewer tap fee increase. Josh Murray stated that the City of Josephine had a \$1200 sewer tap fee and opined that the sewer tap fee should not be increased.

**MOTION: APPROVE ORDINANCE NO. 2018-04-01 AMENDING THE FEE SCHEDULE TO INCREASE THE SEWER TAP FEE FROM \$2700 PER UNIT TO \$3200 PER UNIT, INCORPORATE FEES ADOPTED FOR SEXUALLY ORIENTED BUSINESSES AND**

**ALCOHOL REGULATIONS AND ADD FEES FOR SITE PLAN APPLICATION AND LANDSCAPE PLAN APPLICATION AND PROVIDING AN EFFECTIVE DATE.**

MOTION MADE: WRIGHT  
SECONDED: SERKLAND  
APPROVED: UNANIMOUS  
Absent: COOK

**7. ITEMS FOR DISCUSSION**

**A. Discussion regarding an update of the Standard Construction Details.**

Ms. Dobbs presented draft Standard Construction Details and discussed the need for the guidelines to provide structure and control for the development of the public infrastructure within the City. The Council expressed concurrence for the need for the details and directed that an ordinance adopting the construction details be presented at a future meeting.

**B. Discussion and action regarding a mid-year budget review and proposed amendment.**

Ms. Dobbs presented a worksheet outlining a review of the current mid-year general fund revenues and expenditures compared to budget. Ms. Dobbs stated that the staff compiled the proposed amendments listed in response to unanticipated items and to correct a typographical error in the final adopted budget. Mayor Teske noted the revenues in excess of budget in building permit fees. The City Council discussed the proposed amendments. No action was taken and the staff was directed to prepare an amendment for consideration at the next meeting.

**8. STAFF REPORTS**

**A. Police Department-** Chief Jones reviewed the 1) monthly reports for traffic stops, calls for service, call breakout and consolidated activity and the 2) monthly reserve participation report.

**B. Fire Marshal's Office** – Fire Marshal Jon Scott provided a report regarding 1) participation in community events like the NeSmith 5K fun run and Shattered Dreams program; 2) meetings and training and 3) Emergency Operations Center (EOC) construction expansion update.

**C. Public Works Department-** Public Works Director Sonny Mancias provided information regarding 1) general public works and street maintenance report including mowing and trash collection; 2) TxDOT projects; 3) public works facility update and 4) sanitary sewer system maintenance and 5) mosquito abatement report. Ms. Sanson commended the Public Works Department for the trail improvements at Eagle Pond.

**D. Administration** - Ms. Dobbs directed the Council to the reports provided in the packet and offered to answer questions regarding the 1) Financial Outlook, 2) Building Permits Report; 3) Heritage Public Improvement District #1 Annual Continuing Disclosure Report; 4) NCTCOG 2018 Population Estimate; 5) Update regarding the status of the RFQ for Professional Engineering Services process; 6) Collin County Monthly Tax Collection Report and 7) Sales Tax Report. Ms. Dobbs commended the efforts of LeAnn McClendon to ensure accurate population projections.

**9. EXECUTIVE SESSION**

**In accordance with Texas Government Code, Chapter 551, Subchapter D, the City Council may recess into Executive Session (closed meeting) to discuss the following item pursuant to Section 551.071 (2) and 551.071 (1): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and Consultation with Attorney regarding pending litigation or settlement offer: *Application of City of Lavon to Obtain a Sewer Certificate of Convenience and Necessity (CCN), Public Utility Commission SOAH Docket No. 473-17-4339.WS, PUC Docket No. 46993.***

There was no executive session.

**10. RECONVENE INTO REGULAR SESSION**

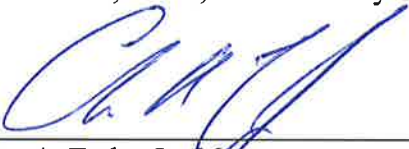
There was no action.

**11. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS**

The City Council set the next meeting May 1, 2018 7:00 P.M.

**12. MAYOR TESKE ADJOURNED THE CITY COUNCIL MEETING AT 8:36 P.M.**

**DULY PASSED and APPROVED** by the City Council of the City of Lavon, Texas, on this 1<sup>st</sup> day of May, 2018.

  
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Charles A. Teske, Jr., Mayor

ATTEST:  
  
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Kim Dobbs, City Administrator | City Secretary

