

LEWISVILLE CITY COUNCIL

REGULAR SESSION

MARCH 16, 2015

Present:

Dean Ueckert, Mayor

Council Members:

TJ Gilmore, Mayor Pro Tem (Absent)
R Neil Ferguson, Deputy Mayor Pro Tem
Leroy Vaughn
Greg Tierney
Rudy Durham

City Staff:

Donna Barron, City Manager
Steve Bacchus, Assistant City Manager
Melinda Galler, Assistant City Manager
Eric Ferris, Assistant City Manager
Julie Heinze, City Secretary
Lizbeth Plaster, City Attorney

WORKSHOP SESSION – 6:15 P.M.

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Ueckert at 6:18 p.m. on Monday, March 16, 2015, in the City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas. All City Department Heads were in attendance.

**Presentation of the 2014 Comprehensive
Annual Financial Report (CAFR)**

(Agenda Item A)

At the request of City Manager Donna Barron, the following representatives from Weaver conducted the attached PowerPoint of the 2014 Comprehensive Annual Financial Report (CAFR): Jerry Gaither, CPA, CGFM, Engagement Partner and John DeBurro, CPA, Senior Manager.

WORKSHOP SESSION – 6:30 P.M.

**Discussion of Regular Agenda Items and
Consent Agenda Items**

(Agenda Item B)

Mayor Ueckert reviewed Agenda Item A, Invocation. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item B, Pledge to the American and Texas Flags. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item C, Proclamation: Declaring March 16, 2015, as “Lewisville Rotary Day 2015.” There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item D, Presentations: a) Recognition of Charles Ku DDS for his Lifetime Achievement and Volunteer Service Award from the President; and b) Recognition of Kay Sutton and Linda McDaniel for Their Volunteer Work With the Circle of Friends. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item E-1, Public Hearing: Consideration of an Ordinance for a Zone Change Request From Local Commercial (LC) to Old Town Mixed Use 2 (OTMU2), on a 0.231 Acre Tract of Land, Located at 386 West Main Street, as Requested by Studio 13 Land Holdings, the Property Owner (Case No. PZ-2015-02-04). There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item E-2, Public Hearing: Consideration of an Ordinance for a Zone Change Request From General Business (GB) and Single Family Residential (R-7.5) to General Business (GB); on a 0.45 Acre Tract of Land, Located at 867 South Mill Street, as Requested by Reid’s Auto Connection, the Property Owner (Case No. PZ-2015-02-05). There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item E-3, Public Hearing: Consideration of an Ordinance for a Zone Change Request From Agriculture Open Space (AO) to Warehouse (WH); on 12.03 Acres of Land, Located on the East Side of Railroad Street Approximately 1,500 Feet South of Business SH 121; Further Identified as Tracts 10 and 11 of the J.W. Haven Survey, Abstract 541 and Tracts 33(PT) and 34 of the J.W. King Survey, Abstract 695, as Requested by Lewisville Executive Boat and RV, LLC, the Property Owner (Case No. PZ-2015-02-06). There was no discussion on this item.

WORKSHOP SESSION – 6:30 P.M.

**Discussion of Regular Agenda Items and
Consent Agenda Items (cont'd)**

(Agenda Item B)

Mayor Ueckert reviewed Agenda Item E-4, Public Hearing: Consideration of an Ordinance Granting a Special Use Permit (SUP) for a Self-Storage Facility With Outdoor Boat and RV Storage on an Approximately 12.03 Acre Tract of Land Located on the East Side of Railroad Street Approximately 1,500 Feet South of Business SH 121, Zoned Warehouse (WH), as Requested by Lewisville Executive Boat and RV, LLC, the Property Owner (Case No. SUP-2015-02-02). There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item E-5, Public Hearing: Consideration of an Ordinance Amending Lewisville City Code Sections 6-54, 17-3, and 17-35; Adding a New Section 6-77; Creating a Process for Compliance for Properties Impacted by the I-35 Widening Project; Redefining Certain Terms Relating to Nonconformity; Modifying Board of Adjustment Authority and Membership Requirements. City Manager Donna Barron advised that this had previously been discussed in January as an effort to manage the construction impacts created by the I35E expansion. She advised that Assistant City Manager Eric Ferris would be doing a presentation during the regular meeting to give an overview of this new ordinance. There was no further discussion on this item.

Mayor Ueckert reviewed Agenda Item F, Visitors/Citizens Forum. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item G-6, Approval of Minutes: a) City Council Minutes of the February 16, 2015, Workshop Session and Regular Session; and b) City Council Minutes of the March 2, 2015 Workshop Session and Regular Session. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item G-7, Acceptance of the Fiscal Year 2014 Comprehensive Annual Financial Report (CAFR). There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item G-8, Approval of an Award for the Renovation of Fire Station No. 2 and the Renovation and Expansion of Fire Station No. 6 to Cooper General Contractors, Carrollton, Texas in the Amount of \$2,614,472.20; and Authorization for the City Manager to Execute the Contract. Discussion was held that this item had been re-bid and a lower bid had been received. There was no further discussion on this item.

WORKSHOP SESSION – 6:30 P.M.

**Discussion of Regular Agenda Items and
Consent Agenda Items (cont'd)**

(Agenda Item B)

Mayor Ueckert reviewed Agenda Item G-9, Approval of a Professional Services Agreement With Jacobs Engineering Group Inc., in the Amount of \$137,500 for Design Services and Construction Documents for Canoe and Kayak Launches on the Trinity River; and Approval of \$28,800 in Reimbursable Expenses for Subsidiary Services for a Total Project Amount of \$166,300; and Authorization for the City Manager to Execute the Agreement. City Manager Donna Barron reviewed this item for City Council consideration and advised that this has been a high priority for the 2025 Vision Plan Committee. There was no further discussion on this item.

Mayor Ueckert reviewed Agenda Item G-10, Approval of a Professional Services Agreement in the Amount of \$67,030 With Birkhoff, Hendricks, and Carter, L.L.P. (BHC) for Engineering Services for Repainting of the No. 3 Elevated Storage Tank. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item G-11, Approval of a Supplemental Appropriation From HOT Fund Reserve in the Amount of \$42,700 for Shore Activities During the Pro Watercross Tour Event to be Held July 17-19 at Lewisville Lake Park. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item G-12, Approval of a License Agreement With the Denton County Transportation Authority for Grade Crossing and Signal Improvements at Valley Ridge Boulevard Within Railway Right-of-Way in the Amount of \$656,250; Which Includes \$31,250 (approximately 5%) for Contingencies; and Authorization for the City Manager, to Execute the Agreement. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item H-13, Consideration of Variances to the Lewisville City Code Section 2-201, Waiving the Fee for a Variance, and Section 9.5 - 54, When an Old Town Development Plan is Required, for the Property Located at 325 North Mill Street, as Requested by Porter Tire Company and Represented by Bill Ridinger, Owner. Councilman Vaughn requested that these two variances be voted on separately. There was no further discussion on this item.

Mayor Ueckert reviewed Agenda Item H-14, Consideration of a Variance to the Lewisville City Code Section 6-103(c)(2)(a) (Access Spacing) Regarding Driveway Spacing Requirements, Related to GTM - RV & Boat Storage Located at 1080 E. State Highway 121 Business, as Requested by Steve Homeyer, P.E. of Homeyer Engineering Inc., on Behalf of the Owner. There was no discussion on this item.

WORKSHOP SESSION – 6:30 P.M.

**Discussion of Regular Agenda Items and
Consent Agenda Items (cont'd)**

(Agenda Item B)

Mayor Ueckert reviewed Agenda Item H-15, Consideration of an Ordinance Approving the 2015 Annual Assessment/Service Plan Updates for the Lewisville Castle Hills Public Improvement District (PID) No. 3. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item H-16, Consideration of an Ordinance Authorizing the Issuance of Not To Exceed \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 3 Project) (the “Series 2015 Refunding Bonds”) in Accordance With the Terms of the Second Supplemental Trust Agreement; Authorizing the Defeasance and Refunding of \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2004 (Lewisville Castle Hills Public Improvement District No. 3) (the “Series 2004 Bonds” or the “Refunded Bonds”); Approving and Authorizing the Execution of the Second Supplemental Trust Agreement; Authorizing a Final Offering Statement Pertaining to the Issuance of the Series 2015 Refunding Bonds; Delegating Authority to Authorized Officials to Finalize Certain Sale Terms Relating to the Series 2015 Refunding Bonds, Finalize a Deposit Agreement and Finalize a Bond Purchase Agreement; Providing an Effective Date and Containing Other Matters Related to the Series 2015 Refunding Bonds. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item I, Reports: Quarterly Investment Report From October 1, 2014 – December 31, 2014. There was no discussion on this item.

Mayor Ueckert reviewed Agenda Item J-Closed Session. There was no discussion on this item.

With no further discussion, the workshop session of the Lewisville City Council was adjourned at 6:52 p.m. on Monday, March 16, 2015.

REGULAR SESSION - 7:00 P.M.

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Ueckert at 7:00 p.m. on Monday, March 16, 2015, in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

Invocation

(Agenda Item A)

At the request of Mayor Ueckert, Councilman Tierney gave the invocation.

Pledge to the American and Texas Flags

(Agenda Item B)

Mayor Ueckert gave the pledge to the American and Texas flags.

**Proclamation: Declaring March 16, 2015, as
“Lewisville Rotary Day 2015”**

(Agenda Item C)

Mayor Ueckert read and presented a proclamation declaring March 16, 2015, as “Lewisville Rotary Day 2015” to members of both the Morning and Noon Rotary groups.

**Presentation: Recognition of Charles Ku
DDS for his Lifetime Achievement and
Volunteer Service Award from the President**

(Agenda Item D-A)

Mayor Ueckert read and presented a Lifetime Achievement and Volunteer Service Award to Charles Ku DDS.

**Presentation: Recognition of Kay Sutton and
Linda McDaniel for Their Volunteer Work
With the Circle of Friends**

(Agenda Item D-B)

Mayor Ueckert read and presented and award to Kay Sutton and Linda McDaniel for their Volunteer Work with the Circle of Friends.

Mayor Ueckert adjourned the regular session of the Lewisville City Council into Closed Session at 7:23 p.m. Monday, March 16, 2015, in accordance with the requirements of the Open Meetings Law.

Closed Session

(Agenda Item J)

In accordance with Texas Government Code, Subchapter D, Section 551.071 (Consultation with Attorney/Pending Litigation), the Lewisville City Council convened into Closed Session at 7:23 p.m. on Monday, March 16, 2015, City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas, in order to discuss matters pertaining to the following:

Closed Session (cont'd)

(Agenda Item J)

2. *City of Lewisville v. City of Farmers Branch and Camelot Landfill TX, LP*, Cause No.4:12-CV-00782, United States District Court for the Eastern District of Texas, Sherman Division; Texas Commission on Environmental Quality Modification to Municipal Solid Waste Permit No. 1312A; and Texas Commission on Environmental Quality Application to Obtain Municipal Solid Waste Permit Amendment - Permit No. 1312B

The Closed Session was adjourned at 7:51 p.m. on Monday, March 16, 2015.

**Reconvene into Regular Session and
Consider Action, if any, on Items Discussed
in Closed Session**

(Agenda Item K)

Mayor Ueckert reconvened the Regular Session of the Lewisville City Council at 7:51 p.m. on Monday, March 16, 2015, in the Council Chambers of the Lewisville City Hall.

Mayor Ueckert opened the floor for action to be taken on the items discussed in the Closed Session. There was no action taken on the items discussed during the Closed Session.

Mayor Ueckert returned to the agenda as follows:

**Public Hearing: Consideration of Ordinance
No. 4163-03-2015 (Z) for a Zone Change
Request From Local Commercial (LC) to
Old Town Mixed Use 2 (OTMU2), on a 0.231
Acre Tract of Land, Located at 386 West
Main Street, as Requested by Studio 13 Land
Holdings, the Property Owner (Case No. PZ-
2015-02-04)**

(Agenda Item E-1)

The 0.231 acre property is located at the southeast quadrant of W. Main Street and Cowan Avenue. The office building was built in the mid 1970's. Studio 13 is a landscape design company that is currently leasing office space in Lewisville and has recently purchased this site for their new office. The zoning is consistent with the Old Town Master Plan. A demolition permit was issued to stabilize the façade. The owner will be remodeling the building both interior and exterior façade and OTDRC approved the façade improvements at their March 2, 2015, meeting. The Planning and Zoning Commission recommended approval of the zone change request by a vote of 6-0 at their meeting on February 17, 2015.

**Public Hearing: Consideration of Ordinance
No. 4163-03-2015 (Z) for a Zone Change
Request From Local Commercial (LC) to
Old Town Mixed Use 2 (OTMU2), on a 0.231
Acre Tract of Land, Located at 386 West
Main Street, as Requested by Studio 13 Land
Holdings, the Property Owner (Case No. PZ-
2015-02-04) (cont'd)**

(Agenda Item E-1)

The City staff's recommendation was that the City Council approve the proposed ordinance as set forth in the caption above.

Nika Reinecke, Dir. of Economic Development/Planning and Leonard Reeves, Owner of Studio 13 Land Holdings, LLC, were both present to respond to any questions posed by the City Council.

Mayor Ueckert opened the public hearing.

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Vaughn, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

"An Ordinance of the City Council of the City of Lewisville, Texas, Amending the Zoning Ordinance of the City of Lewisville, Texas by Rezoning an Approximately 0.231 Acre Tract of Land Located on the South Side of Main Street Approximately 75 Feet East of Cowan Avenue From Local Commercial (LC) District Zoning to Old Town Mixed Use Two (OTMU2) District Zoning; Correcting the Official Zoning Map; Preserving all Other Portions of the Zoning Ordinance; Providing a Clause Relating to Severability; Determining That the Public Interests and General Welfare Demand This Zoning Change and Amendment Therein Made; Providing a Penalty; and Declaring an Emergency."

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Tierney, the Council voted four (4) "ayes" and no (0) "nays" to approve and adopt **Ordinance No. 4163-03-2015 (Z)**, as previously captioned. The motion carried.

**Public Hearing: Consideration of Ordinance
No. 4164-03-2015 (Z) for a Zone Change
Request From General Business (GB) and
Single Family Residential (R-7.5) to General
Business (GB); on a 0.45 Acre Tract of Land,
Located at 867 South Mill Street, as
Requested by Reid's Auto Connection, the
Property Owner (Case No. PZ-2015-02-05)**

(Agenda Item E-2)

The 0.45 acre property is located on the northwest corner of Mill Street and Harvard Avenue and has split zoning (General Business and Single-Family Residential R-7.5). The property is being used as a used car lot and has been used commercially since the mid 1980's. The applicant is proposing to build a new office building on the site for his car business. The proposed zoning classification of GB is in keeping with the prevalent zoning pattern of the surrounding area and will create one cohesive zoning for the property. A Special Use Permit (SUP) is required for this use and will be scheduled on the agenda at a later date. The Planning and Zoning Commission recommended approval of the zone change request by a vote of 6-0 at their meeting on February 17, 2015.

The City staff's recommendation was that the City Council approve the proposed ordinance as set forth in the caption above.

Nika Reinecke, Dir. of Economic Development/Planning was present to answer any questions posed by the City Council.

Mayor Ueckert opened the public hearing.

MOTION: Upon a motion made by Councilman Vaughn and seconded by Deputy Mayor Pro Tem Ferguson, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

Public Hearing: Consideration of Ordinance No. 4164-03-2015 (Z) for a Zone Change Request From General Business (GB) and Single Family Residential (R-7.5) to General Business (GB); on a 0.45 Acre Tract of Land, Located at 867 South Mill Street, as Requested by Reid’s Auto Connection, the Property Owner (Case No. PZ-2015-02-05) (cont’d)

(Agenda Item E-2)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Amending the Zoning Ordinance of the City of Lewisville, Texas by Rezoning an Approximately 0.45 Acre Tract of Land Located at the Northwest Corner of Mill Street and Harvard Avenue From General Business (GB) and Single-Family Residential (R-7.5) District Zoning to General Business (GB) District Zoning; Correcting the Official Zoning Map; Preserving all Other Portions of the Zoning Ordinance; Providing a Clause Relating to Severability; Determining That the Public Interests and General Welfare Demand This Zoning Change and Amendment Therein Made; Providing a Penalty; and Declaring an Emergency.”

MOTION: Upon a motion made by Councilman Vaughn and seconded by Deputy Mayor Pro Tem Ferguson, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4164-03-2015 (Z)**, as previously captioned. The motion carried.

Public Hearing: Consideration of Ordinance No. 4165-03-2015 (Z) for a Zone Change Request From Agriculture Open Space (AO) to Warehouse (WH); on 12.03 Acres of Land, Located on the East Side of Railroad Street Approximately 1,500 Feet South of Business SH 121; Further Identified as Tracts 10 and 11 of the J.W. Haven Survey, Abstract 541 and Tracts 33(PT) and 34 of the J.W. King Survey, Abstract 695, as Requested by Lewisville Executive Boat and RV, LLC, the Property Owner (Case No. PZ-2015-02-06)

(Agenda Item E-3)

The 12.03 acre property is located on the east side of Railroad Street approximately 1,500 feet south of Business 121. The property backs up to industrially zoned properties ranging from Light Industrial to Heavy Industrial. The WH zoning is being requested as the base zoning for a covered outdoor RV and Boat Storage facility proposed for the site and requires a Special Use Permit for this type of use. The proposed zoning classification of Warehouse (WH) is in keeping with the prevalent zoning pattern of the surrounding area. The Planning and Zoning Commission recommended approval of the zone change request by a vote of 6-0 at their meeting on February 17, 2015.

The City staff's recommendation was that the City Council approve the proposed ordinance as set forth in the caption above.

Nika Reinecke, Dir. of Economic Development/Planning along with Steve Homeyer, Homeyer Engineering, Inc., and William Cavalier, 5517 Channel Isle Drive, Plano, Texas were all present to respond to any questions posed by the City Council.

Mayor Ueckert opened the public hearing.

MOTION: Upon a motion made by Councilman Durham and seconded by Councilman Tierney, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

Public Hearing: Consideration of Ordinance No. 4165-03-2015 (Z) for a Zone Change Request From Agriculture Open Space (AO) to Warehouse (WH); on 12.03 Acres of Land, Located on the East Side of Railroad Street Approximately 1,500 Feet South of Business SH 121; Further Identified as Tracts 10 and 11 of the J.W. Haven Survey, Abstract 541 and Tracts 33(PT) and 34 of the J.W. King Survey, Abstract 695, as Requested by Lewisville Executive Boat and RV, LLC, the Property Owner (Case No. PZ-2015-02-06) (cont'd)

(Agenda Item E-3)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas, Amending the Zoning Ordinance of the City of Lewisville, Texas, by Rezoning an Approximately 12.03 Acre Tract of Land Located on the East Side of Railroad Street, Approximately 1,500 Feet South of Business SH 121 From Agriculture Open Space (AO) District Zoning to Warehouse (WH) District Zoning; Correcting the Official Zoning Map; Preserving all Other Portions of the Zoning Ordinance; Providing a Clause Relating to Severability; Determining That the Public Interests and General Welfare Demand This Zoning Change and Amendment Therein Made; Providing a Penalty; and Declaring an Emergency.”

MOTION: Upon a motion made by Councilman Durham and seconded by Councilman Tierney, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4165-03-2015 (Z)**, as previously captioned. The motion carried.

Public Hearing: Consideration of Ordinance No. 4166-03-2015 (Z) Granting a Special Use Permit (SUP) for a Self-Storage Facility With Outdoor Boat and RV Storage on an Approximately 12.03 Acre Tract of Land Located on the East Side of Railroad Street Approximately 1,500 Feet South of Business SH 121, Zoned Warehouse (WH), as Requested by Lewisville Executive Boat and RV, LLC, the Property Owner (Case No. SUP-2015-02-02)

(Agenda Item E-4)

The subject request is for a proposed 250,000 square-foot boat and RV storage facility on a 12.03-acre property, which is currently vacant. The 24-hour controlled access facility will accommodate approximately 450 customers and will also provide charging stations, rinse stations, water and dump stations along with provisions for ice, air and propane. Fencing is proposed on all sides with a 14-foot steel fence with masonry columns proposed around the perimeter and an 8-foot stone masonry and ornamental iron fence proposed along the street frontage. The Planning and Zoning Commission recommended approval of the SUP by a vote of 6-0 at their meeting on February 17, 2015 with a condition that sanitary sewer flows on the site be metered.

The City staff's recommendation was that the City Council approve the proposed ordinance as set forth in the caption above.

Nika Reinecke, Dir. of Economic Development/Planning and Steve Homeyer, Homeyer Engineering, Inc., were both present to respond to any questions posed by the City Council.

Mayor Ueckert opened the public hearing.

MOTION: Upon a motion made by Councilman Tierney and seconded by Councilman Vaughn, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

**Public Hearing: Consideration of Ordinance
No. 4166-03-2015 (Z) Granting a Special Use
Permit (SUP) for a Self-Storage Facility With
Outdoor Boat and RV Storage on an
Approximately 12.03 Acre Tract of Land
Located on the East Side of Railroad Street
Approximately 1,500 Feet South of Business
SH 121, Zoned Warehouse (WH), as
Requested by Lewisville Executive Boat and
RV, LLC, the Property Owner (Case No.
SUP-2015-02-02) (cont'd)**

(Agenda Item E-4)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of the City of Lewisville, Texas Amending the Zoning Ordinance of the City of Lewisville, Texas by Granting a Special Use Permit for a Self-Storage Facility With Outdoor RV/Boat/Travel Trailer Storage on an Approximately 12.03 Acre Tract of Land Located on the East Side of Railroad Street, Approximately 1,500 Feet South of Business SH 121; Providing for Severability; Providing a Penalty; Providing a Repealer; Providing an Effective Date; and Declaring an Emergency.”

MOTION: Upon a motion made by Councilman Tierney and seconded by Councilman Durham, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4166-03-2015 (Z)**, as previously captioned. The motion carried.

**Public Hearing: Consideration of Ordinance
No. 4167-03-2015 (Z) Amending Lewisville
City Code Sections 6-54, 17-3, and 17-35;
Adding a New Section 6-77; Creating a
Process for Compliance for Properties
Impacted by the I-35 Widening Project;
Redefining Certain Terms Relating to
Nonconformity; Modifying Board of
Adjustment Authority and Membership
Requirements**

(Agenda Item E-5)

The Texas Department of Transportation (TxDOT) has begun the process of acquiring properties along the I-35 corridor to accommodate the widening of the freeway facility. Many properties and businesses in Lewisville will be impacted in various degrees by this property

**Public Hearing: Consideration of Ordinance
No. 4167-03-2015 (Z) Amending Lewisville
City Code Sections 6-54, 17-3, and 17-35;
Adding a New Section 6-77; Creating a
Process for Compliance for Properties
Impacted by the I-35 Widening Project;
Redefining Certain Terms Relating to
Nonconformity; Modifying Board of
Adjustment Authority and Membership
Requirements (cont'd)**

(Agenda Item E-5)

acquisition. The process outlined in the proposed ordinance will assist staff in working with the property owners to meet certain development requirements while continuing operation or pave the way for redevelopment of the site. This ordinance also clarifies certain sections of the Zoning Ordinance as some cases may have to go to the Zoning Board of Adjustment for variances and special exceptions for non-conforming structures/uses. The Planning and Zoning Commission recommended approval of the proposed ordinance by a vote of 6-0 at their meeting on March 3, 2015.

The City staff's recommendation was that the City Council approve the proposed ordinance as set forth in the caption above.

Eric Ferris, Assistant City Manager reviewed this item for the City Council and those in attendance.

Mayor Ueckert opened the public hearing.

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Vaughn, the Council voted four (4) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

"An Ordinance of the City Council of the City of Lewisville, Texas, Amending Lewisville City Code Sections 6-54, 17-3, and 17-35; Adding a New Section 6-77; Creating a Process for Compliance for Properties Impacted by the I-35 Widening Project; Redefining Certain Terms Relating to Nonconformity; Modifying Board of Adjustment Authority and Membership Requirements; Providing for Severability; Providing a Penalty; Providing a Repealer; Providing an Effective Date; and Declaring an Emergency."

**Public Hearing: Consideration of Ordinance
No. 4167-03-2015 (Z) Amending Lewisville
City Code Sections 6-54, 17-3, and 17-35;
Adding a New Section 6-77; Creating a
Process for Compliance for Properties
Impacted by the I-35 Widening Project;
Redefining Certain Terms Relating to
Nonconformity; Modifying Board of
Adjustment Authority and Membership
Requirements (cont'd)**

(Agenda Item E-5)

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Durham, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4167-03-2015 (Z)**, as previously captioned. The motion carried.

Visitors/Citizens Forum

(Agenda Item F)

Adam Stahr, 248 East Southwest Parkway, #1123, Lewisville Texas, spoke before the City Council as a representative of the Real Deal Real Estate Investors of Dallas to encourage them to attend a national event being held on March 21, 2015 from 11 a.m. – 2 p.m. at the Dallas Arboretum to support the Statue of Responsibility drive currently being held.

No one else appeared to speak at this time.

CONSENT AGENDA

(Agenda Item G)

MOTION: Upon a motion made by Councilman Vaughn and seconded by Deputy Mayor Pro Tem Ferguson, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt all items on the Consent Agenda, as recommended and as follows:

6. **APPROVAL OF MINUTES:**
 - a) City Council Minutes of the February 16, 2015, Workshop Session and Regular Session; and
 - b) City Council Minutes of the March 2, 2015 Workshop Session and Regular Session
7. Acceptance of the Fiscal Year 2014 Comprehensive Annual Financial Report (CAFR).

CONSENT AGENDA (cont'd)

(Agenda Item G)

8. Approval of an Award for the Renovation of Fire Station No. 2 and the Renovation and Expansion of Fire Station No. 6 to Cooper General Contractors, Carrollton, Texas in the Amount of \$2,614,472.20; and Authorization for the City Manager to Execute the Contract.
9. Approval of a Professional Services Agreement With Jacobs Engineering Group Inc., in the Amount of \$137,500 for Design Services and Construction Documents for Canoe and Kayak Launches on the Trinity River; and Approval of \$28,800 in Reimbursable Expenses for Subsidiary Services for a Total Project Amount of \$166,300; and Authorization for the City Manager to Execute the Agreement.
10. Approval of a Professional Services Agreement in the Amount of \$67,030 With Birkhoff, Hendricks, and Carter, L.L.P. (BHC) for Engineering Services for Repainting of the No. 3 Elevated Storage Tank.
11. Approval of a Supplemental Appropriation From HOT Fund Reserve in the Amount of \$42,700 for Shore Activities During the Pro Watercross Tour Event to be Held July 17-19 at Lewisville Lake Park.
12. Approval of a License Agreement With the Denton County Transportation Authority for Grade Crossing and Signal Improvements at Valley Ridge Boulevard Within Railway Right-of-Way in the Amount of \$656,250; Which Includes \$31,250 (approximately 5%) for Contingencies; and Authorization for the City Manager, to Execute the Agreement.

The motion carried.

END OF CONSENT AGENDA

Consideration of Variances to the Lewisville City Code Section 2-201, Waiving the Fee for a Variance, and Section 9.5 - 54, When an Old Town Development Plan is Required, for the Property Located at 325 North Mill Street, as Requested by Porter Tire Company and Represented by Bill Ridinger, Owner

(Agenda Item G-13)

Porter Tire Company owns a vacant lot across the street located at 325 N. Mill Street, currently zoned General Business. The owners are asking for two variances to the Lewisville city codes to include: a) to waive the \$350.00 variance filing fee; and b) to waive the requirement for an Old Town Development Plan in order to use the property for a temporary parking lot as an accessory to their main location. In addition, Mr. Bill Ridinger, owner of Porter Tire Company, has stated that this particular parking lot, if approved by Council, would be available for use as needed for special events in Old Town. Over the past several years this parking lot has been utilized for special events and typically is full during those events.

The City staff's recommendation was that the City Council consider waiving the \$350 variance filing fee and the request to allow the crushed concrete parking lot to remain for a 3 year period.

Cleve Joiner, Director of Neighborhood Services and Bill Ridinger, Porter Tire Company, were both present to respond to any questions posed by City Council.

At the request of Councilman Vaughn, this item was considered in two separate motions.

MOTION: Upon a motion made by Councilman Durham and seconded by Councilman Tierney, the Council voted three (3) "ayes" and one (1) "nays," with Councilman Vaughn casting the negative vote, to approve a variance to the Lewisville City Code Section 2-201, Waiving the Fee for a Variance, for the property located at 325 North Mill Street to waive the \$350 variance filing fee, as requested by Porter Tire Company and represented by Bill Ridinger, Owner. The motion carried.

Consideration of Variances to the Lewisville City Code Section 2-201, Waiving the Fee for a Variance, and Section 9.5 - 54, When an Old Town Development Plan is Required, for the Property Located at 325 North Mill Street, as Requested by Porter Tire Company and Represented by Bill Ridinger, Owner (cont'd)

(Agenda Item G-13)

MOTION: Upon a motion made by Councilman Durham and seconded by Councilman Tierney, the Council voted four (4) “ayes” and no (0) “nays” to approve a variance to the Lewisville City Code Section 9.5 - 54, When an Old Town Development Plan is Required, for the Property Located at 325 North Mill Street to waive the requirement for an Old Town Development Plan in order to use the property for a temporary parking lot as an accessory to their main location, as requested by Porter Tire Company and represented by Bill Ridinger, Owner. The motion carried.

Both Mayor Ueckert and Councilman Durham thanked Mr. Ridinger for his allowing the City to use this location for City special events parking.

Consideration of a Variance to the Lewisville City Code Section 6-103(c)(2)(a) (Access Spacing) Regarding Driveway Spacing Requirements, Related to GTM - RV & Boat Storage Located at 1080 E. State Highway 121 Business, as Requested by Steve Homeyer, P.E. of Homeyer Engineering Inc., on Behalf of the Owner

(Agenda Item G-14)

The subject site is a 12.074 acre lot zoned Warehouse (WH) within the GTM Addition located near the Southeast corner of Valley Ridge Boulevard and East Highway 121 Business. Staff has reviewed and approved the Engineering Site Plan subject to the City Council approval of a variance to reduce the required separation between driveways to less than 230 feet. The existing driveway onto Highway 121 Business is 80 feet from an existing driveway to the west and 25 feet from an existing driveway to the east. Due to the current configuration of driveways it is impractical to make modifications at this time. Staff has no objection to the request since traffic will be minimal for this particular driveway which services the RV and boat storage area.

The City staff’s recommendation was that the City Council approve the variance as set forth in the caption above.

Consideration of a Variance to the Lewisville City Code Section 6-103(c)(2)(a) (Access Spacing) Regarding Driveway Spacing Requirements, Related to GTM - RV & Boat Storage Located at 1080 E. State Highway 121 Business, as Requested by Steve Homeyer, P.E. of Homeyer Engineering Inc., on Behalf of the Owner (cont'd)

(Agenda Item G-14)

Cleve Joiner, Director of Neighborhood Services and Steve Homeyer, P.E. of Homeyer Engineering Inc., were both present to respond to any question posed by the City Council.

MOTION: Upon a motion made by Councilman Tierney and seconded by Councilman Durham, the Council voted four (4) “ayes” and no (0) “nays” to approve a variance to the Lewisville City Code Section 6-103(c)(2)(a) (Access Spacing) Regarding Driveway Spacing Requirements, Related to GTM - RV & Boat Storage located at 1080 E. State Highway 121 Business to reduce the required separation between driveways to less than 230 feet as requested by Steve Homeyer, P.E. of Homeyer Engineering Inc., on behalf of the owner. The motion carried.

Consideration of Ordinance No. 4168-03-2015 Approving the 2015 Annual Assessment/Service Plan Updates for the Lewisville Castle Hills Public Improvement District (PID) No. 3

(Agenda Item G-15)

The City Council created Lewisville Castle Hills Public Improvement District No. 3 in 2001. A Supplemental Assessment/Service Plan was adopted for PID No. 3 on April 16, 2001, and most recently updated October 17, 2011. Chapter 372 of the Texas Local Government Code requires that an Assessment/Service Plan be updated. The plan defines the annual indebtedness and the projected costs of the improvements to be provided by a PID and the manner of assessing the property in the PID for the costs of the improvements.

The City staff’s recommendation was that the City Council approve the ordinance as set forth in the caption above.

Consideration of Ordinance No. 4168-03-2015 Approving the 2015 Annual Assessment/Service Plan Updates for the Lewisville Castle Hills Public Improvement District (PID) No. 3 (cont'd)

(Agenda Item G-15)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the City Council of The City of Lewisville, Texas Updating the Assessment/Service Plan and Assessment Roll for Lewisville Castle Hills Public Improvement District No. 3 (This “Ordinance”) Providing for Severability; Providing an Effective Date; and Declaring an Emergency.”

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Vaughn, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4168-03-2015**, as captioned previously. The motion carried.

Consideration of Ordinance No. 4169-03-2015 Authorizing the Issuance of Not To Exceed \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 3 Project) (the “Series 2015 Refunding Bonds”) in Accordance With the Terms of the Second Supplemental Trust Agreement; Authorizing the Defeasance and Refunding of \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2004 (Lewisville Castle Hills Public Improvement District No. 3) (the “Series 2004 Bonds” or the “Refunded Bonds”); Approving and Authorizing the Execution of the Second Supplemental Trust Agreement; Authorizing a Final Offering Statement Pertaining to the Issuance of the Series 2015 Refunding Bonds; Delegating Authority to Authorized Officials to Finalize Certain Sale Terms Relating to the Series 2015 Refunding Bonds, Finalize a Deposit Agreement and Finalize a Bond Purchase Agreement; Providing an Effective Date and Containing Other Matters Related to the Series 2015 Refunding Bonds

(Agenda Item G-16)

Denton County Fresh Water Supply District No 1-E has requested the City to authorize and approve the issuance of up to \$21,200,000 of said bonds above for the purpose of refund and defease the remaining 2004 bonds and pay certain costs incurred in connection with the issuance of the bonds.

The City staff’s recommendation was that the City Council consider the ordinance as set forth in the caption above.

Consideration of Ordinance No. 4169-03-2015 Authorizing the Issuance of Not To Exceed \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 3 Project) (the “Series 2015 Refunding Bonds”).... (cont’d)

(Agenda Item G-16)

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance Authorizing the Issuance of Not to Exceed \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding Bonds, Series 2015 (Lewisville Castle Hills Public Improvement District No. 3 Project) (The “Series 2015 Refunding Bonds”) in Accordance With the Terms of a Second Supplemental Trust Agreement; Authorizing the Defeasance and Refunding of \$21,200,000 City of Lewisville, Texas, Combination Contract Revenue and Special Assessment Refunding and Capital Improvement Bonds, Series 2004 (Lewisville Castle Hills Public Improvement District No. 3 Project) (The “Series 2004 Bonds” or the “Refunded Bonds”); Approving and Authorizing the Execution of the Second Supplemental Trust Agreement; Authorizing a Final Offering Statement Pertaining to the Issuance of the Series 2015 Refunding Bonds; Delegating Authority to Authorized Officials to Finalize Certain Sale Terms Relating to the Series 2015 Refunding Bonds, Finalize and Deposit Agreement and Finalize a Bond Purchase Agreement; Providing an Effective Date and Containing Other Matters Related to the Series 2015 Refunding Bonds.”

MOTION: Upon a motion made by Councilman Vaughn and seconded by Deputy Mayor Pro Tem Ferguson, the Council voted four (4) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 4169-03-2015**, as captioned previously. The motion carried.

Reports

(Agenda Item I)

- Quarterly Investment Report From October 1, 2014 – December 31, 2014
- Deputy Mayor Pro Tem Ferguson gave an update regarding upcoming events at the MCL Grand Theatre.
- Mayor Ueckert thanked the officer and his fellow teammates for all they did every day.

There were no additional reports at this time.

Mayor Ueckert adjourned the regular session of the Lewisville City Council into Closed Session at 8:33 p.m. Monday, March 16, 2015, in accordance with the requirements of the Open Meetings Law.

Closed Session

(Agenda Item J)

In accordance with Texas Government Code, Subchapter D, Section 551.072 (Real Estate), the Lewisville City Council convened into Closed Session at 8:33 p.m. on Monday, March 16, 2015, City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas, in order to discuss matters pertaining to the following:

Section 551.071 (Consultation with Attorney):

1. Legal Issues Related to the Construction of the Old Town Park Plaza

Section 551.071 (Consultation with Attorney/Pending Litigation):

2. *City of Lewisville v. City of Farmers Branch and Camelot Landfill TX, LP*, Cause No.4:12-CV-00782, United States District Court for the Eastern District of Texas, Sherman Division; Texas Commission on Environmental Quality Modification to Municipal Solid Waste Permit No. 1312A; and Texas Commission on Environmental Quality Application to Obtain Municipal Solid Waste Permit Amendment - Permit No. 1312B

Section 551.072 (Real Estate):

3. Property Acquisition

Section 551.087 (Economic Development):

4. Deliberation Regarding Economic Development Negotiations

The Closed Session was adjourned at 8:49 p.m. on Monday, March 16, 2015.

**Reconvene into Regular Session and
Consider Action, if any, on Items Discussed
in Closed Session**

(Agenda Item K)

Mayor Ueckert reconvened the Regular Session of the Lewisville City Council at 8:49 p.m. on Monday, March 16, 2015, in the Council Chambers of the Lewisville City Hall.

Mayor Ueckert opened the floor for action to be taken on the items discussed in the Closed Session.

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Vaughn, the Council voted four (4) “ayes” and no (0) “nays” to authorize the City’s legal counsel to take all necessary action, including filing suit, to protect the City’s interest related to any decision on the TCEQ Modification to Municipal Solid Waste Permit No. 1312A. The motion carried.

There was no additional action taken on the items discussed during the Closed Session.

Adjournment

(Agenda Item L)

MOTION: Upon a motion made by Deputy Mayor Pro Tem Ferguson and seconded by Councilman Durham , the Council voted four (4) “ayes” and no (0) “nays” to adjourn the Regular Session of the Lewisville City Council at 8:50 p.m. on Monday, March 16, 2015. The motion carried.

These minutes approved by the Lewisville City Council on the 6th day of April, 2015.

APPROVED

TJ Gilmore
MAYOR PRO TEM

ATTEST:

Julie Heinze
CITY SECRETARY



City of Lewisville

Council Meeting
March 16, 2015

weaver
Assurance • Tax • Advisory 

Overview

- Introduction
- Audit Process
- Required Communications
- Audit Results
- Areas of Strength and Accomplishment
- Financial Highlights
- New Accounting Pronouncements
- Questions

2



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- #4 Largest Tarrant County Accounting Firms | *Fort Worth Business Press*
- #8 Largest North Texas Accounting Firms | *Dallas Business Journal*
- #7 Largest Austin Accounting Firms | *Austin Business Journal*
- #14 Largest Houston-Area Public Accounting Firms | *Houston Business Journal*
- #5 Largest San Antonio Accounting Firms | *San Antonio Business Journal*
- 2014 Top 50 Firms | *INSIDE Public Accounting*
- 2014 BEST of the BEST Firm | *INSIDE Public Accounting*



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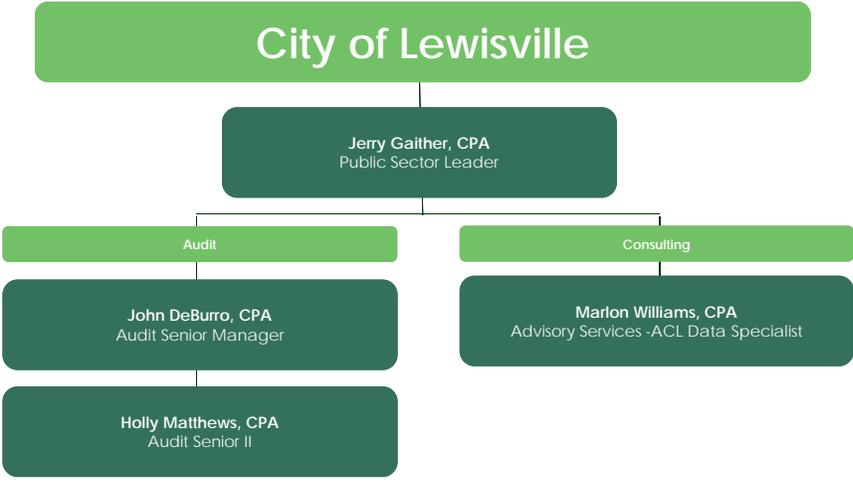
We know your questions don't end when the audit does, so the team leadership remains available to you throughout the year.

Jerry Gaither
Partner, Assurance Services

John DeBurro
Senior Manager, Assurance Services

5

Engagement Team



```
graph TD; City[City of Lewisville] --- Jerry["Jerry Gaither, CPA  
Public Sector Leader"]; Jerry --- Audit[Audit]; Jerry --- Consulting[Consulting]; Audit --- John["John DeBurro, CPA  
Audit Senior Manager"]; John --- Holly["Holly Matthews, CPA  
Audit Senior II"]; Consulting --- Marlon["Marlon Williams, CPA  
Advisory Services -ACL Data Specialist"]
```

City of Lewisville

Jerry Gaither, CPA
Public Sector Leader

Audit

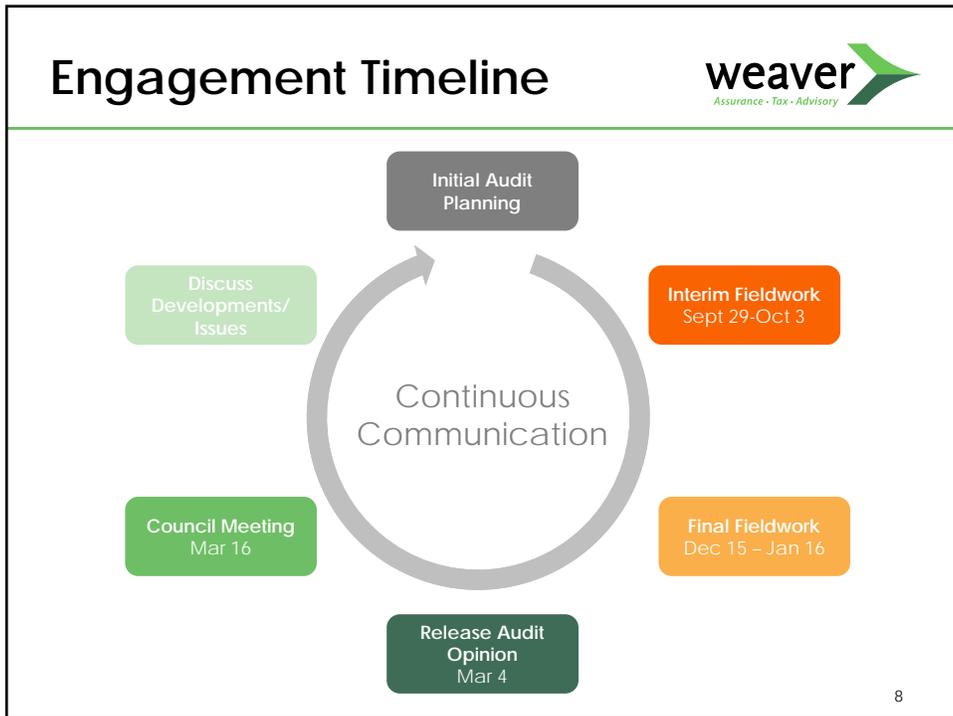
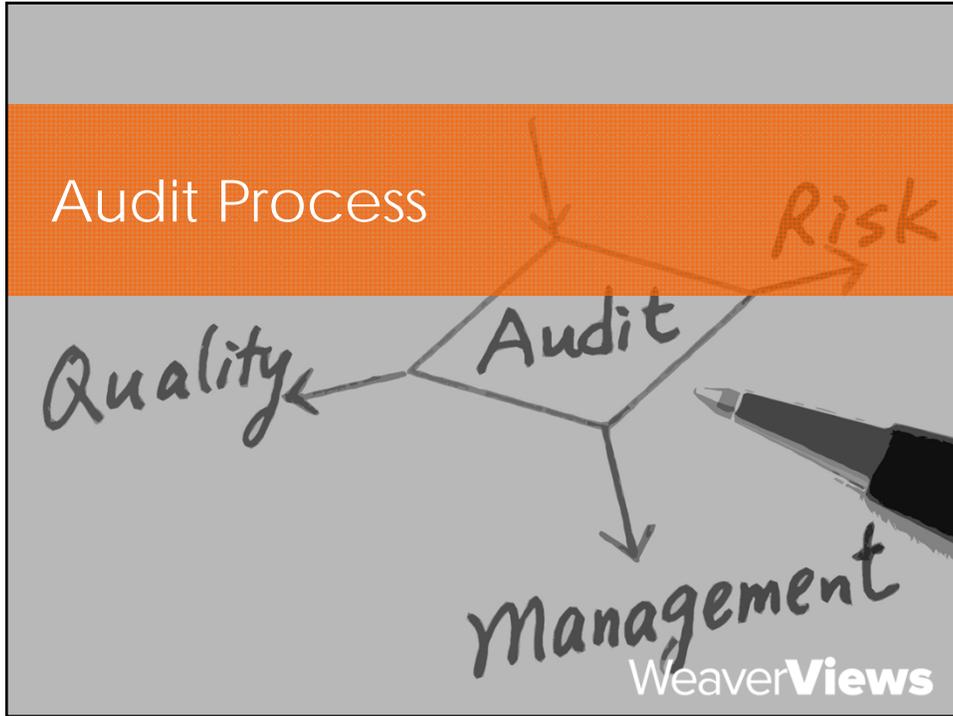
John DeBurro, CPA
Audit Senior Manager

Holly Matthews, CPA
Audit Senior II

Consulting

Marlon Williams, CPA
Advisory Services -ACL Data Specialist

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Audit Process



- The audit was performed in accordance with **Generally Accepted Auditing Standards (GAAS)**, **Generally Accepted Government Auditing Standards (GAGAS)**, and the Single Audit Act (U.S. Office of Management and Budget (OMB) Circular A-133)
- The audit process was a **risk-based approach** in which we identified potential areas of risk that could lead to material misstatement of the financial statements. We tailored our audit programs and resources to specifically address the following areas of risk:
 - Revenue recognition and related receivables
 - Capital projects, purchasing and compliance with bidding procedures
 - Payables, accrued liabilities, and expenditures
 - State and Federal revenues and expenditures and compliance requirements related thereto



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Audit Process



Interim fieldwork and risk assessment were performed in September / October 2014. Procedures included:

- Walkthrough of accounting controls over significant transaction cycles:
 - Purchasing and accounts payable – including P-cards
 - Payroll
 - Cash receipts – taxes, municipal court, utility billing
 - Capital assets
- Test of internal controls:
 - Cash disbursements
 - Payroll
- Test of compliance:
 - Public Funds Investment Act
 - Bidding procedures
- Test of construction-in-progress

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Audit Process



Interim fieldwork and risk assessment – Continued

- Identification of major federal financial assistance program and testing of compliance and controls over compliance
- Major program was Equitable Sharing, totaling \$386,700 representing 27% of Federal Financial Assistance
- Controls over compliance tested:
 - Activities Allowed or Unallowed
 - Allowable Costs / Cost Principles
 - Equipment and Real Property Management
 - Procurement and Suspension and Debarment
 - Program Income
 - Reporting

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Audit Process



Final fieldwork- performed in December 2014 and January 2015 - Procedures included:

- Testing of significant account balances using a combination of vouching of material transactions, sampling transactions and applying analytical procedures.
- Assisting with the preparation of the financial statements and the schedule of expenditures of federal awards.

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Required Communications to Those in Charge of Governance



Communication	Results
Auditor's responsibility under generally accepted auditing standards (GAAS)	<p>The financial statements are the responsibility of the City. Our audit was designed in accordance with GAAS in the U.S. and provides for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>The audit of the fiscal year 2014 financial statements has been completed and we have issued an unmodified opinion.</p>

Required Communications to Those in Charge of Governance



Communication

Auditor's Responsibility under Government Auditing Standards

Results

In addition to the GAAS responsibilities, we are required to issue a written report on our consideration of internal controls and identify significant deficiencies, including material weaknesses, if any. Our report does not provide assurance on internal controls. We design our audit to provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct or material effect on the financial statements. We issue a written report on the results of these procedures; however, our report does not express an opinion on compliance.

No findings noted.

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Required Communications to Those in Charge of Governance



Communication

Auditor's Responsibility under OMB Circular A-133

Results

Our testing includes all major federal financial assistance programs. We report on such testing, and disclose significant deficiencies in internal control over compliance, including material weaknesses we identify. Our report does not provide assurance on internal control over compliance. We perform procedures for the purpose of expressing an opinion on whether major federal financial assistance programs have been administered in compliance with applicable laws and regulations.

The audit of the fiscal year 2014 major federal financial assistance programs has been completed and we issued a clean opinion.

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Required Communications to Those in Charge of Governance



Communication	Results
Unusual transactions and the adoption of new accounting principles	<p>The significant accounting policies used by the City are described in Note 1 to the basic financial statements.</p> <p>New GASB pronouncements implemented in 2014 include GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". As a result, bond issuance costs are no longer reported as assets in the statement of net position. Accordingly, the beginning net position of the City's Governmental Activities and Business-type Activities has been reduced by \$628,035 and \$574,290, respectively, to reflect the cumulative effect of the change in accounting principle. In addition, deferred loss on refunding is now reported as a deferred outflow of resources rather than as a liability.</p> <p>We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.</p>

Required Communications to Those in Charge of Governance



Communication	Results
Fraud and illegal acts	No fraud, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses noted.
Other information contained in documents containing audited financial statements	We performed limited procedures on the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). We did not provide any assurance on this information.
Management judgments and accounting estimates	Management's estimates of allowances for uncollectible receivables; estimates of incurred-but-not-reported workers' compensation and health/dental claims; and estimated useful lives of capital assets were evaluated and determined to be reasonable in relation to the financial statements as a whole.
Management representations	We requested certain representations from management that were included in the management representation letter.

Required Communications to Those in Charge of Governance



Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.
Auditor independence	No independence issues noted.
Audit adjustments	Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no significant corrected or uncorrected misstatements discovered as a result of our audit.
Other material written communications between Weaver and Tidwell, L.L.P., and the City	Nothing to note.



Auditor Results



- We have issued the Independent Auditor's Report on the financial statements
 - Unmodified opinion
- We have issued the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - No findings noted
- We have issued the Independent Auditor's Report on Compliance for each Major Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards (SEFA) Required by OMB Circular A-133
 - Unmodified opinion on compliance
 - No findings noted
 - In-relation-to opinion on SEFA

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Areas of Strength and Accomplishment



- Management knowledgeable in municipal finance
- Full cooperation of City staff
- No material weaknesses in internal controls



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Financial Highlights

Comparison of Governmental Funds Expenditures by Fund

FY 2014	FY 2013

Governmental Funds Expenditures for FY 2014 totaled \$105.5 million, a \$14.0 million or 15% increase

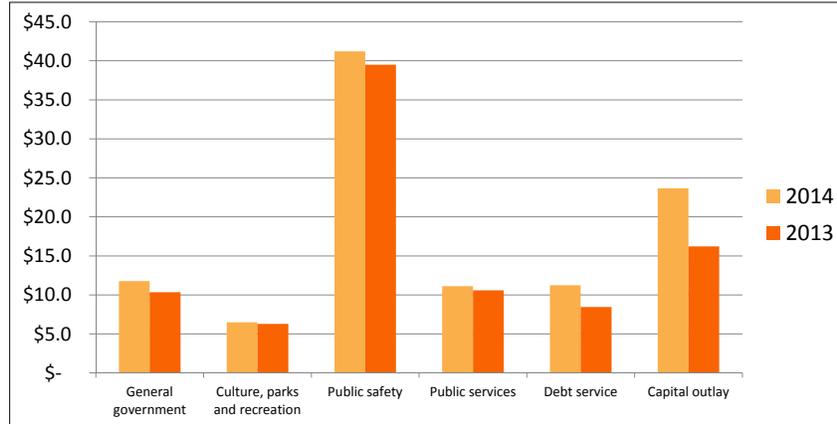
- Capital outlay increased \$7.5 million as a result of Castle Hills PID capital projects activity.
- Debt service costs increased by \$2.7 million due to higher principal and interest payments.
- Public safety expenditures increased by \$1.7 million, due primarily to increases in personnel and maintenance costs.

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Financial Highlights



Comparison of Governmental Funds Expenditures



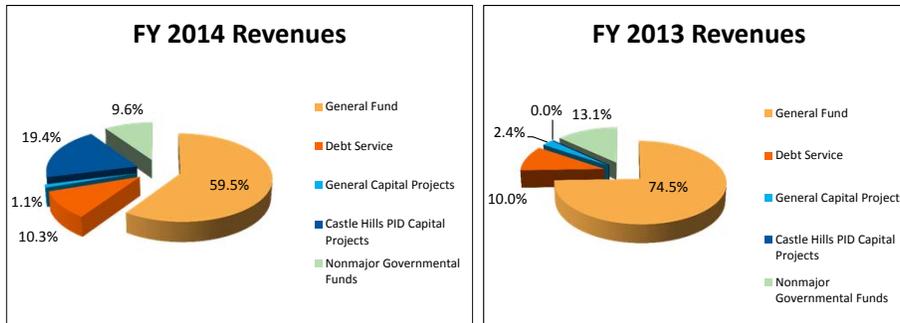
(2-year comparison – current year and prior year – in millions)

Financial Highlights



Comparison of Governmental Revenues by Source

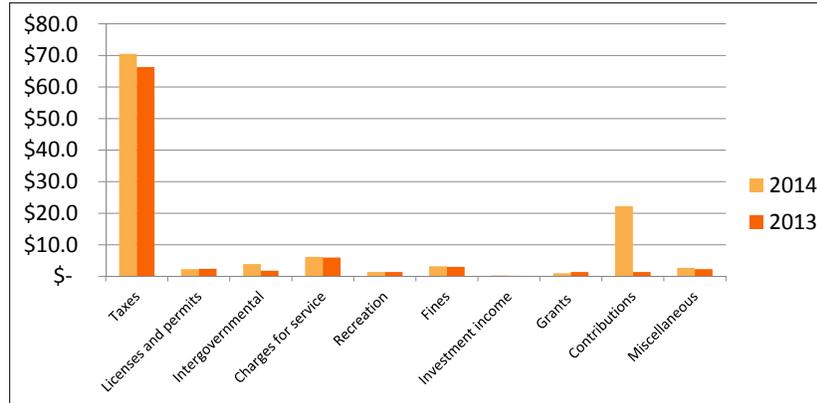
Governmental Revenues for FY 2014 totaled \$113.7 million, a \$27.5 million or 32% increase. Increase is primarily attributable to a \$22.1 million contribution of special assessment bond proceeds for Castle Hills PID capital projects.



Financial Highlights



Comparison of Governmental Revenues by Source



(2-year comparison – current year and prior year – in millions)

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Financial Highlights

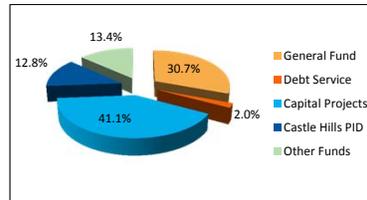


Fund Balances

Governmental Funds' Fund Balances

As of September 30, 2014, the City's governmental funds reported a combined ending fund balance of \$103.0 million as follows:

• General Fund	\$31,643,561
• Debt Service	2,101,836
• Capital Projects	42,266,342
• Castle Hills PID	13,189,176
• Other Funds	<u>13,774,496</u>
	\$102,975,411



- Overall, fund balance of the Governmental Funds increased by \$12.0 million, primarily the result of a \$13.1million increase in the Castle Hills PID Capital Projects Fund due to contribution of \$22.1 million of special assessment bond proceeds for the Castle Hills PID capital projects.
- General Fund fund balance increased by \$152,283 during the year ended September 30, 2014. The ending balance, \$31,643,561, represents 48% of fiscal year 2014 General Fund expenditures.

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Financial Highlights



Budgetary Highlights – General Fund

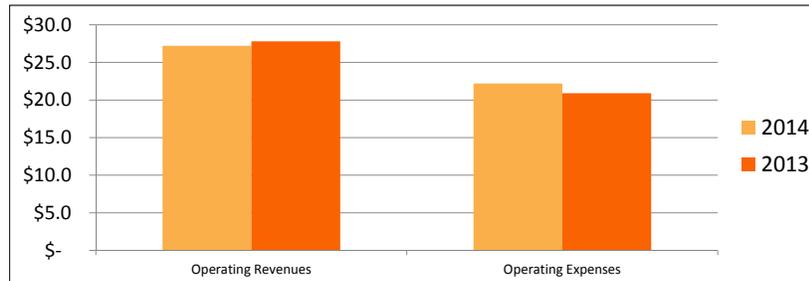
The City had a favorable budget variance of \$6.4 million (net change in fund balance):

- Actual revenues were \$4.8 million more than budgeted.
 - Taxes were \$3.5 more than budgeted
 - Licenses and permits and were \$0.5 more than budgeted
- Actual expenditures were below budget by \$1.7 million.

Financial Highlights



Comparison of Utility Fund Operating Revenues and Expenses – FY 2014 and FY2013 (in millions)



- Utility Fund net position increased by \$6.4 million during fiscal year 2014, primarily the result of a \$3.9 million increase in developer contributions over fiscal year 2013.
- Operating revenues decreased \$0.6 million due primarily to decreased consumption.
- Operating expenses increased \$1.3 million due to a \$0.7 million increase in cost of sales and service (primarily the result of a \$0.5 million increase in project costs), a \$0.4 million increase in administrative costs, and a \$0.2 million increase in depreciation expense.

Standards Required to be Implemented in FY2015



Effective for the year ended September 30, 2015

GASB 68 – Accounting and Financial Reporting for Pensions

- **Objective:** to improve financial reporting by state and local governmental pension plans
- **Effect:** GASB 68 will require the recognition of net pension liabilities of employers in financial statements prepared on the accrual basis.

GASB 71 – Pension Transition for Contributions made Subsequent to the Measurement Date-an Amendment to GASB 68

- **Objective:** to address an issue regarding application of the transition provisions of GASB 68. The statement requires that when transitioning to the new pension standards, the entity recognize a beginning deferred outflow of resources for the pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation.
- **Effect:** GASB 68 will require the City to recognize the beginning deferred outflow concurrent with the recognition of the net pension liabilities

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We appreciate the opportunity to work with **City of Lewisville** and look forward to our continued relationship.





Questions?

Contact Us

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