

1. Agenda

Documents:

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**AGENDA
CITY COUNCIL REGULAR MEETING
CITY COUNCIL CHAMBERS
5803 THUNDERBIRD
LAGO VISTA, TX
MARCH 16, 2023 AT 5:30 PM**

JOIN MEETING VIA VIDEO CONFERENCE

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You can also dial in using your phone.

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United States: +1 (646) 749-3122

- One-touch: <tel:+16467493122,,510172029#>

Access Code: 510-172-029

CALL TO ORDER, CALL OF ROLL

Ed Tidwell, Mayor

Paul Prince, Mayor Pro-Tem

Gage Hunt, Council Member

Kevin Sullivan, Council Member

Rob Durbin, Council Member

Chelaine Marion, Council Member

Paul Roberts, Council Member

EXECUTIVE SESSION

Convene into a closed Executive Session pursuant to;

- A. Consultation with Legal Counsel concerning all regular meeting agenda items requiring confidential, attorney/client advice (as needed). (Government Code Section 551.071).
- B. Update on pending litigation Brittany Henry vs. City of Lago Vista: Civil Action No. 1:21-CV-723-RP; in the United States District Court for the Western District; Austin Division (Government Code Section 551.071).
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- F. Consultation with Legal Counsel regarding the City's Petition for Exemption for submission to the U.S. Department of Transportation regarding Rusty Allen Municipal Airport. (Government Code Section 551.071).
- G. Consultation with Legal Counsel discussing the role of individual council members in legislating, governing, and investigating and discussing the rules regarding the same. (Government Code Section 551.071).

PO Box 4727, Lago Vista, TX 78645 • 512.267.1155 • www.lagovistatexas.org

ACTION ON EXECUTIVE SESSION ITEMS (action and/or vote may be taken on the following agenda items):

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PLEDGE OF ALLEGIANCE, PLEDGE TO TEXAS FLAG

CITIZEN COMMENTS

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To participate in the citizen comments portion of the meeting, you must submit a completed form. If you are attending the meeting in the City Council Chambers you must complete the form available at that location and provide it to the Mayor prior to the start of the meeting. If you will be participating using the online videoconferencing tool, you must complete the form and submit it by email in accordance with the instructions included within the form. It is found on the City's website at the link below. The Council will reconvene from executive session at or around 6:30 p.m.

[Citizen Participation Registration Form](#)

ITEMS OF COMMUNITY INTEREST

Pursuant to Texas Government Code Section 551.0415, the City Council may report on any of the following items:

- a. Expression of thanks, gratitude, and condolences.
- b. Information regarding holiday schedules.
- c. Recognition of individuals, i.e. Proclamations.
- d. Reminders regarding City Council events.
- e. Reminders regarding community events.

- f. Health and safety announcements.

STAFF AND COUNCIL LIAISON REPORTS

1. Routine Reports from City staff.
2. Routine Reports from City Council Board/Commission/Committee Liaisons.

PRESENTATIONS

3. Presentation from the Youth Advisory Commission.
4. Presentation from Golf Course Architect Jeffrey D. Blume, ASGCA.
5. Presentation from Joel Scott regarding the Water Treatment Plant 3.

CONSENT AGENDA

All matters listed under Consent Agenda, are to be considered routine by the City Council and will be enacted by one motion. There will not be separate discussion on these items. If discussion is desired, that item will be removed from the consent agenda and will be considered separately.

6. Consider approval of the February 16, 2023, meeting minutes.
7. Consider approval of the February 24, 2023, special called meeting minutes.
8. Consider approval of Ordinance 23-03-16-01; an Ordinance of the by the City Council of the City of Lago Vista, Texas amending Article 1.1800 of Chapter 1 of the Lago Vista Code of Ordinances amending the Ethics Policy.

PUBLIC HEARING AND POSSIBLE ACTION

9. The Lago Vista City Council will hold a public hearing and consider Ordinance 23-03-16-02; an Ordinance of the City Council of Lago Vista, Texas amending the existing Planned Development District (PDD) approval applicable to the property located at 1900 American Drive and known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels;" and providing for related matters.
10. The Lago Vista City Council will hold a public hearing and consider a conditional use application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence on Lot 1901A of Lago Vista Estates, Section 6, commonly referred to as 7503 White Oak Drive.


ACTION ITEMS

11. Discussion, consideration, and possible action regarding Resolution No. 23-1993; A Resolution by the City Council of the City of Lago Vista, Texas, accepting the Fiscal Year 2022 Audit as prepared by Singleton, Clark & Company, PC.

12. Discussion, consideration, and possible action regarding Ordinance 23-03-16-03; an Ordinance of the City Council of the City of Lago Vista, Texas pursuant to Vernon's Texas Codes Annotated, Local Government Code, Chapter 102, Section 102.007(b) providing for amendments to Ordinance No. 22-09-15-01, for the fiscal year beginning October 1, 2022, and ending September 30, 2023. The Hotel Occupancy fund currently has \$100,000 budgeted for an electronic information sign. A budget amendment is required as the quote is \$115,000.

ADJOURNMENT

IT IS HEREBY CERTIFIED that the above Notice was posted on the Bulletin Board located at all times in City Hall in said City at 5:37 p.m. on the 9th day of March 2023.



Lucy Aldrich, City Secretary

THIS MEETING SHALL BE CONDUCTED PURSUANT TO THE TEXAS GOVERNMENT CODE SECTION 551.001 ET SEQ. AT ANY TIME DURING THE MEETING THE COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION ON ANY OF THE ABOVE POSTED AGENDA ITEMS IN ACCORDANCE WITH THE SECTIONS 551.071, 551.072, 551.073, 551.074, 551.075 OR 551.076.

THE CITY OF LAGO VISTA IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE MODIFICATIONS AND EQUAL ACCESS TO COMMUNICATIONS WILL BE PROVIDED UPON REQUEST.

AT THIS MEETING AT THE STATED LOCATION, A QUORUM OF THE CITY COUNCIL WILL BE PHYSICALLY PRESENT, AND THIS NOTICE SPECIFIES THE INTENT TO HAVE A QUORUM PRESENT THERE, AND THE MEMBER OF THE CITY COUNCIL PRESIDING OVER THE MEETING WILL BE PHYSICALLY PRESENT AT THAT LOCATION. ONE OR MORE MEMBERS OF THE CITY COUNCIL MAY PARTICIPATE IN THIS MEETING REMOTELY, AND IF SO, VIDEOCONFERENCE EQUIPMENT PROVIDING TWO-WAY AUDIO AND VIDEO DISPLAY AND COMMUNICATION WITH EACH MEMBER WHO IS PARTICIPATING BY VIDEOCONFERENCE CALL WILL BE MADE AVAILABLE.



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Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	March 16, 2023
SUBMITTED BY:	Lucy Aldrich, City Secretary
SUBJECT:	Routine Reports from City staff.
FINANCIAL IMPACT:	N/A



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	March 16, 2023
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FINANCIAL IMPACT:	N/A



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Lucy Aldrich, City Secretary

SUBJECT: Presentation from the Youth Advisory Commission.

FINANCIAL IMPACT: N/A



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Sean Vance, Golf Course

SUBJECT: Presentation from Golf Course Architect Jeffrey D. Blume, ASGCA.

BACKGROUND: During the FY2022-2023 budget process, the City Council approved the Golf Course Superintendent to contract the professional services of a Golf Course Architect to design and provide detailed plans for the Golf Course renovations and future master plan of the Golf Course.

FINANCIAL IMPACT: N/A

RECOMMENDATION: N/A

ATTACHMENTS:
[Presentation](#)



Lago Vista Golf Course Lago Vista, Texas

Jeffrey D. Blume, ASGCA

Presentation Outline

- ◆ Introduction – Jeffrey D. Blume, Limited
- ◆ Project Goals
- ◆ Scope of Renovations
- ◆ Master Plan
- ◆ Estimated Cost
- ◆ Construction Schedule

Jeffrey D. Blume, ASGCA

- ◆ Golf Course Architect with thirty-four years of experience in new course design and renovation.
- ◆ Member – American Society of Golf Course Architects
 - ◆ ASGCA Executive Committee (President) – 2018-2019
 - ◆ ASGCA Board of Governors – 2013-2020
 - ◆ ASGCA Foundation Board of Governors – 2022 - Present
- ◆ Houston Golf Association (1997-2016) - Shell Houston Open
 - ◆ Tournament General Chairman – 2009 & 2010
- ◆ Member – South Texas Golf Course Superintendents Association.
- ◆ USGA Construction Education Committee, Greens Section, Pace of Play Committee and Innovation Symposium

Presentation Outline

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Project Goals

- ◆ To improve the overall reputation and marketability of the golf course at Lago Vista.
- ◆ To enhance the golfer and guest experience to attract new clientele to the facility.
- ◆ To improve and make more efficient the operations and maintenance of the facility.
- ◆ To modernize and replace aging infrastructure.
- ◆ To adjust the course routing to address the weakness of holes #3, #9, #15, and the practice facilities.

Scope of Renovations

- ◆ **Greens to be redesigned and re-built according to USGA Guidelines**
 - ◆ Renovation should improve internal drainage promoting a better environment for turf growth.
 - ◆ Contouring will reflect modern greens speeds and turf varieties.
 - ◆ Modern turf variety will bring greens up to current golfer expectations.
 - ◆ Leave a minimal “footprint” on the surrounding environment.

- ◆ **Bunkers to be redesigned and rebuilt**
 - ◆ Bunker life is typically 7-10 years (Lago Vista bunkers are now well past their serviceable life).
 - ◆ Will bring the course aesthetic and playability up to modern standards.
 - ◆ Will include modern bunker liner to reduce maintenance cost.
 - ◆ Bunker design and locations will change to be more descriptive of shot values.

Scope of Renovations

- ◆ Tees to be redesigned and re-built
 - ◆ Increase the size to disperse wear patterns and improve conditions.
 - ◆ Relocate teeing grounds to adjust to modern standards and incorporate a more varied group of players.
 - ◆ Relocate tees and change turf type to minimize shade impact on conditions.
- ◆ Fairways to be re-finished and re-grassed
 - ◆ All fairways will be re-finished to address minor drainage issues.
 - ◆ A new turf variety will be introduced to improve the playability and aesthetic appeal of the golf course.
 - ◆ Where possible, the fairways will be shaped to contain golf shots thereby making the course more playable and enjoyable for all levels of golfers.

Scope of Renovations

- ◆ Course routing to be adjusted to eliminate weak holes and take advantage of unrealized opportunities
 - ◆ Hole #3 will be increased in length to create a short par 4. This will make up the shot to par lost by the change to hole #9.
 - ◆ Hole #9 will be changed to a par 3 with the new green being located on the top of the hill. This will eliminate the need to play tee shots over the surrounding property, speed up play by eliminating a blind tee shot, and allow the green site to be used for alternative purposes.
 - ◆ A new putting green will be created adjacent to both starting holes to allow for efficient practice prior to the start of the round. This will free up space adjacent to the clubhouse for other uses.
 - ◆ The main practice tee will be increased in size by utilizing the space vacated by the old putting green.
 - ◆ The site of #9 green can be repurposed as a short game area, new tennis and pickle ball facility, cart storage or additional parking. It can also serve as the stage area for the natural amphitheater created by the large hill to the south.
 - ◆ The existing tennis/pickle ball facility can remain in place or be converted into new cart staging, storage and a covered hitting area for the practice range.

LAGO VISTA GOLF COURSE

LAGO VISTA, TEXAS

PREPARED FOR:

CITY OF LAGO VISTA
5803 THUNDERBIRD
SUITE 101
LAGO VISTA, TX 78645

(512)267-1155

SCORECARD

HOLE	PAR	YARDS	HOLE	PAR	YARDS
1	4	342	10	5	522
2	5	602	11	4	410
3	4	292	12	3	197
4	4	409	13	4	393
5	4	375	14	4	303
6	3	172	15	5	502
7	4	340	16	4	402
8	5	565	17	4	415
9	3	208	18	3	192
OUT	36	3,305	IN	36	3,336
			TOTAL	72	6,641

LENGTHS SHOWN IN YARDS FROM THE REGULAR MEN'S TEE

Jeffrey D. Blum, Limited
Golf Course Architect
10000 210 210, Suite 111
Houston, Texas 77058
(281) 416-1111
jdb@jeffreyblum.com

SCALE

DATE

REVISION

LAGO VISTA GOLF COURSE
DESIGNED BY
JEFFREY D. BLUM, LIMITED
ARCHITECTS
10000 210 210, Suite 111
HOUSTON, TEXAS 77058
(281) 416-1111
jdb@jeffreyblum.com

Estimated Cost – Concept 1

LAGO VISTA GOLF COURSE				
GREENS, BUNKERS, FAIRWAYS & TEES - CONCEPT I				
Item	Unit	Quantity	Unit Price	Total Price
1. Mobilization & Staking (Lump Sum)	ls	1	150,000.00	150,000.00
Total Lump Sum Price for Mobilization & Staking				150,000.00
2. Clearing & Grubbing				
2.1 Existing Turf Removal	ac	45	2,000.00	90,000.00
2.2 Clearing	ac	5	5,000.00	25,000.00
Total Measured Sum Price for Clearing				115,000.00
3. Earthmoving & Rough Shaping				
3.1 Earthmoving				
3.1.1 Excavation	cy	100,000	6.00	600,000.00
Total Measured Sum Price for Earthmoving & Rough Shaping				600,000.00
4. Subsurface Drainage				
4.1 Inlet Structures				
4.1.1 12" Catchbasins	ea	50	900.00	45,000.00
4.1.2 18" Catchbasins	ea	0	0.00	0.00
4.1.3 24" Catchbasins	ea	0	0.00	0.00
4.1.4 48" Lake Overflow Structures	ea	0	0.00	0.00
4.2 Pipe				
4.2.1 6" C.P.P.	lf	8,000	13.00	104,000.00
4.2.2 8" C.P.P.	lf	0	0.00	0.00
4.2.3 12" C.P.P.	lf	0	0.00	0.00
4.2.4 24" C.P.P.	lf	0	0.00	0.00
Total Measured Sum Price for Subsurface Drainage				149,000.00
5. Fine Grading				
5.1 Tee, Green & Bunker Construction				
5.1.1 Root Zone Mix	cy	4,444	150.00	666,600.00
5.1.2 Greens Gravel	cy	1,481	120.00	177,720.00
5.1.3 Bunker Gravel	cy	629	120.00	75,480.00
5.1.4 Bunker Sand	cy	494	230.00	113,620.00
5.1.5 4" Perf. Pipe (Rigid)	lf	16,000	10.00	160,000.00
5.1.6 4" Solid Pipe (Rigid)	lf	12,000	10.00	120,000.00
5.1.6 Better Billy Bunker	sf	40,000	2.35	94,000.00
5.1.8 Tee Mix (2" Depth)	cy	1,086	100.00	108,600.00
5.2 Feature Shaping	Hole	19	15,000.00	285,000.00
Total Measured Sum Price for Fine Grading & Lump Sum Price for Feature Shaping				1,801,020.00

Lago Vista Golf Course

1

February 20, 2023

6. Grassing				
6.1 Planting Greens	sf	120,000	0.85	102,000.00
6.2 Planting Tees	sf	176,000	0.55	96,800.00
6.3 Planting Fairways & Roughs	ac	31.57	4,200.00	132,594.00
6.4 Sodding	sy	65,000	7.50	487,500.00
Total Measured Sum Price for Grassing				818,894.00
7. Other Construction				
7.1 SWPPP (Permit Application & Fees)	ls	1	5,000.00	5,000.00
7.2 Reinforced Silt Fence	lf	4,000	6.50	26,000.00
7.3 Bulkheading	lf	1,500	300.00	450,000.00
Total Measured Sum Price for Other Construction				481,000.00
8. Cart Path Construction				
8.1 Cart Paths (8' wide, 4" thick)	sf	30,000	6.50	195,000.00
8.2 Cart Path Crossing (Bridges)	ea	0	0.00	0.00
8.3 Curbing	lf	9,000	10.00	90,000.00
8.4 Cart Path Demolition	sf	25,000	1.00	25,000.00
Total Measured Sum Price for Cart Path Construction				310,000.00
9. Irrigation				
9.1 Irrigation	ls	1	0.00	0.00
Total Measured Sum Price for Irrigation				0.00
TOTAL CONTRACT SUM				4,424,914.00
10. Non-Construction items				
10.1 Grow-in	ls	1	160,000.00	160,000.00
10.2 Golf Course Architecture Fees	ls	1	275,000.00	275,000.00
10.3 Irrigation Design Fees	ls	1	0.00	0.00
10.4 Performance & Payment Bond	ls	1	90,000.00	90,000.00
Total Lump Sum Price for Non-Construction Items				525,000.00

Lago Vista Golf Course

2

February 20, 2023

Estimated Cost – Concept 2

LAGO VISTA GOLF COURSE				
COMPLETE RENOVATION - CONCEPT II				
Item	Unit	Quantity	Unit Price	Total Price
1. Mobilization & Staking (Lump Sum)	ls	1	200,000.00	200,000.00
Total Lump Sum Price for Mobilization & Staking				200,000.00
2. Clearing & Grubbing				
2.1 Existing Turf Removal	ac	75	2,000.00	150,000.00
2.2 Clearing	ac	5	5,000.00	25,000.00
Total Measured Sum Price for Clearing				175,000.00
3. Earthmoving & Rough Shaping				
3.1 Earthmoving				
3.1.1 Excavation	cy	150,000	6.00	900,000.00
Total Measured Sum Price for Earthmoving & Rough Shaping				900,000.00
4. Subsurface Drainage				
4.1 Inlet Structures				
4.1.1 12" Catchbasins	ea	50	900.00	45,000.00
4.1.2 18" Catchbasins	ea	15	1,500.00	22,500.00
4.1.3 24" Catchbasins	ea	7	2,200.00	15,400.00
4.1.4 48" Lake Overflow Structures	ea	0	0.00	0.00
4.2 Pipe				
4.2.1 6" C.P.P.	lf	8,000	13.00	104,000.00
4.2.2 8" C.P.P.	lf	3,000	18.00	54,000.00
4.2.3 12" C.P.P.	lf	1,500	23.00	34,500.00
4.2.4 24" C.P.P.	lf	0	0.00	0.00
Total Measured Sum Price for Subsurface Drainage				275,400.00
5. Fine Grading				
5.1 Tee, Green & Bunker Construction				
5.1.1 Root Zone Mix	cy	4,444	150.00	666,600.00
5.1.2 Greens Gravel	cy	1,481	120.00	177,720.00
5.1.3 Bunker Gravel	cy	629	120.00	75,480.00
5.1.4 Bunker Sand	cy	494	230.00	113,620.00
5.1.5 4" Perf. Pipe (Rigid)	lf	16,000	10.00	160,000.00
5.1.6 4" Solid Pipe (Rigid)	lf	12,000	10.00	120,000.00
5.1.6 Better Billy Bunker	sf	40,000	2.35	94,000.00
5.1.8 Tee Mix (2" Depth)	cy	1,086	100.00	108,600.00
5.2 Feature Shaping	Hole	19	15,000.00	285,000.00
Total Measured Sum Price for Fine Grading & Lump Sum Price for Feature Shaping				1,801,020.00

Lago Vista Golf Course

1

February 20, 2023

6. Grassing				
6.1 Planting Greens	sf	120,000	0.85	102,000.00
6.2 Planting Tees	sf	176,000	0.55	96,800.00
6.3 Planting Fairways & Roughs	ac	63	4,200.00	264,600.00
6.4 Sodding	sy	65,000	7.50	487,500.00
Total Measured Sum Price for Grassing				950,900.00
7. Other Construction				
7.1 SWPPP (Permit Application & Fees)	ls	1	5,000.00	5,000.00
7.2 Reinforced Silt Fence	lf	4,000	6.50	26,000.00
7.3 Bulkheading	lf	1,500	300.00	450,000.00
Total Measured Sum Price for Other Construction				481,000.00
8. Cart Path Construction				
8.1 Cart Paths (8' wide, 4" thick)	sf	76,000	6.50	494,000.00
8.2 Cart Path Crossing (Bridges)	ea	0	0.00	0.00
8.3 Curbing	lf	9,000	10.00	90,000.00
8.4 Cart Path Demolition	sf	70,000	1.00	70,000.00
Total Measured Sum Price for Cart Path Construction				654,000.00
9. Irrigation				
9.1 Irrigation	ls	1	0.00	0.00
Total Measured Sum Price for Irrigation				0.00
TOTAL CONTRACT SUM				5,437,320.00
10. Non-Construction items				
10.1 Grow-in	ls	1	200,000.00	200,000.00
10.2 Golf Course Architecture Fees	ls	1	325,000.00	325,000.00
10.3 Irrigation Design Fees	ls	1	0.00	0.00
10.4 Performance & Payment Bond	ls	1	100,000.00	100,000.00
Total Lump Sum Price for Non-Construction Items				625,000.00

Lago Vista Golf Course

2

February 20, 2023

Estimated Cost – Concept 3

LAGO VISTA GOLF COURSE				
GREENS, BUNKERS, & TEES - CONCEPT III				
Item	Unit	Quantity	Unit Price	Total Price
1. Mobilization & Staking (Lump Sum)	ls	1	150,000.00	150,000.00
Total Lump Sum Price for Mobilization & Staking				150,000.00
2. Clearing & Grubbing				
2.1 Existing Turf Removal	ac	30	2,000.00	60,000.00
2.2 Clearing	ac	5	5,000.00	25,000.00
Total Measured Sum Price for Clearing				85,000.00
3. Earthmoving & Rough Shaping				
3.1 Earthmoving				
3.1.1 Excavation	cy	90,000	6.00	540,000.00
Total Measured Sum Price for Earthmoving & Rough Shaping				540,000.00
4. Subsurface Drainage				
4.1 Inlet Structures				
4.1.1 12" Catchbasins	ea	50	900.00	45,000.00
4.1.2 18" Catchbasins	ea	0	0.00	0.00
4.1.3 24" Catchbasins	ea	0	0.00	0.00
4.1.4 48" Lake Overflow Structures	ea	0	0.00	0.00
4.2 Pipe				
4.2.1 6" C.P.P.	lf	8,000	13.00	104,000.00
4.2.2 8" C.P.P.	lf	0	0.00	0.00
4.2.3 12" C.P.P.	lf	0	0.00	0.00
4.2.4 24" C.P.P.	lf	0	0.00	0.00
Total Measured Sum Price for Subsurface Drainage				149,000.00
5. Fine Grading				
5.1 Tee, Green & Bunker Construction				
5.1.1 Root Zone Mix	cy	4,444	150.00	666,600.00
5.1.2 Greens Gravel	cy	1,481	120.00	177,720.00
5.1.3 Bunker Gravel	cy	629	120.00	75,480.00
5.1.4 Bunker Sand	cy	494	230.00	113,620.00
5.1.5 4" Perf. Pipe (Rigid)	lf	16,000	10.00	160,000.00
5.1.6 4" Solid Pipe (Rigid)	lf	12,000	10.00	120,000.00
5.1.6 Better Billy Bunker	sf	40,000	2.35	94,000.00
5.1.8 Tee Mix (2" Depth)	cy	1,086	100.00	108,600.00
5.2 Feature Shaping	Hole	19	12,500.00	237,500.00
Total Measured Sum Price for Fine Grading & Lump Sum Price for Feature Shaping				1,753,520.00

Lago Vista Golf Course

1

February 20, 2023

6. Grassing				
6.1 Planting Greens	sf	120,000	0.85	102,000.00
6.2 Planting Tees	sf	176,000	0.55	96,800.00
6.3 Planting Fairways & Roughs	ac	10	4,200.00	42,000.00
6.4 Sodding	sy	65,000	7.50	487,500.00
Total Measured Sum Price for Grassing				728,300.00
7. Other Construction				
7.1 SWPPP (Permit Application & Fees)	ls	1	5,000.00	5,000.00
7.2 Reinforced Silt Fence	lf	4,000	6.50	26,000.00
7.3 Bulkheading	lf	0	300.00	0.00
Total Measured Sum Price for Other Construction				31,000.00
8. Cart Path Construction				
8.1 Cart Paths (8' wide, 4" thick)	sf	0	6.50	0.00
8.2 Cart Path Crossing (Bridges)	ea	0	0.00	0.00
8.3 Curbing	lf	0	10.00	0.00
8.4 Cart Path Demolition	sf	0	1.00	0.00
Total Measured Sum Price for Cart Path Construction				0.00
9. Irrigation				
9.1 Irrigation	ls	1	0.00	0.00
Total Measured Sum Price for Irrigation				0.00
TOTAL CONTRACT SUM				3,436,820.00
10. Non-Construction items				
10.1 Grow-in	ls	1	160,000.00	160,000.00
10.2 Golf Course Architecture Fees	ls	1	225,000.00	225,000.00
10.3 Irrigation Design Fees	ls	1	0.00	0.00
10.4 Performance & Payment Bond	ls	1	70,000.00	70,000.00
Total Lump Sum Price for Non-Construction Items				455,000.00

Lago Vista Golf Course

2

February 20, 2023

Project Schedule – Concepts I & III

Done in two consecutive years

TASK	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
DESIGN														
PRELIM DESIGN														
CONSTR. DOCUMENTS														
BIDDING														
CONSTR. OBSERVATION														
CONSTRUCTION														
MOBILIZATION														
STAKING & CLEARING														
BULK EARTHMOVING														
DRAINAGE														
IRRIGATION														
FINE GRADING														
TILE DRAINAGE														
SEED BED MIX														
BUNKER CONSTR.														
TEE CONSTRUCTION														
CART PATHS														
GRASSING & FERTILIZE														
GROW-IN														
TOTAL														

Lago Vista Golf Course
Construction Schedule - Concepts I, III

March 16, 2023

Project Schedule – Concepts II

Done in two consecutive years

TASK	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
DESIGN														
PRELIM DESIGN														
CONSTR. DOCUMENTS														
BIDDING														
CONSTR. OBSERVATION														
CONSTRUCTION														
MOBILIZATION														
STAKING & CLEARING														
BULK EARTH MOVING														
DRAINAGE														
IRRIGATION														
FINE GRADING														
TILE DRAINAGE														
SEED BED MIX														
BUNKER CONSTR.														
TEE CONSTRUCTION														
CART PATHS														
GRASSING & FERTILIZE														
GROW-IN														
TOTAL														

Lago Vista Golf Course
Construction Schedule - Concept II
March 16, 2023

Questions?





Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Tracie Hlavinka, City Manager

SUBJECT: Presentation from Joel Scott regarding the Water Treatment Plant 3.

FINANCIAL IMPACT: N/A



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Lucy Aldrich, City Secretary

SUBJECT: Consider approval of the February 16, 2023, meeting minutes.

FINANCIAL IMPACT: N/A

ATTACHMENTS:
[Minutes 02-16-2023](#)

**OFFICIAL MINUTES OF THE CITY COUNCIL
REGULAR MEETING
THURSDAY, FEBRUARY 16, 2023**

BE IT REMEMBERED that on the 16th day of February A.D., 2023, the City Council held a regular meeting at 5:30 p.m. in City Council Chambers, and via videoconference, there being present and acting the following:

Ed Tidwell	Mayor	Chelaine Marion	Council Member
Gage Hunt	Council Member	Paul Roberts	Council Member
Kevin Sullivan	Council Member	Paul Prince	Council Member
Rob Durbin	Council Member		

CALL TO ORDER, CALL OF ROLL

Mayor Tidwell called the meeting to order at 5:30 p.m. and announced that all Councilmembers are present except Councilor Marion who has an excused absence.

EXECUTIVE SESSION

1. At 5:31 p.m., Council convened into a closed Executive Session pursuant to;
 - A. Consultation with Legal Counsel concerning all regular meeting agenda item requiring confidential, attorney/client advice (as needed). (Government Code Section 551.071).
 - B. Consultation with Legal Counsel regarding the Water Treatment Plant 3 property. (Government Code Section 551.071 Advice of Counsel and Government Code Section 551.072 Real Property).

ACTION ITEMS (action and/or a vote may be taken on the following agenda items):

2. At 6:23 p.m., Council reconvened from Executive Session into open session, and recessed until 6:30 p.m., to act as deemed appropriate in City Council's discretion regarding:
 - A. Consultation with Legal Counsel concerning all regular meeting agenda item requiring confidential, attorney/client advice (as needed). (Government Code Section 551.071).
No action taken.
 - B. Consultation with Legal Counsel regarding the Water Treatment Plant 3 property. (Government Code Section 551.071 Advice of Counsel and Government Code Section 551.072 Real Property).
During discussion, the signed a Letter of Engagement with the Chapman Firm to represent the City of Lago Vista. No action taken.

PLEDGE OF ALLEGIANCE, PLEDGE TO TEXAS FLAG

Mayor Tidwell led the Pledge of Allegiance and Pledge to Texas Flag.

03:19 – 07:52

CITIZEN COMMENTS: In accordance with the Open Meetings Act, Council is prohibited from acting or discussing (other than factual responses to specific questions) any items not on the agenda.

Ms. Lisa Shaw – spoke on lift stations as they pertain to Turnback Ranch.

07:57 – 20:55

ITEMS OF COMMUNITY INTEREST: Pursuant to Texas Government Code Section 551.0415, the City Council may report on any of the following items:

- a. Expressions of thanks, gratitude, and condolences.
North Lake Hope Center thanks the 436 volunteers that gave over 5,000 hours of their time in 2022.
Lion's Club thanked the community for participating in the recent Chili Fest.
- b. Information regarding holiday schedules.
City Hall will be closed Monday, February 20 for President's Day.
- c. Recognition of individuals, i.e., Proclamations.
Mayor Tidwell presented a proclamation in recognition of Black History Month.
- d. Reminders regarding City Council events.
City Council will hold their Strategic Planning work session on February 24th and will continue February 25th if necessary.
- e. Reminders regarding community events.
2nd annual Northshore Pet Parade and Costume Contest will be held on Saturday, March 4th at Green Shore Park.
31st annual La Primavera Bike Race will be held the weekend of March 4 – 5.
North Lake Chamber is taking ads for the 2023 Community Guide.
North Lake Chamber's Casino Night is scheduled to be held on Saturday, February 25th.
Women's Guild of St. Mary's welcomes everyone who is interested to "Let's Get Social" on February 20th.
Lion's Club blood drive will be held this Saturday.
Donuts and Coffee with Vets is scheduled February 24th.
- f. Health and safety announcements.
Encouraged citizens to sign up for Warn Central Texas on the City's website.

STAFF AND COUNCIL LIAISON REPORTS

21:00 – 22:02

1. Routine Reports from City Staff
None that are not on the agenda.

22:02 – 24:01

2. Annual Police Department Racial Profiling Report.
No action taken.

24:05 – 32:50

3. Report of First Quarter of Fiscal Year 2022-2023 (October 1, 2022 – December 31, 2022) Financials.
No action taken.

Mayor Tidwell skipped Agenda Item #4 and moved on to Agenda Item #7.

ACTION ITEMS

33:02 – 50:05

7. Discussion, consideration and possible action regarding the concession services agreement for the Bunker Bar and Grille at the Lago Vista Golf Course.

On a motion by Council Durbin, seconded by Councilor Sullivan, City Council voted unanimously to approve amending the concessions services agreement for the Bunker Bar and Grille by adding an additional line for Thursday through Sunday stating 9:00 a.m. to 4:00 p.m., October through April and Thursday through Sunday 7:30 a.m. to 4:00 p.m. for May through September. Motion carried.

Mayor Tidwell moved back to Agenda Item #4.

STAFF AND COUNCIL LIAISON REPORTS

50:11 – 52:36

4. Routine Reports from City Council Board/Committee/Commission Liaisons.

No action taken.

APPROVAL OF THE MINUTES

52:39 – 53:46

5. Consider approval of the January 19, 2023, meeting minutes.

On a motion by Sullivan, seconded by Hunt, City Council voted unanimously to approve the January 19, 2023, meeting minutes correcting agenda item #13 to reflect adding "with Councilor Sullivan's notes" to Councilor Durbin's motion. Motion carried.

ACTION ITEMS

53:49 – 59:24

6. Discussion, consideration and possible action on Resolution 23-1989; A Resolution ratifying and continuing the Disaster Declaration signed by the Mayor on February 6, 2023, and establishing an effective date.

On a motion by Mayor Pro-Tem Prince, seconded by Councilor Roberts, City Council voted unanimously to approve, Resolution 23-1989 continuing the Disaster Declaration. Motion carried.

ADJOURNMENT

Mayor Tidwell adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor _____, seconded by Councilor _____, the above and foregoing instrument was passed and approved this 16th day of March 2023.



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Lucy Aldrich, City Secretary

SUBJECT: Consider approval of the February 24, 2023, special called meeting minutes.

FINANCIAL IMPACT: N/A

ATTACHMENTS:
[02-24-2023 Meeting Minutes](#)

**OFFICIAL MINUTES OF THE CITY COUNCIL
SPECIAL MEETING
FRIDAY, FEBRUARY 24, 2023**

BE IT REMEMBERED that on the 24th day of February A.D., 2023, the City Council held a regular meeting at 9:00 a.m. in City Council Chambers, and via videoconference, there being present and acting the following:

Ed Tidwell	Mayor	Chelaine Marion	Council Member
Gage Hunt	Council Member	Paul Roberts	Council Member
Kevin Sullivan	Council Member	Paul Prince	Council Member
Rob Durbin	Council Member		

CALL TO ORDER, CALL OF ROLL

Mayor Pro-Tem Prince called the meeting to order at 9:04 a.m. and announced that all Councilmembers are present except Mayor Tidwell who will be joining the meeting after lunch.

PLEDGE OF ALLEGIANCE, INVOCATION

Mayor Pro-Tem Prince led the Pledge of Allegiance, Pledge to Texas Flag, and Invocation

02:18 – 02:42

CITIZEN COMMENTS: In accordance with the Open Meetings Act, Council is prohibited from acting or discussing (other than factual responses to specific questions) any items not on the agenda.

None

WORK SESSION

02:43 – 6:23:58

Strategic Planning workshop to discuss the Fiscal Year 2023 Work Plan and the Fiscal Year 2024 Work Plan.

Mayor Tidwell joined the meeting at 1:04 p.m.

During the discussion the following citizens spoke: Steven Liebel, Leitha Guy, Racheal Rich, and Lynda Aird

No action was taken.

ADJOURNMENT

Mayor Tidwell adjourned the meeting at 4:27 p.m.

Respectfully submitted,

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor _____, seconded by Councilor _____, the above and foregoing instrument was passed and approved this 16th day of March 2023.



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Tracie Hlavinka, City Manager

SUBJECT: Consider approval of Ordinance 23-03-16-01; an Ordinance of the by the City Council of the City of Lago Vista, Texas amending Article 1.1800 of Chapter 1 of the Lago Vista Code of Ordinances amending the Ethics Policy.

BACKGROUND: In December of 2022, the City Council held a preliminary hearing pertaining to an ethics complaint. During the hearing, Council noted a desire to review the current ethics policy. During the January 16, 2023, City Council meeting, Council discussed revisions to the current ethics policy. The Council specifically mentioned changes to Section 1.1803, Present Public Servants, (e) Conflict of Interest, item #3, (f) Additional Standards of Conduct, item # 2 Political Activity, and Section 1.1809 Jurisdiction and Hearing of Complaints, (f) Disposition of Alleged Ethics Violations, item #3.

FINDINGS: Staff, Councilor Durbin and Councilor Marion made the revisions requested by the Council during the January meeting. On March 2, 2023, City Council made amendments to the Ethics Policy. Those recommended amendments have been added to the document being considered.

FINANCIAL IMPACT: N/A

ATTACHMENTS:
[Ordinance](#)
[Ethics Policy \(Clean Version\)](#)
[Ethics Policy \(Redline Version\)](#)

ORDINANCE NO. 23-03-16-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AMENDING ORDINANCE 09-05-21-01 ESTABLISHMENT OF AN ETHICS POLICY, CHAPTER 1 GENERAL PROVISIONS OF THE CODE OF ORDINANCES, ARTICLE 1.1800 ETHICS POLICY, PROVIDING CODIFICATION AND PUBLICATION, AN EFFECTIVE DATE, REPEALER, SEVERABILITY, PROPER NOTICE AND OPEN MEETINGS CLAUSES.

WHEREAS, the City of Lago Vista, Texas is a Home Rule City; and

WHEREAS, the City Council of the City of Lago Vista adopted the Ethics Policy on May 21, 2009; and

WHEREAS; the City Council finds that there are conflicts in the policy that need to addressed and amended; and

WHEREAS, the City Council desires to amend Chapter 1, Article 1.1800, Ethics Policy, as set out in the attached Exhibit "A."; and

WHEREAS, the City Council finds that it is necessary and proper for the purpose of promoting effective and efficient government of the City to adopt the proposed amendments to the Ethics Policy of the City of Lago Vista Code of Ordinances.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

SECTION 1. FINDINGS OF FACT. All of the above and foregoing recitals are hereby found to be true and correct legislative findings of the City and are incorporated herein as findings of fact.

SECTION 2. AMENDMENT. The City Council of the City of Lago Vista, Texas, does hereby amend Article 1.1800 Ethics Policy, as shown in Exhibit "A". Underlined language shall be added and language to be deleted is signified by strike-through. All unedited Sections of the Code of Ordinances remain in effect as currently written.

SECTION 3. REPEALER. All ordinances, orders or resolutions heretofore passed and adopted by the City Council of the City of Lago Vista, Texas, are hereby repealed to the extent said ordinances, orders or resolutions or parts thereof are in conflict herewith.

SECTION 4. SEVERABILITY CLAUSE. If any section, subsection, article, paragraph, sentence, clause, phrase or word in this Ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 5. CODIFICATION AND PUBLICATION. The City Secretary is hereby directed to record and publish the attached rules, regulations and policies in the City's Code of Ordinances as authorized by Section 52.013 of the Texas Local Government Code.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage and publication in accordance with the Texas Local Government Code.

SECTION 7. OPEN MEETINGS. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

AND, IT IS SO ORDERED.

PASSED AND APPROVED this 16th day of March, 2023 by a vote of the City Council of the City of Lago Vista, Texas.

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor_____, seconded by Councilor_____,
the above and foregoing ordinance was passed and approved.

EXHIBIT A

ETHICS – ARTICLE 1.1800 ETHICS POLICY

ARTICLE 1.1800 ETHICS POLICY

Sec 1.1801 Declaration Of Policy

- (a) It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. To promote confidence in the government of the City of Lago Vista (“the city”), and thereby enhance the city’s ability to function effectively, this code of ethics is adopted. Although codes of ethics can provide instruction on what to do in various situations, the situations will always be more varied than the rules can anticipate. Recognizing this, the city manager and the city council will apply this article to not only enforce regulations, but also to enhance and promote virtue in public servants who are its officers, city officials or employees, paid or unpaid, elected or appointed, as well as members of any standing committee or board.
- (b) Furthermore, it is declared to be the policy of the city that proper operation of democratic government requires that public servants be independent, impartial and responsible to the people of the city; that no public servants shall permit any interest, financial or otherwise, direct or indirect, or engagement in any business, transaction or professional activity to conflict with the proper discharge of their duties in the public interest; that public office not be used for illegal or improper personal gain; and that the city council at all times shall be maintained as a nonpartisan body. To implement such a policy, the city council deems it advisable to enact a standard of conduct for all public servants to serve not only as a guide for official conduct, but also as a basis for discipline for those who refuse to abide by its terms. The overriding interest being that public servants of the city shall at all times strive to avoid even the appearance of impropriety.
- (c) The city further recognizes that public servants are also members of society and, therefore, cannot and should not be without any personal and economic interest in the decisions and policies of government; that public servants retain their rights as citizens to interests of a personal or economic nature, and their rights to publicly express their views on matters of general public interest. By prohibiting conduct incompatible with the city’s best interests and minimizing the risk of any appearance of impropriety, this code of ethics will further legitimize the interests of democracy.
- (d) Persons reviewing and considering the requirements of this code of ethics are cautioned to consider that Chapter 171 and Chapter 176, Tex. Loc. Gov’t. Code, are also applicable. In addition, a material volume of state law directly applicable to issues involving public ethics and reporting is applicable to the city and each employee and officer of the city. It is the policy of the city to rely primarily on those laws in lieu of unnecessary duplication and incurring the costs and expense required to administer areas of a program that in fact duplicate state law.

Sec 1.1802 Purpose

This code of ethics has four purposes:

- (a) To encourage high ethical standards in official conduct by public servants;
- (b) To establish minimum guidelines for ethical standards of conduct for all such public servants by setting forth those acts or actions that are incompatible with the best interests of the city;
- (c) To require disclosure by public servants and candidates of private financial or property interests in matters affecting the city; and
- (d) To provide minimum standards of ethical conduct for the city’s public servants, provide procedures regarding complaints for violations of such standards, and provide a mechanism for disciplining violators of such standards.

Sec 1.1803 Present Public Servants

(a) Standards of Conduct.

- (1) To avoid the appearance and risk of impropriety, public servants shall not solicit or accept any gift, personal favor or benefit from any person doing business with, seeking to do business with, or being regulated by the city; and shall not take any action on behalf of any person or business entity from which he or she has received a prohibited gift, or in which he or she has a substantial interest. Except in the sole interest of the public and the performance of the duties of their position, public servants shall not take any action that he or she knows might reasonably tend to influence any other public servant to not properly perform their official duty, nor shall any public servant grant any improper favor, service or thing of value to any person.
- (2) As used in this article the word gift means a favor, hospitality, economic benefit, product or item having a value of \$50.00, or more. A gift does not include campaign contributions reported as required by state law, money, items, or benefits received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.
- (3) The following factors are considered in evaluating whether a gift is prohibited:
 - (A) The value of the gift, or gifts, does not exceed \$50.00, or \$200.00 during any twelve (12) consecutive calendar months;
 - (B) Any preexisting relationship between the donor and donee;
 - (C) Whether the benefit of the gift is transferred to the city or to the public servant and whether any consideration is given in exchange for the gift; and
 - (D) Whether the person or entity giving the gift, or on whose behalf the gift is made, has done business with or has been regulated by the city within the immediate preceding twenty-four (24) calendar months, or is seeking to do business with the city, or does business with or is regulated by the city during the subsequent twelve (12) months.
- (4) Those items or services that do not constitute prohibited gifts include, but are not limited to, the following:
 - (A) Political contributions made and reported as required by applicable law.
 - (B) Awards publicly presented in recognition of public service.
 - (C) Entertainment, meals or refreshments furnished in conjunction with public events, appearances, or ceremonies related to official city business, if furnished by the sponsor of such public event, and meals and refreshments having a value of less than \$50.00 when furnished or provided to the public servant during the conduct of public business.
 - (D) Any item received by a public servant and donated to a charitable organization or presented to the city within one (1) business day from the date of receipt; any item(s) other than money the value of which does not exceed \$50.00 or \$200.00 during any twelve (12) consecutive calendar months.
 - (E) Pens, pencils, calendars, T-shirts, caps and similar items containing logos, slogans, company names or other marketing material and commonly given out for advertising purposes.

(b) Personal Financial Interest.

- (1) Public servants of the city shall not participate in a vote or decision in which they have a direct substantial financial interest. Ownership in an amount in excess of one percent (1%) of an entity or property shall constitute substantial interest. Where members of the city council have a substantial interest in business or in real property which is affected by a proposed city council action and where any conflict of interest may arise, they shall file an affidavit of disclosure provided by the city secretary prior to the vote and abstain from voting on such matters.
- (2) No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in a corporation, in a contract with the city, or be financially interested directly or indirectly in the sale to the city of land, materials, supplies or services except on behalf of the

city as an officer or employee; provided, however, that the provision of this section shall only be applicable when the stock owned by the officer or employee exceeds one (1%) percent of the total capital stock of the corporation, or the city's taking of an interest in land by use of its eminent domain authority. Any violation of this shall render the contract voidable. (Ordinance 09-05-21-01 adopted 5/21/09)

- (3) In keeping with current case law, when a member of the city council has a substantial interest in business or in real property which is affected by a proposed city council action and such member is required to abstain from voting on such matter after filing his or her affidavit of disclosure, such abstention shall count as a ineligibility for that matter only and the number of votes required for passage of such matter shall be reduced by the number of ineligible members. In instances where a supermajority of the members of the governing body is required for passage, such supermajority number or fraction shall be based on the number of eligible voting members of the governing body and shall not count any ineligible members. (Ordinance 13-09-12-02 adopted 9/12/13)
- (c) Confidential Information. Public servants shall not disclose confidential or proprietary information, or any information they have acquired or obtained in the course of any fiduciary capacity or relationship, that could adversely influence the property, government, or affairs of the city, nor directly or indirectly use his or her position to secure official information about any person or entity, for the financial benefit or gain of such public servant or any third party. Public servants shall not release confidential, proprietary, or privileged information for any purpose other than the performance of official responsibilities. It shall be a defense to any complaint under this section that the release of information serves a legitimate public purpose, as opposed to the private financial or political interest of the public servant or any third party or group.
- (d) Use of City Property. Public servants shall not use, request or permit the use of city facilities, personnel, equipment, or supplies for any purpose other than to conduct city business unless otherwise provided by law, ordinance or written city policy; or as specifically authorized by the city manager as a convenience to the city, or by terms of employment, e.g., assigned use of a city vehicle.
- (e) Conflict of Interest.
 - (1) Public servants shall not for pay, profit, compensation, financial gain or benefit represent or appear on behalf of themselves or on behalf of the private interests of others before the city council or other city board, commission, or committee, or represent the private interest of others in any action or proceeding involving the city.
 - (2) No current members of the city council shall personally appear on their own behalf before the city council or any board, commission or committee but may designate and be represented by a person of their choice in any such personal business matter. This prohibition does not apply where a councilmember appears before the council on their own behalf, with respect to an issue arising under the city charter or this article. A member of any appointed committee or board shall remove himself/herself from deliberation regarding his/her interest.
 - (3) No current board or commission member shall personally appear on their own behalf before the board or commission upon which they serve but may designate and be represented by a person of their choice in any such business matter.
 - (4) Board or commission members are prohibited from engaging in private discussions with any applicant or owner regarding issues to be considered by their board or commission or from seeking to influence the outcome of any decision outside of a public meeting.
- (f) Additional Standards of Conduct.
 - (1) Conflicting Outside Employment.
 - (A) The purpose of this provision is to prevent conflicts of interest, conflicts of loyalty, and loss of efficiency at work.
 - (B) This provision does not prevent employees or officials from accepting other employment or following any pursuit which in no way interferes with the full and faithful discharge of their public duties, provided that the employees comply with all applicable city requirements.

- (C) A city official or paid city employee shall not solicit, accept or engage in concurrent outside employment or enter into any contract which could impair independence of judgment in, or the faithful performance of, their official duties, or those results in a conflict of interest with their duties as an official or employee of the city.
 - (D) City employees must inform their supervisor before engaging in off-duty employment and obtain written authorization from the city manager or their department head prior to accepting outside employment. Employees must consider the policy purpose and be aware of this policy and rule.
- (2) Political Activity.
- (A) Limitations on the political activities of city officials and employees are imposed by state law, the city charter, and city personnel rules. In addition, the ethical restrictions listed below shall apply.
 - (B) No employee shall solicit or receive contributions to the campaign funds of any candidate for city office or take part in the management, affairs, or political campaign of any city candidate. Current members of the city council who are seeking reelection may engage in any activity on behalf of their own campaign efforts. However, the mayor and councilmembers are prohibited from taking part in the management, affairs, or political campaign of any other city candidate. The following is a list of activities that are, except as specifically provided otherwise, permissible within the sole discretion of the individual employees and City Council:
 1. The placement of campaign signs on premises owned by the public servant.
 2. The placement of bumper stickers on personal vehicles, except those vehicles supported in whole or in part by a car allowance provided by the city.
 3. Off-duty or assigned duty attendance at a political rally or function for a city council candidate, so long as there is no active participation by the city employee; provided that an employee that is off-duty shall not wear any city uniform, item or clothing that identifies the employee as an employee of the city.
 4. The donation of a political contribution that does not exceed the statutory limit for nonreportable contributions; provided that a candidate for, and the occupant of, an elective city office is prohibited from soliciting contributions from city employees.

This subsection shall be narrowly construed and in no event shall this section be construed or interpreted to prevent any officer, employee, councilmember, mayor or public servant from expressing his or her personal opinion regarding any candidate for office, or any other matter of public interest; provided that city employees shall not, while in uniform or on duty, make public comments or statements concerning any candidate for elective city office. Private statements or comments made by any officer or employee of the city to any other officer or employee of the city concerning any candidate for elective city office are not subject to subsection (f).

- (C) Nonprofit Board Membership. While membership is encouraged a councilmember who serves on the board of a public or private nonprofit organization shall have a voice but no vote on any funding request or contract with the city by that organization, unless the organization has a board of directors or trustees appointed in whole or in part by the city council, commission or board members.

Sec 1.1804 Former City Officials And Employees (Reserved)

[Reserved]

Sec 1.1805 Contracts

- (a) No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in any corporation, in a contract with the city, or be financially interested directly or indirectly in the sale to the city of land, materials, supplies or services except on behalf of the city as an officer or employee; provided, however, that if the direct or indirect interest results from the ownership of stock the provision of this section shall only be applicable when the stock owned by the officer or employee exceeds one (1) percent of the total capital stock of the corporation. Any violation of this section shall render the contract voidable. This section shall not apply or be applicable to employment agreements approved by the city manager and/or the city council, or instances in which the city is acquiring property by eminent domain.
- (b) Except on behalf of the city, a former city councilmember, official, or employee may not, within two (2) years of the termination of official duties, perform work for any person or entity other than the city on a compensated basis relating to a discretionary contract, if he or she personally and substantially participated in the negotiation of awarding of the contract. A former city official or employee, within two (2) years of termination of official duties must disclose to the city secretary immediately upon knowing that he or she will perform work on a compensated basis relating to a discretionary contract.

Sec 1.1806 Persons Doing Business With The City

a. Persons Seeking Discretionary Contracts.

- 1. An individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract any conflict of interest. This is set forth in Sections 1.1803 and 1.1804 of this code of ethics. The individual or entity must agree to abide by the same ethical standards as set forth for public servants in this code of ethics.
- 2. Subsection (a) above will become a permanent footnote on documents contained in city bid packets for discretionary contracts.
- 3. All prospective vendors shall comply with Chapter 176, Tex. Loc. Gov't. Code.

b. Disclosure of Conflicts of Interest by Persons Appearing Before a Board or City Body. A person appearing before any city board or other city body for the purpose of doing business with the city shall disclose to that board or body any facts known to such person which may show or establish that:

- 1. An employee or officer of the city that advises or makes presentations to the board or city body; or
- 2. Any member of the board or city body;

has or may have a conflict of interest pursuant to Chapter. 171, Tex. Loc. Gov't. Code, or an interest which would violate the ethical standards set forth in this article, if he or she were to participate in the processing or consideration of the subject matter.

Sec 1.1807 Lobbyist (Reserved)

[Reserved]

Sec 1.1808 Financial Disclosure

Chapter 176, Tex. Loc. Gov't. Code, requires every person, firm or entity proposing to sell any product to the city, or to contract with the city, to file documents identifying business connections or relationships they or their employees may have with officers and employees of the city. Upon any such document identifying an officer of the city that officer must complete and file a document prescribed by state law. Chapter 171, Tex. Loc. Gov't. Code,

requires members of the governing body and boards and commissions to publicly announce if they have a conflict, business or investment interest in the person or subject matter coming before that body. In addition to the public announcement, the officer is required to complete an affidavit specifying the conflict and file that document with the city secretary. These requirements obviate any need for the city to incur the expense to establish the required administrative procedures, obtain, store and make available financial statements from the officers of the city. The avoidance of the requirements for financial statements encourages public service because it permits officers from being required to report personal financial information and information that intrudes on the privacy of third parties that have no business dealings with the city.

Sec.1.809 – Duty to Report Ethical Violations

- (a) Except as permitted in paragraphs (c) or (d), a public servant or other city employee having first hand or documentary knowledge that an elected or appointed official, has committed a violation of an applicable rule of ethics under this Chapter that raises a substantial question as to that elected or appointed official's honesty, trustworthiness or fitness as an elected or appointed official in other respects, shall have a duty to inform City Council.
- (b) Except as permitted in paragraphs (c) or (d), a public servant or other city employee having first hand or documentary knowledge that a city employee has committed a violation of an applicable rule of ethics under this Chapter that raises a substantial question as to that city employee's honesty, trustworthiness or fitness as a city employee in other respects, shall have a duty to inform the City Manager.
- (c) This rule does not require disclosure of knowledge or information otherwise protected as confidential information.
- (d) This rule does not require disclosure of information that the reporter does not have first-hand knowledge of or that requires conjecture or supposition.

Sec 1.1810 Jurisdiction And Hearing Of Complaints

- (a) City Manager. The city manager shall receive and hear all complaints filed against any city official or employee that is appointed by the city manager. The fact that the city manager has received a complaint, or is hearing a complaint, filed under this code of ethics, shall not deprive or lessen the authority of the city manager to take disciplinary action against such city official or employee without regard to the complaint or hearing. When hearing a complaint, the city manager may adopt such process and procedures as he/she finds suitable to the complaint. The hearing may be conducted informally or as a hearing in which witnesses may be produced.
- (b) City Council. The city council shall receive and hear all complaints filed against any city official, board, committee or commission member that is appointed by the city council. The fact that the city council has received a complaint, or is hearing a complaint, filed under this code of ethics, shall not deprive or lessen the authority of the city council to take any discretionary action it finds appropriate, or to take any disciplinary action against such city official, without regard to the complaint or hearing. When hearing a complaint, the city council may adopt such process and procedures as the council finds suitable to the complaint. The hearing may be conducted informally or as a hearing in which witnesses may be produced.
- (c) Violations of Chapter 171 or Chapter 176. Complaints alleging a violation of Chapter 171 or Chapter 176, Tex. Loc. Gov't. Code, shall be referred to the appropriate court and prosecutor. Such referral shall not deprive the city manager or the city council, as applicable, from exercising their respective discretionary authority, or any authority granted by local or state law.
- (d) Advisory Opinions and Recommendations. The city attorney shall render advisory opinions and make recommendations to the city manager and city council, as applicable, on potential conflicts of interest or potential violations of this code of ethics at the request of a public servant. Such advisory opinions and recommendations shall be rendered thirty (30) days after a request or complaint is received, unless the city attorney requests, and is granted one thirty (30) day extension by the city council or city manager, as

applicable. This subsection shall not be applicable to complaints that have been filed with the city council or the city manager.

- (e) Defense to Alleged Violations. It shall be a defense to an alleged violation of this code of ethics that the person accused previously requested, and received, a written advisory opinion and recommendation from the city attorney and acted on such opinion or recommendation in good faith, unless material facts were omitted or misstated by the person requesting the opinion. Absent, omitted or misstated facts, such written advisory opinion and recommendation shall be binding with respect to subsequent charges based on the same issue and facts concerning the person who requested the opinion.
- (f) Disposition of Alleged Ethics Violations.

- (1) A sworn complaint based on personal knowledge alleging a violation(s) of this article shall specify the provision(s) of this article alleged to have been violated and shall name the public servant being charged.
- (2) Upon the aforesaid sworn complaint of any person being filed with the city secretary's office, or on its own initiative, the city manager or city council, as applicable, shall consider possible violations of this article by any public servant. A complaint shall not be deemed to be filed on the initiative of the city council, save and except the complaint be signed and sworn by two (2) members of the city council, one of which is the mayor, after consultation with the city attorney. A complaint filed by an individual member of the city council shall be deemed to have been filed in the councilmember's capacity as a private citizen and, in such event, the member of the city council filing the complaint shall not thereafter participate in a city council meeting, or discuss the same with the city manager if applicable, at which such complaint is considered save and except the councilmember filing the complaint may participate as a complainant at such meeting.
- (3) A complaint alleging a violation of this article must be filed with the city secretary within two (2) years from the date of the action alleged as a violation, and not afterward.
- (4) Not later than three (3) working days after the city secretary receives a sworn complaint, the city secretary shall acknowledge the receipt of the complaint to the complainant and provide a copy of the complaint to the city attorney, the city council or city manager as appropriate, and the person against whom the complaint was alleged. Not later than ten (10) working days after receipt of a complaint, the city secretary shall notify in writing the person who made the complaint and the person against whom the complaint was alleged, of a date for a preliminary hearing. If the city manager or city council does not hold a preliminary hearing within twenty (20) days of receipt of the complaint, it shall notify the person who made the complaint of the reasons for the delay and shall subsequently give further appropriate notification.
- (5) The city council or the city manager may consider possible violations of this article on their own initiative. Within seven (7) working days of the decision to consider a possible violation of this article, a draft written complaint specifying the provision(s) of this article alleged to have been violated shall be filed with the city secretary, and provided to the city attorney and the person against whom the complaint was alleged. Not later than fifteen (15) days after the drafting of the complaint, the city secretary shall notify in writing the person against whom the complaint was alleged of the date for the preliminary hearing.
- (6) After a complaint has been filed, and during the pending of a complaint before the city council, a member of the city council may not communicate directly or indirectly with any party or person about any issue of fact or law regarding the complaint, except at a meeting of the city council; provided that the mayor may consult and coordinate with the city attorney.
- (7) As soon as reasonably possible, but in no event more than sixty (60) days after receiving a complaint, the city manager or city council, as applicable, shall conduct a preliminary hearing:
 - (A) The issue at a preliminary hearing shall be the existence of reasonable grounds to believe that a violation of this article has occurred. The person filing a complaint, or the city attorney in cases considered upon the city manager's or city council's, as applicable, own initiative, shall state the alleged violation and shall describe in narrative form the testimony and other evidence which would be presented to prove the alleged violations stated in the

written complaint. Statements at a preliminary hearing shall be under oath, but there shall be no cross examination or requests for persons or evidence issued for the hearing. Members of the city council or the city manager, as applicable, may question the complainant, the city attorney or the city manager, as applicable, or the public servant named in the complaint.

- (B) The public servant named in the complaint shall have the opportunity to respond but is not required to attend or make any statement. The public servant may describe in narrative form the testimony and other evidence that would be presented to disprove the alleged violation. If the public servant agrees that a violation has occurred, he or she may so state and the city manager or city council, as applicable, may consider the appropriate sanction.
- (C) The complainant and the public servant named in the complaint shall have the right to representation by counsel.
- (D) At the conclusion of the preliminary hearing, the city manager or city council, as applicable, shall decide whether a final hearing should be held. If the city manager or city council, as applicable, determines there are reasonable grounds to believe that a violation of this article has occurred, a final hearing will be scheduled. If the city manager or city council, as applicable, does not determine that there are reasonable grounds to believe that a violation of this article has occurred, the complaint shall be dismissed. A decision to conduct a final hearing is not a finding that a violation has occurred.
- (E) The city manager or city council, as applicable, at any time during the preliminary hearing, may also dismiss a complaint if the complaint does not allege conduct which would be a violation of this article. Before a complaint is dismissed for failure to allege a violation, the complainant may be permitted one opportunity, within ten (10) working days of such preliminary hearing, to revise and resubmit the complaint.
- (F) The complainant, the city attorney or the public servant named in the complaint may ask the city manager or city council, as applicable, at a preliminary hearing to request certain persons and evidence for a final hearing, if one is scheduled.

(8) Final Hearing on Complaints.

- (A) The final hearing shall be held as expeditiously as possible following the determination by the city manager or city council, as applicable, that reasonable grounds exist to believe that a violation of this article has occurred. In no event shall the hearing be held more than thirty (30) days after said determination. The city manager or city council, as applicable, may grant two (2) postponements, not to exceed fifteen (15) days each, upon the request of the public servant named in the complaint.
- (B) The issue at a final hearing shall be whether a violation of this article has occurred. The city manager or city council, as applicable, shall make its determination based on clear and convincing evidence in the record. All witnesses shall make their statements under oath.
- (C) If the city manager or city council, as applicable, determines that a violation has occurred, findings shall be stated in writing identify the particular provision(s) of this article which have been violated, and within five (5) working days a copy of the findings shall be delivered to the complainant, if any, the public servant named in the complaint, and the city secretary.
- (D) If a complaint proceeds to a final hearing, the city manager or city council, as applicable, may request witnesses to attend and testify, administer oaths and affirmations, take evidence and request the production of books, papers records, or other evidence needed for the performance of the city manager's or city council's duties, as applicable, or exercise of its powers, including its duties and powers of investigation.

(9) Sanctions.

- (A) If the city manager or city council, as applicable, determines that a violation of this article has occurred, they shall proceed directly to determination of the appropriate sanction(s), if any. Save and except for a violation of Section 7.2, Section 8.6 or Section 11.1 a violation

of this article shall not be subject to criminal penalties. The city manager or city council, as applicable, may receive additional testimony or statements before considering sanctions, but is not required to do so. If the public servant named in the complaint acted in reliance upon a written opinion of the city attorney, the city manager or city council, as applicable, shall consider that fact.

(B) If the city manager or city council, as applicable, determines that a violation of this article has occurred, they may impose one of the following sanctions:

- (i) A letter of notification shall be the appropriate sanction when the violation is clearly unintentional, or when the public servant's violation was made in reliance on a written opinion of the city attorney. A letter of notification shall advise the public servant to whom it is directed of any steps to be taken to avoid future violations.
- (ii) A letter of admonition shall be the appropriate sanction in those cases in which the city manager or city council, as applicable, finds that the violation is minor and/or may have been unintentional, but calls for a more substantial response than a letter of notification.
- (iii) A reprimand shall be the appropriate sanction when the city manager or city council, as applicable, finds that a violation has been committed intentionally or through disregard of this article. A copy of a reprimand directed to a public servant, city official, councilmember, or board or commission member shall be sent to the city council. A reprimand directed to an employee of the city shall be included in said employee's personnel file. A letter of reprimand directed to an elected city official shall be transmitted to the city secretary and shall be published in the official newspaper of the city.
- (iv) A recommendation of removal from employment or a recommendation of suspension from employment, as well as a recommendation for length of suspension, shall be the appropriate sanction when the city manager or city council, as applicable, finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by city employees.
- (v) A letter of censure shall be the appropriate sanction when the city council finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by an elected city official. A letter of censure directed to an elected city official shall be transmitted to the city secretary and thereafter published in the official newspaper of the city.

Sec 1.1811 Independent Legal Counsel

Independent Legal Counsel. If a complaint is filed against the city manager or any member of the city council independent legal counsel shall be utilized to advise the city council and participate in hearings.

Sec 1.1812 Baseless Complaints

- (a) In the event a complaint is received by the city manager or city council, as applicable, that is subsequently found to be baseless, and the city manager or city council, as applicable, will promptly but no later than within 30 calendar days have a hearing to determine if that the complaint was filed with the intent to:
 - (1) Harass the person named in the complaint;
 - (2) Damage the respondent's reputation;
 - (3) Benefit the person filing the complaint, personally, professionally or politically; or
 - (4) Damage a related third party; the city manager, or the city council, may refer the matter to the appropriate court or prosecutor.

- (b) The city manager or city council, as applicable, may take or recommend disciplinary action(s) against the individual who filed the complaint including but not limited to filing legal charges. The city manager or city council, as applicable, may also make recommendations for what other action(s) should be taken.

Sec 1.1813 General Provisions

- (a) Definitions. The words “public servant” when used in this article, shall mean the elected officers of the city, all persons appointed by or by vote of the city council, all department heads of the city, all city employees that have any supervisory authority over other employees, and all employees that have discretionary authority to make recommendations to boards or to the city council. Words used in the present tense include the future tense. Words used in the plural number include the singular, and words in the singular include the plural. The word “shall” is always mandatory. The word “herein” means in this article. The word “regulations” means the provisions of any applicable article, rule, regulation or policy.
- (b) Penalties. Any person who shall violate this code of ethics, or shall fail to comply therewith, or with any of the requirements thereof, shall be deemed guilty of an offense and shall be liable for a fine not to exceed the sum of five hundred dollars (\$500.00). Each day the violation exists shall constitute a separate offense. Such penalty shall be in addition to all the other remedies provided herein.
- (c) Reservations and Exceptions. Notwithstanding any other term or provision of this article, this article: (1) is not applicable to the performance and behavior of officers, employees and public servants that does not violate a standard or provision set forth in this code of ethics; (2) does not waive the authority and discretion of the city council or the city manager, as applicable, to enforce higher standards for, or to supervise, provide oversight, appoint and remove, any officer, employee or public servant that is appointed by the city council or city manager, as applicable; and (3) does not transfer or limit the authority of the city manager to act in his or her discretion to enforce higher standards for, or to supervise, provide oversight, appoint and remove, all officers, employees and public servants of the city that are not appointed and removed by the city council. Further, neither the city manager nor the city council shall be required to file a complaint in order to take action against any employee, public servant or city official under their respective supervision or jurisdiction.
- (d) City Manager Complaint Resolution. If the city council is not satisfied with the actions taken by the city manager with respect to any complaint filed with him/her under this code of ethics, the city council shall consider that matter in the annual evaluation of the city manager.

EXHIBIT A

ETHICS – ARTICLE 1.1800 ETHICS POLICY

(Ordinance 09-05-21-01 adopted 5/21/09)

ARTICLE 1.1800 ETHICS POLICY

Sec 1.1801 Declaration Of Policy

- (a) It is essential in a democratic system that the public have confidence in the integrity, independence, and impartiality of those who act on their behalf in government. To promote confidence in the government of the City of Lago Vista (“the city”), and thereby enhance the city’s ability to function effectively, this code of ethics is adopted. Although codes of ethics can provide instruction on what to do in various situations, the situations will always be more varied than the rules can anticipate. Recognizing this, the city manager and the city council will apply this article to not only enforce regulations, but also to enhance and promote virtue in public servants who are its officers, city officials or employees, paid or unpaid, elected or appointed, as well as members of any standing committee or board.
- (b) Furthermore, it is declared to be the policy of the city that proper operation of democratic government requires that public servants be independent, impartial and responsible to the people of the city; that no public servants shall permit any interest, financial or otherwise, direct or indirect, or engagement in any business, transaction or professional activity to conflict with the proper discharge of their duties in the public interest; that public office not be used for illegal or improper personal gain; and that the city council at all times shall be maintained as a nonpartisan body. To implement such a policy, the city council deems it advisable to enact a standard of conduct for all public servants to serve not only as a guide for official conduct, but also as a basis for discipline for those who refuse to abide by its terms. The overriding interest being that public servants of the city shall at all times strive to avoid even the appearance of impropriety.
- (c) The city further recognizes that public servants are also members of society and, therefore, cannot and should not be without any personal and economic interest in the decisions and policies of government; that public servants retain their rights as citizens to interests of a personal or economic nature, and their rights to publicly express their views on matters of general public interest. By prohibiting conduct incompatible with the city’s best interests and minimizing the risk of any appearance of impropriety, this code of ethics will further legitimize the interests of democracy.
- (d) Persons reviewing and considering the requirements of this code of ethics are cautioned to consider that Chapter 171 and Chapter 176, Tex. Loc. Gov’t. Code, are also applicable. In addition, a material volume of state law directly applicable to issues involving public ethics and reporting is applicable to the city and each employee and officer of the city. It is the policy of the city to rely primarily on those laws in lieu of unnecessary duplication and incurring the costs and expense required to administer areas of a program that in fact duplicate state law.

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Sec 1.1802 Purpose

This code of ethics has four purposes:

- (a) To encourage high ethical standards in official conduct by public servants;
- (b) To establish minimum guidelines for ethical standards of conduct for all such public servants by setting forth those acts or actions that are incompatible with the best interests of the city;
- (c) To require disclosure by public servants and candidates of private financial or property interests in matters affecting the city; and
- (d) To provide minimum standards of ethical conduct for the city’s public servants, provide procedures regarding complaints for violations of such standards, and provide a mechanism for disciplining violators of such standards.

(Ordinance 09-05-21-01 adopted 5/21/09)

Sec 1.1803 Present Public Servants

(a) Standards of Conduct.

- (1) To avoid the appearance and risk of impropriety, public servants shall not solicit or accept any gift, personal favor or benefit from any person doing business with, seeking to do business with, or being regulated by the city; and shall not take any action on behalf of any person or business entity from which he or she has received a prohibited gift, or in which he or she has a substantial interest. Except in the sole interest of the public and the performance of the duties of their position, public servants shall not take any action that he or she knows might reasonably tend to influence any other public servant to not properly perform their official duty, nor shall any public servant grant any improper favor, service or thing of value to any person.
- (2) As used in this article the word gift means a favor, hospitality, economic benefit, product or item having a value of \$50.00, or more. A gift does not include campaign contributions reported as required by state law, money, items, or benefits received from a relative if given on account of kinship, or any value received by will, intestate succession, or as a distribution from an inter vivos or testamentary trust established by a spouse or ancestor.
- (3) The following factors are considered in evaluating whether a gift is prohibited:
 - (A) The value of the gift, or gifts, does not exceed \$50.00, or \$200.00 during any twelve (12) consecutive calendar months;
 - (B) Any preexisting relationship between the donor and donee;
 - (C) Whether the benefit of the gift is transferred to the city or to the public servant and whether any consideration is given in exchange for the gift; and
 - (D) Whether the person or entity giving the gift, or on whose behalf the gift is made, has done business with or has been regulated by the city within the immediate preceding twenty-four (24) calendar months, or is seeking to do business with the city, or does business with or is regulated by the city during the subsequent twelve (12) months.
- (4) Those items or services that do not constitute prohibited gifts include, but are not limited to, the following:
 - (A) Political contributions made, and reported as required by applicable law.
 - (B) Awards publicly presented in recognition of public service.
 - (C) Entertainment, meals or refreshments furnished in conjunction with public events, appearances, or ceremonies related to official city business, if furnished by the sponsor of such public event, and meals and refreshments having a value of less than \$50.00 when furnished or provided to the public servant during the conduct of public business.
 - (D) Any item received by a public servant and donated to a charitable organization or presented to the city within one (1) business day from the date of receipt; any item(s) other than money the value of which does not exceed \$50.00 or \$200.00 during any twelve (12) consecutive calendar months.
 - (E) Pens, pencils, calendars, T-shirts, caps and similar items containing logos, slogans, company names or other marketing material and commonly given out for advertising purposes.

(b) Personal Financial Interest.

- (1) Public servants of the city shall not participate in a vote or decision in which they have a direct substantial financial interest. Ownership in an amount in excess of one percent (1%) of an entity or property shall constitute substantial interest. Where members of the city council have a substantial interest in business or in real property which is affected by a proposed city council action and where any conflict of interest may arise, they shall file an affidavit of disclosure provided by the city secretary prior to the vote and abstain from voting on such matters.
- (2) No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in a corporation, in a contract with the city, or be financially interested directly or indirectly in the sale to the city of land, materials, supplies or services except on behalf of the

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(Ordinance 09-05-21-01 adopted 5/21/09)

city as an officer or employee; provided, however, that the provision of this section shall only be applicable when the stock owned by the officer or employee exceeds one (1%) percent of the total capital stock of the corporation, or the city's taking of an interest in land by use of its eminent domain authority. Any violation of this shall render the contract voidable. (Ordinance 09-05-21-01 adopted 5/21/09)

- (3) In keeping with current case law, when a member of the city council has a substantial interest in business or in real property which is affected by a proposed city council action and such member is required to abstain from voting on such matter after filing his or her affidavit of disclosure, such abstention shall count as a ineligibility for that matter only and the number of votes required for passage of such matter shall be reduced by the number of ineligible members. In instances where a supermajority of the members of the governing body is required for passage, such supermajority number or fraction shall be based on the number of eligible voting members of the governing body and shall not count any ineligible members. (Ordinance 13-09-12-02 adopted 9/12/13)
- (c) Confidential Information. Public servants shall not disclose confidential or proprietary information, or any information they have acquired or obtained in the course of any fiduciary capacity or relationship, that could adversely influence the property, government, or affairs of the city, nor directly or indirectly use his or her position to secure official information about any person or entity, for the financial benefit or gain of such public servant or any third party. Public servants shall not release confidential, proprietary, or privileged information for any purpose other than the performance of official responsibilities. It shall be a defense to any complaint under this section that the release of information serves a legitimate public purpose, as opposed to the private financial or political interest of the public servant or any third party or group.
- (d) Use of City Property. Public servants shall not use, request or permit the use of city facilities, personnel, equipment, or supplies for any purpose other than to conduct city business unless otherwise provided by law, ordinance or written city policy; or as specifically authorized by the city manager as a convenience to the city, or by terms of employment, e.g., assigned use of a city vehicle.
- (e) Conflict of Interest.
- (1) Public servants shall not for pay, profit, compensation, financial gain or benefit represent or appear on behalf of themselves or on behalf of the private interests of others before the city council or other city board, commission, or committee, or represent the private interest of others in any action or proceeding involving the city.
- (2) No current members of the city council shall personally appear on their own behalf before the city council or any board, commission or committee but may designate and be represented by a person of their choice in any such personal business matter. This prohibition does not apply where a councilmember appears before the council on their own behalf, with respect to an issue arising under the city charter or this article. A member of any appointed committee or board shall remove himself/herself from deliberation regarding his/her interest.
- (3) No current board or commission member shall personally appear on their own behalf before the board or commission upon which they serve, but may designate and be represented by a person of their choice in any such business matter.
- (4) Board or commission members are prohibited from engaging in private discussions with any applicant or owner regarding issues to be considered by their board or commission or from seeking to influence the outcome of any decision outside of a public meeting.
- (f) Additional Standards of Conduct.
- (1) Conflicting Outside Employment.
- (A) The purpose of this provision is to prevent conflicts of interest, conflicts of loyalty, and loss of efficiency at work.
- (B) This provision does not prevent employees or officials from accepting other employment or following any pursuit which in no way interferes with the full and faithful discharge of their public duties, provided that the employees comply with all applicable city requirements.

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(Ordinance 09-05-21-01 adopted 5/21/09)

(C) A city official or paid city employee shall not solicit, accept or engage in concurrent outside employment or enter into any contract which could impair independence of judgment in, or the faithful performance of, their official duties, or those results in a conflict of interest with their duties as an official or employee of the city.

(D) City employees must inform their supervisor before engaging in off-duty employment, and obtain written authorization from the city manager or their department head prior to accepting outside employment. Employees must consider the policy purpose and be aware of this policy and rule.

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(2) Political Activity.

(A) Limitations on the political activities of city officials and employees are imposed by state law, the city charter, and city personnel rules. In addition, the ethical restrictions listed below shall apply.

(B) No employee shall solicit or receive contributions to the campaign funds of any candidate for city office or take part in the management, affairs, or political campaign of any city candidate. Current members of the city council who are seeking reelection may engage in any activity on behalf of their own campaign efforts. However, the mayor and councilmembers are prohibited from taking part in the management, affairs, or political campaign of any other city candidate. The following is a list of activities that are, except as specifically provided otherwise, permissible within the sole discretion of the individual employees and City Council:

1. The placement of campaign signs on premises owned by the ~~city employee and City Council~~ public servant.
2. The placement of bumper stickers on personal vehicles, except those vehicles supported in whole or in part by a car allowance provided by the city.
3. Off-duty or assigned duty attendance at a political rally or function for a city council candidate, so long as there is no active participation by the city employee; provided that an employee that is off-duty shall not wear any city uniform, item or clothing that identifies the employee as an employee of the city.
4. The donation of a political contribution that does not exceed the statutory limit for nonreportable contributions; provided that a candidate for, and the occupant of, an elective city office is prohibited from soliciting contributions from city employees.

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This subsection shall be narrowly construed and in no event shall this section be construed or interpreted to prevent any officer, employee, councilmember, mayor or public servant from expressing his or her personal opinion regarding any candidate for office, or any other matter of public interest; provided that city employees shall not, while in uniform or on duty, make public comments or statements concerning any candidate for elective city office. Private statements or comments made by any officer or employee of the city to any other officer or employee of the city concerning any candidate for elective city office are not subject to subsection (f).

(C) Nonprofit Board Membership. While membership is encouraged a councilmember who serves on the board of a public or private nonprofit organization shall have a voice but no vote on any funding request or contract with the city by that organization, unless the organization has a board of directors or trustees appointed in whole or in part by the city council, commission or board members.

Sec 1.1804 Former City Officials And Employees (Reserved)

[Reserved]

Sec 1.1805 Contracts

(Ordinance 09-05-21-01 adopted 5/21/09)

- (a) No officer or employee of the city shall have a financial interest direct or indirect, or by reason of ownership of stock in any corporation, in a contract with the city, or be financially interested directly or indirectly in the sale to the city of land, materials, supplies or services except on behalf of the city as an officer or employee; provided, however, that if the direct or indirect interest results from the ownership of stock the provision of this section shall only be applicable when the stock owned by the officer or employee exceeds one (1) percent of the total capital stock of the corporation. Any violation of this section shall render the contract voidable. This section shall not apply or be applicable to employment agreements approved by the city manager and/or the city council, or instances in which the city is acquiring property by eminent domain.
- (b) Except on behalf of the city, a former city councilmember, official, or employee may not, within two (2) years of the termination of official duties, perform work for any person or entity other than the city on a compensated basis relating to a discretionary contract, if he or she personally and substantially participated in the negotiation of awarding of the contract. A former city official or employee, within two (2) years of termination of official duties must disclose to the city secretary immediately upon knowing that he or she will perform work on a compensated basis relating to a discretionary contract.

Sec 1.1806 Persons Doing Business With The City

a. Persons Seeking Discretionary Contracts.

1. An individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract any conflict of interest. This is set forth in Sections 1.1803 and 1.1804 of this code of ethics. The individual or entity must agree to abide by the same ethical standards as set forth for public servants in this code of ethics.
2. Subsection (a) above will become a permanent footnote on documents contained in city bid packets for discretionary contracts.
3. All prospective vendors shall comply with Chapter 176, Tex. Loc. Gov't. Code.

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b. Disclosure of Conflicts of Interest by Persons Appearing Before a Board or City Body. A person appearing before any city board or other city body for the purpose of doing business with the city shall disclose to that board or body any facts known to such person which may show or establish that:

1. An employee or officer of the city that advises or makes presentations to the board or city body; or
2. Any member of the board or city body;

has or may have a conflict of interest pursuant to Chapter 171, Tex. Loc. Gov't. Code, or an interest which would violate the ethical standards set forth in this article, if he or she were to participate in the processing or consideration of the subject matter.

Sec 1.1807 Lobbyist (Reserved)

[Reserved]

Sec 1.1808 Financial Disclosure

Chapter 176, Tex. Loc. Gov't. Code, requires every person, firm or entity proposing to sell any product to the city, or to contract with the city, to file documents identifying business connections or relationships they or their employees may have with officers and employees of the city. Upon any such document identifying an officer of the city that officer must complete and file a document prescribed by state law. Chapter 171, Tex. Loc. Gov't. Code, requires members of the governing body and boards and commissions to publicly announce if they have a conflict, business or investment interest in the person or subject matter coming before that body. In addition to the public

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(Ordinance 09-05-21-01 adopted 5/21/09)

announcement, the officer is required to complete an affidavit specifying the conflict and file that document with the city secretary. These requirements obviate any need for the city to incur the expense to establish the required administrative procedures, obtain, store and make available financial statements from the officers of the city. The avoidance of the requirements for financial statements encourages public service because it permits officers from being required to report personal financial information and information that intrudes on the privacy of third parties that have no business dealings with the city.

Sec.1.809 – Duty to Report Ethical Violations

- (a) Except as permitted in paragraphs (c) or (d), a public servant or other city employee having first hand or documentary knowledge that another public official, an elected or appointed official, City employee or contractor has committed a violation of an applicable rule of ethics under this Chapter that raises a substantial question as to that public servant, city employee or contractor's elected or appointed official's honesty, trustworthiness or fitness as a public servant, city employee or contractor, an elected or appointed official in other respects, shall have a duty to inform City Council.
- (b) Except as permitted in paragraphs (c) or (d), a public servant or other city employee having first hand or documentary knowledge that another city employee has committed a violation of an applicable rule of ethics under this Chapter that raises a substantial question as to that city employee's honesty, trustworthiness or fitness as a city employee in other respects, shall have a duty to inform the City Manager.
- (c) This rule does not require disclosure of knowledge or information otherwise protected as confidential information.
- (d) This rule does not require disclosure of information that the reporter does not have first-hand knowledge of or that requires conjecture or supposition.

Sec 1.1810 Jurisdiction And Hearing Of Complaints

- (a) City Manager. The city manager shall receive and hear all complaints filed against any city official or employee that is appointed by the city manager. The fact that the city manager has received a complaint, or is hearing a complaint, filed under this code of ethics, shall not deprive or lessen the authority of the city manager to take disciplinary action against such city official or employee without regard to the complaint or hearing. When hearing a complaint, the city manager may adopt such process and procedures as he/she finds suitable to the complaint. The hearing may be conducted informally or as a hearing in which witnesses may be produced.
- (b) City Council. The city council shall receive and hear all complaints filed against any city official, board, committee or commission member that is appointed by the city council. The fact that the city council has received a complaint, or is hearing a complaint, filed under this code of ethics, shall not deprive or lessen the authority of the city council to take any discretionary action it finds appropriate, or to take any disciplinary action against such city official, without regard to the complaint or hearing. When hearing a complaint, the city council may adopt such process and procedures as the council finds suitable to the complaint. The hearing may be conducted informally or as a hearing in which witnesses may be produced.
- (c) Violations of Chapter 171 or Chapter 176. Complaints alleging a violation of Chapter 171 or Chapter 176, Tex. Loc. Gov't. Code, shall be referred to the appropriate court and prosecutor. Such referral shall not deprive the city manager or the city council, as applicable, from exercising their respective discretionary authority, or any authority granted by local or state law.
- (d) Advisory Opinions and Recommendations. The city attorney shall render advisory opinions and make recommendations to the city manager and city council, as applicable, on potential conflicts of interest or potential violations of this code of ethics at the request of a public servant. Such advisory opinions and recommendations shall be rendered thirty (30) days after a request or complaint is received, unless the city attorney requests, and is granted one thirty (30) day extension by the city council or city manager, as

(Ordinance 09-05-21-01 adopted 5/21/09)

Commented [MC2]: Sec 1.1801(a) also indicates "officer" (I assume as in a city officer not a PD officer) before city officials. Should a paragraph be added for "officer" for consistency as to who this applies to?

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applicable. This subsection shall not be applicable to complaints that have been filed with the city council or the city manager.

- (e) Defense to Alleged Violations. It shall be a defense to an alleged violation of this code of ethics that the person accused previously requested, and received, a written advisory opinion and recommendation from the city attorney, and acted on such opinion or recommendation in good faith, unless material facts were omitted or misstated by the person requesting the opinion. Absent, omitted or misstated facts, such written advisory opinion and recommendation shall be binding with respect to subsequent charges based on the same issue and facts concerning the person who requested the opinion.

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- (f) Disposition of Alleged Ethics Violations.

- (1) A sworn complaint based on personal knowledge alleging a violation(s) of this article shall specify the provision(s) of this article alleged to have been violated, and shall name the public servant being charged.

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- (2) Upon the aforesaid sworn complaint of any person being filed with the city secretary's office, or on its own initiative, the city manager or city council, as applicable, shall consider possible violations of this article by any public servant. A complaint shall not be deemed to be filed on the initiative of the city council, save and except the complaint be signed and sworn by two (2) members of the city council, one of which is the mayor, after consultation with the city attorney. A complaint filed by an individual member of the city council shall be deemed to have been filed in the councilmember's capacity as a private citizen and, in such event, the member of the city council filing the complaint shall not thereafter participate in a city council meeting, or discuss the same with the city manager if applicable, at which such complaint is considered save and except the councilmember filing the complaint may participate as a complainant at such meeting.

- (3) A complaint alleging a violation of this article must be filed with the city secretary within two (2) years from the date of the action alleged as a violation, and not afterward.

- (4) Not later than three (3) working days after the city secretary receives a sworn complaint, the city secretary shall acknowledge the receipt of the complaint to the complainant, and provide a copy of the complaint to the city attorney, the city council or city manager as appropriate, and the person against whom the complaint was alleged. Not later than ten (10) working days after receipt of a complaint, the city secretary shall notify in writing the person who made the complaint and the person against whom the complaint was alleged, of a date for a preliminary hearing. If the city manager or city council does not hold a preliminary hearing within twenty (20) days of receipt of the complaint, it shall notify the person who made the complaint of the reasons for the delay and shall subsequently give further appropriate notification.

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- (5) The city council or the city manager may consider possible violations of this article on their own initiative. Within seven (7) working days of the decision to consider a possible violation of this article, a draft written complaint specifying the provision(s) of this article alleged to have been violated shall be filed with the city secretary, and provided to the city attorney and the person against whom the complaint was alleged. Not later than fifteen (15) days after the drafting of the complaint, the city secretary shall notify in writing the person against whom the complaint was alleged of the date for the preliminary hearing.

- (6) After a complaint has been filed, and during the pending of a complaint before the city council, a member of the city council may not communicate directly or indirectly with any party or person about any issue of fact or law regarding the complaint, except at a meeting of the city council; provided that the mayor may consult and coordinate with the city attorney.

- (7) As soon as reasonably possible, but in no event more than sixty (60) days after receiving a complaint, the city manager or city council, as applicable, shall conduct a preliminary hearing:

- (A) The issue at a preliminary hearing shall be the existence of reasonable grounds to believe that a violation of this article has occurred. The person filing a complaint, or the city attorney in cases considered upon the city manager's or city council's, as applicable, own initiative, shall state the alleged violation and shall describe in narrative form the testimony and other evidence which would be presented to prove the alleged violations stated in the

written complaint. Statements at a preliminary hearing shall be under oath, but there shall be no cross examination or requests for persons or evidence issued for the hearing. Members of the city council or the city manager, as applicable, may question the complainant, the city attorney or the city manager, as applicable, or the public servant named in the complaint.

- (B) The public servant named in the complaint shall have the opportunity to respond, but is not required to attend or make any statement. The public servant may describe in narrative form the testimony and other evidence that would be presented to disprove the alleged violation. If the public servant agrees that a violation has occurred, he or she may so state and the city manager or city council, as applicable, may consider the appropriate sanction.
 - (C) The complainant and the public servant named in the complaint shall have the right to representation by counsel.
 - (D) At the conclusion of the preliminary hearing, the city manager or city council, as applicable, shall decide whether a final hearing should be held. If the city manager or city council, as applicable, determines there are reasonable grounds to believe that a violation of this article has occurred, a final hearing will be scheduled. If the city manager or city council, as applicable, does not determine that there are reasonable grounds to believe that a violation of this article has occurred, the complaint shall be dismissed. A decision to conduct a final hearing is not a finding that a violation has occurred.
 - (E) The city manager or city council, as applicable, at any time during the preliminary hearing, may also dismiss a complaint if the complaint does not allege conduct which would be a violation of this article. Before a complaint is dismissed for failure to allege a violation, the complainant may be permitted one opportunity, within ten (10) working days of such preliminary hearing, to revise and resubmit the complaint.
 - (F) The complainant, the city attorney or the public servant named in the complaint may ask the city manager or city council, as applicable, at a preliminary hearing to request certain persons and evidence for a final hearing, if one is scheduled.
- (8) Final Hearing on Complaints.
- (A) The final hearing shall be held as expeditiously as possible following the determination by the city manager or city council, as applicable, that reasonable grounds exist to believe that a violation of this article has occurred. In no event shall the hearing be held more than thirty (30) days after said determination. The city manager or city council, as applicable, may grant two (2) postponements, not to exceed fifteen (15) days each, upon the request of the public servant named in the complaint.
 - (B) The issue at a final hearing shall be whether a violation of this article has occurred. The city manager or city council, as applicable, shall make its determination based on clear and convincing evidence in the record. All witnesses shall make their statements under oath.
 - (C) If the city manager or city council, as applicable, determines that a violation has occurred, findings shall be stated in writing identify the particular provision(s) of this article which have been violated, and within five (5) working days a copy of the findings shall be delivered to the complainant, if any, the public servant named in the complaint, and the city secretary.
 - (D) If a complaint proceeds to a final hearing, the city manager or city council, as applicable, may request witnesses to attend and testify, administer oaths and affirmations, take evidence and request the production of books, papers records, or other evidence needed for the performance of the city manager's or city council's duties, as applicable, or exercise of its powers, including its duties and powers of investigation.
- (9) Sanctions.
- (A) If the city manager or city council, as applicable, determines that a violation of this article has occurred, they shall proceed directly to determination of the appropriate sanction(s), if any. Save and except for a violation of Section 7.2, Section 8.6 or Section 11.1 a violation

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of this article shall not be subject to criminal penalties. The city manager or city council, as applicable, may receive additional testimony or statements before considering sanctions, but is not required to do so. If the public servant named in the complaint acted in reliance upon a written opinion of the city attorney, the city manager or city council, as applicable, shall consider that fact.

(B) If the city manager or city council, as applicable, determines that a violation of this article has occurred, they may impose one of the following sanctions:

- (i) A letter of notification shall be the appropriate sanction when the violation is clearly unintentional, or when the public servant's violation was made in reliance on a written opinion of the city attorney. A letter of notification shall advise the public servant to whom it is directed of any steps to be taken to avoid future violations.
- (ii) A letter of admonition shall be the appropriate sanction in those cases in which the city manager or city council, as applicable, finds that the violation is minor and/or may have been unintentional, but calls for a more substantial response than a letter of notification.
- (iii) A reprimand shall be the appropriate sanction when the city manager or city council, as applicable, finds that a violation has been committed intentionally or through disregard of this article. A copy of a reprimand directed to a public servant, city official, councilmember, or board or commission member shall be sent to the city council. A reprimand directed to an employee of the city shall be included in said employee's personnel file. A letter of reprimand directed to an elected city official shall be transmitted to the city secretary and shall be published in the official newspaper of the city.
- (iv) A recommendation of removal from employment or a recommendation of suspension from employment, as well as a recommendation for length of suspension, shall be the appropriate sanction when the city manager or city council, as applicable, finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by city employees.
- (v) A letter of censure shall be the appropriate sanction when the city council finds that a serious or repeated violation(s) of this article has been committed intentionally or through culpable disregard of this article by an elected city official. A letter of censure directed to an elected city official shall be transmitted to the city secretary and thereafter published in the official newspaper of the city.

Sec 1,1811 Independent Legal Counsel

Independent Legal Counsel. If a complaint is filed against the city manager or any member of the city council independent legal counsel shall be utilized to advise the city council and participate in hearings.

Sec 1,1812 Baseless Complaints

- (a) In the event a complaint is received by the city manager or city council, as applicable, that is subsequently found to be baseless, and the city manager or city council, as applicable, ~~will immediately promptly but no later than within 30 calendar days have a hearing to determine if~~ that the complaint was filed with the intent to:

- (1) Harass the person named in the complaint;
- (2) Damage the respondent's reputation;
- (3) Benefit the person filing the complaint, personally, professionally or politically; or

(Ordinance 09-05-21-01 adopted 5/21/09)

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- (4) Damage a related third party; the city manager, or the city council, may refer the matter to the appropriate court or prosecutor.
- (b) The city manager or city council, as applicable, may take or recommend disciplinary action(s) against the individual who filed the complaint including but not limited to filing legal charges. The city manager or city council, as applicable, may also make recommendations for what other action(s) should be taken.

Sec 1.1813 General Provisions

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- (a) Definitions. The words “public servant” when used in this article, shall mean the elected officers of the city, all persons appointed by or by vote of the city council, all department heads of the city, all city employees that have any supervisory authority over other employees, and all employees that have discretionary authority to make recommendations to boards or to the city council. Words used in the present tense include the future tense. Words used in the plural number include the singular, and words in the singular include the plural. The word “shall” is always mandatory. The word “herein” means in this article. The word “regulations” means the provisions of any applicable article, rule, regulation or policy.
- (b) Penalties. Any person who shall violate this code of ethics, or shall fail to comply therewith, or with any of the requirements thereof, shall be deemed guilty of an offense and shall be liable for a fine not to exceed the sum of five hundred dollars (\$500.00). Each day the violation exists shall constitute a separate offense. Such penalty shall be in addition to all the other remedies provided herein.
- (c) Reservations and Exceptions. Notwithstanding any other term or provision of this article, this article: (1) is not applicable to the performance and behavior of officers, employees and public servants that does not violate a standard or provision set forth in this code of ethics; (2) does not waive the authority and discretion of the city council or the city manager, as applicable, to enforce higher standards for, or to supervise, provide oversight, appoint and remove, any officer, employee or public servant that is appointed by the city council or city manager, as applicable; and (3) does not transfer or limit the authority of the city manager to act in his or her discretion to enforce higher standards for, or to supervise, provide oversight, appoint and remove, all officers, employees and public servants of the city that are not appointed and removed by the city council. Further, neither the city manager nor the city council shall be required to file a complaint in order to take action against any employee, public servant or city official under their respective supervision or jurisdiction.
- (d) City Manager Complaint Resolution. If the city council is not satisfied with the actions taken by the city manager with respect to any complaint filed with him/her under this code of ethics, the city council shall consider that matter in the annual evaluation of the city manager.



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Roy Jambor, Development Services

SUBJECT: The Lago Vista City Council will hold a public hearing and consider Ordinance 23-03-16-02; an Ordinance of the City Council of Lago Vista, Texas amending the existing Planned Development District (PDD) approval applicable to the property located at 1900 American Drive and known as “The Peninsula” regarding the list and description of permitted uses for the “Condominiums Parcels;” and providing for related matters.

BACKGROUND: Immediately following this updated summary and a draft zoning ordinance amendment is a staff report that describes the discussion and the recommendation of the Planning and Zoning Commission following the public hearing related to this request at their meeting on February 9, 2023. This packet also includes the application that was originally considered at their August 11, 2022, meeting and was the basis of Ordinance No. 22-09-01-01 that was subsequently adopted by the City Council. However, it was later determined that the notice map prepared by the former GIS staff was inaccurate and that the application needed to be considered again following the recent corrected notice.

This item originally appeared on the agenda for the March 3, 2023, Lago Vista City Council meeting. After that packet was published, we received a written objection from the representative of the owner of the property identified on the notification map as ID 18, 19, 20 and 21. As a result, the threshold specified by state statutes and Section 13.20(e)(3) (B) of Chapter 14 of the Lago Vista Code of Ordinances was exceeded and approval by no less than three-fourths of the members of the Council is now required. Because three-fourths of the members were not available in the Council Chambers on March 3, 2023, the item was tabled. That additional written comment has been added to the current packet.

The current draft ordinance is largely the same as Ordinance No. 22-09-01-01. However, there are two updates in addition

to the ordinance number change. First, the City Attorney determined that the amendment to the Future Land Use Map that was part of Ordinance No. 22-09-01-01 remains valid, notwithstanding the flawed notice as amendments to the Comprehensive Plan did not require notice at the time that ordinance was adopted. Second, the recommendation forwarded by the Planning and Zoning Commission was the result of a motion to approve that failed by a vote of three members who were in favor and three who were opposed.

That change from the original recommendation in favor of the request by the Planning and Zoning Commission is reflected in the language within the draft ordinance.

The City Attorney confirmed that this is a valid recommendation, but one that does not by itself result in a requirement for three-fourths of the members of the Council to approve the requested change. He notes that this requirement is only applicable when a recommendation against enactment of the change is forwarded by the Planning and Zoning Commission. However, that is no longer relevant because approval by three-fourths of the City Council members is required by the written objections referenced above.

FINANCIAL IMPACT:

N/A

ATTACHMENTS:

[Ordinance](#)

ORDINANCE NO. 23-03-16-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AMENDING THE EXISTING PLANNED DEVELOPMENT DISTRICT KNOWN AS “THE PENINSULA” APPROVED BY ORDINANCE NO. 07-02-15-01 AND AS AMENDED BY ORDINANCE NO. 08-08-21-02 REGARDING THE LIST AND DESCRIPTION OF PERMITTED USE FOR THE “CONDOMINIUM PARCELS.”

WHEREAS, the owner of approximately 40.60 acres of land, as more particularly described in the attached **Exhibit “A”** (referred to hereinafter as the “Property”), has filed an application requesting an amendment to the existing Planned Development District (PDD) known as “The Peninsula” approved by Ordinance No. 07-02-15-01 and as amended by Ordinance No. 08-08-21-02; and

WHEREAS, the Property currently resides within the corporate limits of the City of Lago Vista;

WHEREAS, the amended list and description of permitted uses for the Property is set forth in Section 4 below, which modifies the designated land uses and restrictions applicable to the Property previously established in Ordinance No. 07-02-15-01 as amended by Ordinance No. 08-08-21-02, with all other aspects of the approval remaining intact; and

WHEREAS, after giving ten (10) days written notice to the owners of land in and within 200 feet of the area being rezoned, as well as having published notice to the public at least fifteen (15) days prior to the date of such hearings, the Planning and Zoning Commission and City Council each held separate public hearings on the proposed rezoning of the Property included in this Ordinance; and

WHEREAS, the Planning and Zoning Commission at its public hearing held on February 9, 2023, has reviewed the request and the circumstances of the Property, and was unable to secure a vote of a majority of the members present to recommend either that a substantial change in the circumstances of the Property, sufficient to warrant a change in the zoning of the Property has or has not transpired; and

WHEREAS, the Planning and Zoning Commission has forwarded a recommendation to the City Council in accordance with applicable regulations that does not oppose enactment of the proposed zoning change; and

WHEREAS, the City Council at its public hearing held on March 2, 2023, has reviewed the request and the circumstances of the Property, and find that a substantial change in the circumstances of the Property, sufficient to warrant a change in the zoning of the Property has transpired; and

WHEREAS, the City, by and through its legislative discretion, has adopted a comprehensive plan for the City of Lago Vista, with amendments to its Future Land Use Map including Section 6 of Ordinance No. 22-09-01-01, and having considered and reviewed such comprehensive plan, the City Council finds the rezoning approved herein is consistent with the comprehensive plan which shall not be interpreted as inconsistent with this rezoning; and

WHEREAS, the City desires that development within its corporate limits occur in an orderly manner in order to protect the health, safety, and welfare of its present and future citizens, protect property values and provide for the growth of the City's tax base; and

WHEREAS, the City desires to control the development standards for the Property, protect third party property owners in the City, and to ensure the benefits of planned development and an enhanced tax base that are achieved through rezoning the Property; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

WHEREAS, pursuant to Chapter 211 of the Texas Local Government Code, the City has the authority to zone and rezone property; and

WHEREAS, the City Council finds that it is necessary and proper for the good government, peace or order of the City of Lago Vista to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact. The Planning and Zoning Commission and City Council find that this Ordinance satisfies the requirements of Section 10 and Section 13 of the City of Lago Vista Zoning Ordinance, codified under Ordinance No. 98-04-27-03, as amended (the "Zoning Code").

Section 2. Enactment. The Zoning Code and other applicable ordinances are hereby modified and amended by rezoning the Property as set forth in Section 3.

Section 3. Rezoned Property. The Zoning Ordinance is hereby amended by zoning the approximately 40.60 acres of land, more particularly described in **Exhibit "A"** as an update to "The Peninsula Planned Development District" (PDD) and Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02, with the use of individual land areas as set forth in this Ordinance.

Section 4. Zoning Requirements. All applicable use restrictions and development requirements in the existing Planned Development District" (PDD) known as "The Peninsula" as established in Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02 shall remain intact except for the following provisions of Section 4 of Ordinance No. 08-08-21-02 which shall be repealed and re-enacted as follows:

4. Zoning for the Condominiums Parcels – Parcels D1, D2 and D3:

- C. The Condominium Parcels shall be developed only as any one or a combination of the following uses: residential condominiums or apartments, including privately owned or leased units; accessory uses as defined and limited in Item H below; and all uses specified in parcel E including parking except as limited in Item 4.L below;
 - F. Up to one hundred percent (100%) of the residential condominiums or apartments may consist of rental units, which may not be leased for less than thirty days;
24. The developer agrees to fund design and construction of all off-site improvements, including but not limited to surface improvements and widening of American Drive between the project site and Boggy Ford Road as identified in a Traffic Impact Analysis (TIA) to be completed and approved as part of the site development plan review required by Chapter 10.5 of the Lago Vista Code of Ordinances.

Section 5. Amendment of Applicable Zoning Ordinances. The zoning requirements established in this Ordinance shall apply to the Property. The comprehensive zoning requirements of the Zoning Code and all other applicable ordinances, as they may be amended by this Ordinance, shall apply to the Property. Should any conflict appear between the requirements of the zoning and development ordinances of the City of Lago Vista as compared with the requirements for the Property set forth in this Ordinance, the requirements set forth in this Ordinance shall control.

Section 6. Repealer. The Zoning Ordinance and all other applicable portions of the Lago Vista Code of Ordinances are amended as required to incorporate the amendment to “The Peninsula Planned Development District” (PDD) as described herein. Any portion of the Zoning Ordinance, Comprehensive Master Plan or any applicable ordinance in conflict with this Ordinance is hereby repealed or amended to the extent of such conflict only.

Section 7. Severability. Should any section or part of this Ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Penalty. Any person, firm or corporation violating any of the provisions or terms of this Ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances, Section 1.109 General Penalty for Violations of Code; Continuing Violations of the City of Lago Vista, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

Section 9. Publication Clause. The City Secretary of the City of Lago Vista is hereby directed to publish in the Official Newspaper of the City of Lago Vista the Caption, and Effective Date Clause of this Ordinance as required by Section 52.013 of the *Texas Local Government Code*.

Section 10. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below in accordance with the provisions of the *Texas Local Government Code* and the City's Charter.

Section 11. Change of Zoning Map. The City Manager is hereby authorized to and shall promptly note the zoning change on the official Zoning Map of the City of Lago Vista, Texas.

Section 13. Proper Notice and Meeting. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapter 551, Texas Local Government Code*.

AND, IT IS SO ORDERED.

PASSED AND APPROVED this ____ day of March 2023.

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor _____, seconded by Councilor _____, the above and foregoing ordinance was passed and approved.

EXHIBIT "A"

Legal Description

40.60 ACRES OUT OF THE JAMES K. BALDWIN SURVEY (ABSTRACT NO. 609) , CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, BEING COMPOSED OF A 16.84 ACRE TRACT CONVEYED TO G&G / PENINSULA, LP BY DEED RECORDED IN DOCUMENT NO. 2005114201, TRAVIS COUNTY OFFICIAL PUBLIC RECORDS (TCOPR), AND A 23.76 ACRE TRACT CALLED 23.72 ACRES IN A DEED TO G&G / PENINSULA, LP RECORDED IN DOCUMENT NO. 2005114202, SAID 40.60 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a "X" in concrete found on the west side of a concrete electric transformer pad, at the northwest corner of said 16.84 acre tract, in the north right-of-way (ROW) line of American Drive; also the northeast corner of Lot 30001-C, **A RESUBDIVISION OF A PORTION OF HIGHLAND LAKE ESTATES SECTION 26 AND HIGHLAND LAKE ESTATES SECTION 30**, a subdivision recorded in Book 81, Page 358, Travis County Plat Records, for the northwest corner hereof;

THENCE S75°36'00"E 190.00 feet, with the south ROW line of American Drive, to a 1/2" steel pin with plastic orange cap set at the start of a curve;

THENCE along said ROW curve to the left with chord of N78°12'56"E 118.35 feet and radius of 60 feet, to a 1/2" steel pin found at a southerly corner of said 23.76 acre tract, for a point on curve hereof;

THENCE along said ROW curve to the left with chord of N66°05'56"W 107.89 feet and radius of 60 feet, to a 1/2" steel pin found at end of ROW curve, for corner hereof;

THENCE N75°38'49"W 189.94 feet along the north ROW of American Drive to a 1/2" steel pin found at the westerly southwest corner of said 23.76 acre tract, also the southeast corner of Lot 30078, Highland Lake Estates Section 30, a subdivision recorded in Book 81, Page 358, Travis County Plat Records, for westerly corner hereof;

THENCE N14°27'32"E 530.95 feet to a 1/2" steel pin found at the northwest corner of said 23.76 acres, also the southwest corner of a 18.23 acre tract recorded in Doc. 2003186577, TCOPR, for the northwest corner hereof;

THENCE S75°36'E 538.64 feet along the south line of said 18.23 acre tract to a submerged point in the southwest line of The Cove At Lago Vista, a subdivision recorded in Book 84, Page 163B, Travis County Plat Records, for angle point hereof;

THENCE S38°13' E 1103.20 feet to a submerged angle point in said subdivision, for angle point hereof;

EXHIBIT "A"

Legal Description (continued)

THENCE S04°52'E 570.10 feet to a submerged point on the approximate north bank of the Colorado River, at the southeast corner of said 23.76 acres, for southeast corner hereof;

THENCE S85°08'W 696.96 feet along said north bank to a submerged point at the southeast corner of said 16.84 acre tract for angle point hereof;

THENCE S85°05'35"W 707.74 feet along said north bank to a submerged point at the southeast corner of a 3.356 acre tract conveyed to Vacation Villages Association, Inc. by deed recorded in Book 12607, Page 2822, TCOPR, for southwest corner hereof;

THENCE along the east line of said 3.356 acres the following 2 courses:

- 1) N04°51'08"W 843.32 feet to a 1/2" steel pin found, for angle point;
- 2) N14°25'32"E 205.77 feet to a 1/2" steel pin found at the northeast corner of said 3.356 acre tract, for angle point hereof;

THENCE N14°21'58"E 69.15 feet along the east line of said Lot 30001-C to the **POINT OF BEGINNING**, containing 40.60 acres of land.

**LAGO VISTA CITY COUNCIL
STAFF LAND USE REPORT – MARCH 2, 2023**



P&Z CASE NO:	23-2314-PDD-MOD: 1900 American Drive
APPLICANT:	Laci Ehlers (McLean & Howard LLP)
LANDOWNER:	SGB Development Corp. (David Rulien)
LOCATION:	End of American Drive ± 1,300' south of Highland Lake Drive
ZONING:	"Peninsula PDD" (Ordinance Number 08-08-21-02)
PROPOSED USE:	PDD Use Description Amendment

PLANNING AND ZONING COMMISSION DISCUSSION AND RECOMMENDATION:

- Absent any prior input from the City Attorney, the possibility that the previous amendment to the Future Land Use Map of the current comprehensive plan would need to be repeated was presented by the staff to the Planning and Zoning Commission. That possibility was subsequently confirmed to be unnecessary by Mr. Crawford as that portion of the previous ordinance (Number 22-09-01-01) remains valid.
- The previous application and recommendation by the Planning and Zoning Commission was discussed, including the flawed notification list that did not accurately identify all property within 200 feet of the request. That flawed list of property owners to be noticed was created by the GIS Technician that was previously a member of the IT Department staff. That error was of course corrected for this application.
- The balance of the discussion was to ensure that the members understood that the request was to remove the limitation on long-term rentals (currently 30 percent), while completely eliminating the possibility of any short-term occupancy of thirty days or less. The current approval would allow all 30 percent of the rental units to be used for short-term occupancy. The applicant offered that the limitations within the current ordinance were too inflexible for the current financial (lending) climate. The applicant also volunteered that short-term occupancy is not consistent with the target market, regardless of the percentage of units occupied by owners or tenants with long-term leases.
- Four individuals spoke in opposition to the application, but the reasons did not seem directly related to the requested amendment. One mentioned the lack of investment in the property since the demolition of the previous facility and the original PDD approvals. Another emphasized opposition to any increase to approved heights. An individual expressed a preference to deal with whatever ownership group might acquire the property in a subsequent transaction. The final speaker was concerned by the history of the current owner in employing various types of modular construction.
- On August 11, 2022, this same application resulted in a recommendation for approval by five of the seven Commission members present at the meeting. Since then, one member has resigned and was replaced effective January 1, 2023. Another member that participated in the original recommendation was not in attendance at the most recent meeting on February 9, 2023 that this application was considered by the Planning and Zoning Commission.
- A motion to recommend approval, including any change to the Future Land Use Map that might prove necessary, resulted in three members in favor and three members opposed. Therefore, at least one member that previously favored a recommendation of approval was no longer in favor of that same recommendation. The City Attorney participated in the meeting virtually and confirmed that this result was a recommendation that met the statutory requirements and could be forwarded to the City Council as a failure to oppose enactment of the requested change. As a precaution, they recommended the previous amendment to the Future Land Use Map if it were to prove necessary. Although the City Attorney has since confirmed that the previous amendment to the Future Land Use Map remains valid, that recommendation was approved by five of the six members present at the February 9, 2023 meeting.

POTENTIAL ALTERNATIVE DECISIONS:

- A. Approve the application as meeting the requirements of a concept and detail plan, subject to the following conditions:
1. the number of units and total area of the development shall be limited as required for compliance with the applicable edition of the International Fire Code at the time of the site development plan and building permit approval; and
 2. the funding of design and construction of all off-site improvements, including but not limited to surface improvements and widening of American Drive between the project site and Boggy Ford Road as identified in a Traffic Impact Analysis (TIA) to be completed and approved as part of the site development plan review required by Chapter 10.5 of the Lago Vista Code of Ordinances.
- B. Deny the application for either a concept plan only approval or a concept and detail plan approval.
-

**LAGO VISTA PLANNING AND ZONING COMMISSION
STAFF LAND USE REPORT – FEBRUARY 9, 2023**



P&Z CASE NO:	23-2314-PDD-MOD: 1900 American Drive
APPLICANT:	Laci Ehlers (McLean & Howard LLP)
LANDOWNER:	SGB Development Corp. (David Rulien)
LOCATION:	End of American Drive ± 1,300' south of Highland Lake Drive
ZONING:	"Peninsula PDD" (Ordinance Number 08-08-21-02)
PROPOSED USE:	PDD Use Description Amendment

UPDATE:

- On August 11, 2022 the Planning and Zoning Commission originally considered this application. Five of the seven members present at the meeting voted to recommend approval of an amendment to the PDD, subject to enumerated conditions which included a correction to the current Comprehensive Plan. The Lago Vista City Council unanimously adopted Ordinance Number 22-09-01-01 at their September 1, 2022 meeting. The approval included a reminder that a traffic impact analysis (TIA), required by both Chapter 10 and Chapter 10.5 would determine what improvements to American Drive and Highland Lake Drive would be the responsibility of the developer.
- However, it was subsequently determined that the original notification map prepared by the Lago Vista IT Department staff (specifically the GIS technician) contained an error and did not include the 200 feet to the east of the subject property as required by both local ordinance and state statutes. This error resulted in the omission of 13 required notifications, consisting largely of property owners within the development known as "the Cove at Lago Vista."
- That previous notification drew two written comments, one of which was in favor of the previous application (22-2169-PDD-MOD). However, the second comment was a written objection from the individual who represented the 2,346 fractional owners of the development that markets itself as "the Shores at Lake Travis" (a California entity known as Vacation Village Association). That single objection exceeded the threshold (20 percent) that required Ordinance Number 22-09-01-01 be approved by at least three-fourths of the Council members.
- Regardless, the interim City Attorney has determined that pursuant to the objection of at least one of those property owners with standing that should have, but were not sent a mailed notice, that the notification error would have to be corrected and a new draft ordinance considered by the City Council, following a recommendation from the Planning and Zoning Commission. It is less clear whether the amendment to the Comprehensive Plan included in the previous ordinance is considered valid. Regardless, the staff will seek that determination before the application is considered again by the Council. In addition, the original application date (July 13, 2022) predates the effective date of the recent ordinance amendment that requires modifications to the Comprehensive Plan to be pursued prior to an associated zoning change application.
- The staff subsequently received written objections from property owners with standing. The maps and notification mailing lists were corrected and the statutory notification process repeated. To date, we have received no written comments as a result of the notification. We will nonetheless continue to account for written objections up until the time that a new ordinance is considered by the City Council in early March. In addition to the corrected maps and the applicant's original submission, this packet also includes the Ordinance that was originally adopted by the Council on September 1, 2022 and the original staff report prepared for the Planning and Zoning Commission. Both are found immediately following this update to the original staff report.
- Prior to the recently adopted amendment to Chapter 14, there was no local ordinance notice requirement for a Comprehensive Plan amendment. Nonetheless, pending a determination by the interim City Attorney that the component of the previous ordinance amending the Comprehensive Plan as it relates to this property remains valid, we urge the Planning and Zoning Commission to include that condition as a component of any approval recommendation.

POTENTIAL ALTERNATIVE RECOMMENDATIONS:

- A. Recommend approval of the application as meeting the requirements of a concept and detail plan, subject to the following conditions:
 - 1. the number of units and total area of the development shall be limited as required for compliance with the applicable edition of the International Fire Code at the time of the site development plan and building permit approval; and
 - 2. the land use designation for this property in the current Comprehensive Plan is erroneously inconsistent with the official zoning map that was applicable at the time of its adoption and should be amended to reflect a “POA Park” at the location of parcels ‘A,’ ‘E,’ and ‘F’ of the existing PDD ordinance and “Mixed Use” at the location of the balance of the subject property.
 - B. Recommend denial of the application for either a concept plan only approval or a concept and detail plan approval.
-

ORDINANCE NO. 22-09-01-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AMENDING THE EXISTING PLANNED DEVELOPMENT DISTRICT KNOWN AS “THE PENINSULA” APPROVED BY ORDINANCE NO. 07-02-15-01 AND AS AMENDED BY ORDINANCE NO. 08-08-21-02 REGARDING THE LIST AND DESCRIPTION OF PERMITTED USE FOR THE “CONDOMINIUM PARCELS.”

WHEREAS, the owner of approximately 40.60 acres of land, as more particularly described in the attached **Exhibit “A”** (referred to hereinafter as the “Property”), has filed an application requesting an amendment to the existing Planned Development District (PDD) known as “The Peninsula” approved by Ordinance No. 07-02-15-01 and as amended by Ordinance No. 08-08-21-02; and

WHEREAS, the Property currently resides within the corporate limits of the City of Lago Vista;

WHEREAS, the amended list and description of permitted uses for the Property is set forth in Section 4 below, which modifies the designated land uses and restrictions applicable to the Property previously established in Ordinance No. 07-02-15-01 as amended by Ordinance No. 08-08-21-02, with all other aspects of the approval remaining intact; and

WHEREAS, after giving ten (10) days written notice to the owners of land in and within 200-feet of the area being rezoned, as well as having published notice to the public at least fifteen (15) days prior to the date of such hearings, the Planning and Zoning Commission and City Council each held separate public hearings on the proposed rezoning of the Property included in this Ordinance; and

WHEREAS, the Planning and Zoning Commission at its public hearing held on August 11, 2022 and the City Council at its public hearing held on September 1, 2022, have both reviewed the request and the circumstances of the Property, and find that a substantial change in the circumstances of the Property, sufficient to warrant a change in the zoning of the Property, has transpired; and

WHEREAS, the City, by and through its legislative discretion, has adopted a comprehensive plan for the City of Lago Vista, and having considered and reviewed such comprehensive plan, the City Council finds the rezoning approved herein is consistent with the comprehensive plan except as specifically described and amended in Section 6 below, which shall not otherwise be interpreted as inconsistent with this rezoning; and

WHEREAS, the City desires that development within its corporate limits occur in an orderly manner in order to protect the health, safety, and welfare of its present and future citizens, protect property values and provide for the growth of the City’s tax base; and

WHEREAS, the City desires to control the development standards for the Property, protect third party property owners in the City, and to ensure the benefits of planned development and an enhanced tax base that are achieved through rezoning the Property; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

WHEREAS, pursuant to Chapter 211 of the Texas Local Government Code, the City has the authority to zone and rezone property; and

WHEREAS, the City Council finds that it is necessary and proper for the good government, peace or order of the City of Lago Vista to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact. The Planning and Zoning Commission and City Council find that this Ordinance satisfies the requirements of Section 10 as a “concept plan only” and Section 13 of the City of Lago Vista Zoning Ordinance, codified under Ordinance No. 98-04-27-03, as amended (the “Zoning Code”).

Section 2. Enactment. The Zoning Code and other applicable ordinances are hereby modified and amended by rezoning the Property as set forth in Section 3.

Section 3. Rezoned Property. The Zoning Ordinance is hereby amended by zoning the approximately 40.60 acres of land, more particularly described in **Exhibit “A”** as an update to “The Peninsula Planned Development District” (PDD) and Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02, with the use of individual land areas as set forth in this Ordinance.

Section 4. Zoning Requirements. All applicable use restrictions and development requirements in the existing Planned Development District” (PDD) known as “The Peninsula” as established in Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02 shall remain intact except for the following provisions of Section 4 of Ordinance No. 08-08-21-02 which shall be repealed and re-enacted as follows:

4. **Zoning for the Condominiums Parcels – Parcels D1, D2 and D3:**

- C. The Condominium Parcels shall be developed only as any one or a combination of the following uses: residential condominiums or apartments, including privately owned or leased units; accessory uses as defined and limited in Item H below; and all uses specified in parcel E including parking except as limited in Item 4.L below;

- F. Up to one hundred percent (100%) of the residential condominiums or apartments may consist of rental units, which may not be leased for less than thirty days;
- 24. The developer agrees to fund design and construction of all off-site improvements, including but not limited to surface improvements and widening of American Drive between the project site and Boggy Ford Road as identified in a Traffic Impact Analysis (TIA) to be completed and approved as part of the required “detail plan” and “design review” required by the Lago Vista zoning ordinance.

Section 5. Amendment of Applicable Zoning Ordinances. The zoning requirements established in this Ordinance shall apply to the Property. The comprehensive zoning requirements of the Zoning Code and all other applicable ordinances, as they may be amended by this Ordinance, shall apply to the Property. Should any conflict appear between the requirements of the zoning and development ordinances of the City of Lago Vista as compared with the requirements for the Property set forth in this Ordinance, the requirements set forth in this Ordinance shall control.

Section 6. Amendment of Future Land Use Map. To the extent that the Future Land Use Map adopted in 2016 by Ordinance No. 16-05-05-02 as amended is inconsistent with the official Zoning Map of the City of Lago Vista, Texas as it relates to the Property as established in Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02, it is hereby amended as follows: the area corresponding to parcels ‘A,’ ‘E,’ and ‘F’ shall be designated as “POA Park;” and the area corresponding to parcels ‘B,’ ‘C,’ and ‘D’ shall be designated as “Mixed Use.”

Section 7. Repealer. The Zoning Ordinance and all other applicable portions of the Lago Vista Code of Ordinances are amended as required to incorporate the amendment to “The Peninsula Planned Development District” (PDD) as described herein. Any portion of the Zoning Ordinance, Comprehensive Master Plan or any applicable ordinance in conflict with this Ordinance is hereby repealed or amended to the extent of such conflict only.

Section 8. Severability. Should any section or part of this Ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Ordinance are declared to be severable.

Section 9. Penalty. Any person, firm or corporation violating any of the provisions or terms of this Ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances, Section 1.109 General Penalty for Violations of Code; Continuing Violations of the City of Lago Vista, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

Section 10. Publication Clause. The City Secretary of the City of Lago Vista is hereby directed to publish in the Official Newspaper of the City of Lago Vista the Caption, and Effective Date Clause of this Ordinance as required by Section 52.013 of the *Texas Local Government Code*.

Section 11. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below in accordance with the provisions of the *Texas Local Government Code* and the City's Charter.

Section 12. Change of Zoning Map. The City Manager is hereby authorized to and shall promptly note the zoning change on the official Zoning Map of the City of Lago Vista, Texas.

Section 13. Proper Notice and Meeting. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapter 551, Texas Local Government Code*.

AND, IT IS SO ORDERED.

PASSED AND APPROVED this 1st day of September 2022.

Ed Tidwell

Ed Tidwell, Mayor



ATTEST:

Lucy Aldrich
Lucy Aldrich, City Secretary

On a motion by Councilman Sullivan, seconded by Councilman Prince, the above and foregoing ordinance was passed and approved.

EXHIBIT "A"

Legal Description

40.60 ACRES OUT OF THE JAMES K. BALDWIN SURVEY (ABSTRACT NO. 609) , CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, BEING COMPOSED OF A 16.84 ACRE TRACT CONVEYED TO G&G / PENINSULA, LP BY DEED RECORDED IN DOCUMENT NO. 2005114201, TRAVIS COUNTY OFFICIAL PUBLIC RECORDS (TCOPR), AND A 23.76 ACRE TRACT CALLED 23.72 ACRES IN A DEED TO G&G / PENINSULA, LP RECORDED IN DOCUMENT NO. 2005114202, SAID 40.60 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a "X" in concrete found on the west side of a concrete electric transformer pad, at the northwest corner of said 16.84 acre tract, in the north right-of-way (ROW) line of American Drive; also the northeast corner of Lot 30001-C, **A RESUBDIVISION OF A PORTION OF HIGHLAND LAKE ESTATES SECTION 26 AND HIGHLAND LAKE ESTATES SECTION 30**, a subdivision recorded in Book 81, Page 358, Travis County Plat Records, for the northwest corner hereof;

THENCE S75°36'00"E 190.00 feet, with the south ROW line of American Drive, to a 1/2" steel pin with plastic orange cap set at the start of a curve;

THENCE along said ROW curve to the left with chord of N78°12'56"E 118.35 feet and radius of 60 feet, to a 1/2" steel pin found at a southerly corner of said 23.76 acre tract, for a point on curve hereof;

THENCE along said ROW curve to the left with chord of N66°05'56"W 107.89 feet and radius of 60 feet, to a 1/2" steel pin found at end of ROW curve, for corner hereof;

THENCE N75°38'49"W 189.94 feet along the north ROW of American Drive to a 1/2" steel pin found at the westerly southwest corner of said 23.76 acre tract, also the southeast corner of Lot 30078, Highland Lake Estates Section 30, a subdivision recorded in Book 81, Page 358, Travis County Plat Records, for westerly corner hereof;

THENCE N14°27'32"E 530.95 feet to a 1/2" steel pin found at the northwest corner of said 23.76 acres, also the southwest corner of a 18.23 acre tract recorded in Doc. 2003186577, TCOPR, for the northwest corner hereof;

THENCE S75°36'E 538.64 feet along the south line of said 18.23 acre tract to a submerged point in the southwest line of The Cove At Lago Vista, a subdivision recorded in Book 84, Page 163B, Travis County Plat Records, for angle point hereof;

THENCE S38°13' E 1103.20 feet to a submerged angle point in said subdivision, for angle point hereof;

EXHIBIT "A"

Legal Description (continued)

THENCE S04°52'E 570.10 feet to a submerged point on the approximate north bank of the Colorado River, at the southeast corner of said 23.76 acres, for southeast corner hereof;

THENCE S85°08'W 696.96 feet along said north bank to a submerged point at the southeast corner of said 16.84 acre tract for angle point hereof;

THENCE S85°05'35"W 707.74 feet along said north bank to a submerged point at the southeast corner of a 3.356 acre tract conveyed to Vacation Villages Association, Inc. by deed recorded in Book 12607, Page 2822, TCOPR, for southwest corner hereof;

THENCE along the east line of said 3.356 acres the following 2 courses:

- 1) N04°51'08"W 843.32 feet to a 1/2" steel pin found, for angle point;
- 2) N14°25'32"E 205.77 feet to a 1/2" steel pin found at the northeast corner of said 3.356 acre tract, for angle point hereof;

THENCE N14°21'58"E 69.15 feet along the east line of said Lot 30001-C to the **POINT OF BEGINNING**, containing 40.60 acres of land.

LAGO VISTA PLANNING AND ZONING COMMISSION
ORIGINAL STAFF LAND USE REPORT – FEBRUARY 9, 2023 / AUGUST 11, 2022



P&Z CASE NO: 22-2169-PDD-MOD: 1900 American Drive
APPLICANT: Laci Ehlers (McLean & Howard LLP)
LANDOWNER: SGB Development Corp. (David Rulien)
LOCATION: End of American Drive ± 1,300' south of Highland Lake Drive
ZONING: "Peninsula PDD" (Ordinance Number 08-08-21-02)
PROPOSED USE: PDD Use Description Amendment

GENERAL INFORMATION / LOCATION:

- American Drive is a street that winds predominately in a north-south direction through the southwest portion of Lago Vista. The extreme extents of this residential street terminate in two prominent lakefront properties. The north property is developed and referred to as the "Island on Lake Travis." This application relates to the south property which remains vacant but is referred to in the existing PDD approval as "the Peninsula." The staff has been told that it was the former location of a demolished development that predates the incorporation of the city.
- "The Peninsula" PDD was originally approved by the Lago Vista City Council in Ordinance Number 07-02-15-01 for a maximum of 225 condominium units within a development that includes the type of accessory uses normally associated with a lakeside resort. Restrictions related to the public use of some of the resort amenities were subsequently modified in Ordinance Number 08-08-21-02.
- The Planning and Zoning Commission considered an application (21-1867-PDD-MOD) at their July 8, 2021 meeting that proposed a significant reduction in the improvements, including the number of residential dwelling units. The application also sought modifications that would balance the heights of the buildings within the "condominium parcels." With six of the seven members present, the Planning and Zoning Commission forwarded a unanimous recommendation to the City Council that the change be approved.
- However, this represented an increase to the heights of the buildings on the east side of the subject property, closest to an existing residential development known as "the Cove of Lago Vista." Those property owners strenuously objected to the approval at the City Council meeting on August 5, 2021 at which the application was being considered. This caused the applicant to withdraw the application during the meeting and prior to any action by the Council.
- As a result, the prior approvals (Ordinance Number 07-02-15-01 as amended by Ordinance Number 08-08-21-02) remain intact. As explained in the letter included in the packet from the representative of the property owners, the application seeks to modify the current provisions that relate to the rental of the dwelling units within the "condominium parcels." Rentals are currently limited to thirty percent of the maximum 225 units specified in the zoning approval, although all could be offered for short-term occupancy. The proposed change would preclude the possibility of any short-term occupancy, but eliminate any restriction on long-term leases or rentals (defined as thirty days or longer by the Lago Vista zoning ordinance).

SITE PLAN / CONTEXT CONSIDERATIONS:

- The above referenced letter from the applicant's representative mentions the need to amend Section 6.4.C and Section 6.4.F of Ordinance Number 08-08-21-02. However, that appears to be a simple typographic error likely caused by the discrepancy in the Section numbers employed in the original approval (Ordinance Number 07-02-15-01) and the currently applicable approval. The correct references in Ordinance Number 08-08-21-02 are Section 4.4.C and Section 4.4.F which we have marked for convenience.
- The area surrounding the subject property south of Highland Lake Drive consists of uses that are somewhat similar in nature. Waterside Oaks Condominiums is on the west side of this portion of

American Drive while Aloha Suites of Lake Travis and the Shores of Lake Travis are on the east side. On the opposite side of the adjacent Lake Travis inlet to the east is a series of lots fronting on Highland Lake Drive and Highland Lake Loop in a subdivision platted as “the Cove of Lago Vista” and described above. While it consists primarily of single-family (R-1C) residential property, there are four R-2 (two-family) residential lots that are inconsistent with that pattern. They seem to include non-conforming attached units that span across the property lines.

RELEVANT ORDINANCE PROVISIONS / COMPREHENSIVE PLAN CONSIDERATIONS:

- The applicant requests the uses permitted in Section 4.4.C of Ordinance Number 08-08-21-02 be expanded to add “apartments” as well as “residential condominiums” to the list of approved uses. The staff does not disagree as both uses are defined separately in the Lago Vista zoning ordinance. However, we would also note that there is nothing in the ordinance that would prevent a “residential condominium” from being rented or leased for long-term occupancy any more than there is a restriction on the long-term rent or lease of a single-family residence.
- Instead, it is the language within Section 4.4.F of Ordinance Number 08-08-21-02 that necessitates this application. A permissible mechanism in a “Planned Development District” (PDD), Section 4.4.F “voluntarily” imposes a restriction on both long-term and short-term occupancy that otherwise does not exist in the zoning ordinance. The current PDD provision treats long-term and short-term occupancy as indistinguishable.
- The proposed net result of this application is to remove any restriction in the PDD for long-term leases or rentals, but to also completely eliminate the possibility of any short-term occupancy. Absent any mention in the applicable zoning approval, there is no limit on the percentage of short-term occupancy in a PDD or the CR and R-4 zoning districts. Even the current draft amendment to Section 23 of Chapter (later on this same agenda) does not contemplate any limit on the percentage of short-term occupancy for this housing form (“multifamily” dwelling units).
- The more interesting analysis is related to the change in the zoning ordinance provisions since approval of the currently applicable PDD in 2008 rather than the nature of this application. The current requirement for both a “concept and detail plan” approval was adopted by ordinance in 2020. The 2007 and 2008 PDD ordinances applicable to the subject property do not meet those current requirements, yet those entitlements nonetheless remain valid. The much more developed plans that were presented for comparison during the most recent application that was ultimately withdrawn (21-1867-PDD-MOD) were the result of an administrative site development plan review.
- As those documents propose development that have been subsequently confirmed by the staff to be substantially consistent with those PDD approvals, there is a reasonable basis for accepting them as adequate supplements to meet the current requirements for both a “concept and detail plan” approval. However, that same review is unable to meet the current requirements for a valid site development plan review. As that review is not a permit, that approval is not vested and most development ordinances have undergone substantial change in the interim.
- Perhaps most notably, that review did not include the analysis for compliance with the currently adopted version of the International Fire Code that would presumably have occurred during the subsequent building permit review. As there is only one common path of emergency egress or fire safety apparatus access (i.e. only one way in or out), there is a limit on both the area of improvements and the maximum number of dwelling units that can be permitted. Those limits vary in accordance with a number of factors (such as the inclusion of an automatic fire suppression system, more commonly referred to as fire sprinklers). Nonetheless, the maximum number of dwelling units and the total size of the development will likely be somewhat less than permitted by the current zoning entitlement (contrary to the smaller development proposed in the 2021 application that was ultimately withdrawn).

- Another new ordinance provision adopted subsequent to the most recent applicable PDD approval requires design review approval for any multifamily or non-residential development. Section 6.105 of Chapter 14 was adopted in 2019 by Ordinance Number 19-11-07-03. While the approval is an integral component of a new “concept and detail plan” PDD application and approval, that requirement remains outstanding as it relates to the subject property.
- While the required documents might have been included as part of the current application, the procedure outlined in Section 6.105(b)(2) seems preferable. It provides the opportunity for the review by the Planning and Zoning Commission (which does not require a public hearing) to benefit from the site development plan review required by Chapter 10.5. This would allow that review to incorporate compliance with the International Fire Code as it relates to the maximum area of improvements and the maximum number of dwelling units.
- In one sense, it is arguable that the Comprehensive Plan is not particularly relevant to the current proposed amendments as the land use designations within it do not distinguish between long or short-term rental units and owner occupied residences. Nonetheless, this property is currently designated as “low density residential” despite its historic use as a resort hotel prior to the incorporation of the City of Lago Vista or the adoption of either of the two earlier PDD approvals. Like a handful of other instances, it seems likely that the consultant team that prepared the Future Land Use Map were not provided a complete list of existing PDD approvals that accurately described the entitled uses. It seems appropriate to take this opportunity to correct that oversight as part of the ordinance sought by the applicant. The appropriate land use designations (before and after any potential approval of this application) are “POA Park” for parcels ‘A,’ ‘E,’ and ‘F’ and “Mixed Use” for parcels ‘B,’ ‘C’ and ‘D.’

POTENTIAL ALTERNATIVE RECOMMENDATIONS:

- A. Recommend approval of the application as meeting the requirements of a concept and detail plan, subject to the following conditions:
 - 1. the number of units and total area of the development shall be limited as required for compliance with the applicable edition of the International Fire Code at the time of the site development plan and building permit approval; and
 - 2. the land use designation for this property in the current Comprehensive Plan is erroneously inconsistent with the official zoning map that was applicable at the time of its adoption and should be amended to reflect a “POA Park” at the location of parcels ‘A,’ ‘E,’ and ‘F’ of the existing PDD ordinance and “Mixed Use” at the location of the balance of the subject property.
 - B. Recommend denial of the application for either a concept plan only approval or a concept and detail plan approval.
-

23-2314-PDD-MOD

Existing “Peninsula PDD” Amendment

Attachment 1

Application



CITY OF LAGO VISTA • DEVELOPMENT SERVICES
5803 THUNDERBIRD STREET • P.O. BOX 4727 • LAGO VISTA, TX 78645

Tel. (512) 267-5259

Fax (512) 267-5265

NOTE: Applicants should seek legal advice concerning the applicability of any existing private covenants or deed restrictions and their ability to be enforced or waived by other specific property owners.

APPLICATION FOR ZONING DISTRICT CHANGE

Contact Person: David Rulien **Fee:** See Ordinance Appendix A (non-refundable)
Contact Phone: 954-646-8457 **Contact Email:** drulien@sgblocks.com
Property Owner(s):* SGB Development Corp
Owner's mailing address: 17 State Street, Floor 19, New York, NY 10004

COMPLETE LEGAL DESCRIPTION OF SUBJECT PROPERTY

Subdivision, Section and Lot Number(s) if platted. Attach metes & bounds or equal description otherwise*
40.60 acres of land out of the James K. Baldwin Survey, Abstract 609, Travis County, Texas
(metes & bounds attached)

Municipal Address(es)* if applicable: _____

NATURE OF REQUEST

Current Zoning District(s): PDD **Requested District:** PDD

Purpose or Basis of Request* (if PDD, include whether concept and/or detail plan approval is sought):

Minor amendment to The Peninsula PDD to allow up to 100% of the condominiums to be rental units.

Additional individual(s) authorized to act on behalf of the property owner(s)* regarding this application:

Name of Agent: McLean & Howard LLP (Jeff Howard or Laci Ehlers) **Email:** lehlers@mcleanhowardlaw.com

Mailing Address: 4301 Bull Creek Road, Ste 150, Austin, TX 78731 **Phone:** 512-328-2008

NOTE: Applications must be complete including all applicable portions of this form, payment of fees and all required drawings or documentation. All applications are accepted provisionally pending a completion review. **PLEASE TAKE SPECIFIC NOTICE AND INCORPORATE OR ADDRESS ALL LOCAL ORDINANCE REQUIREMENTS IN YOUR APPLICATION.**

SGB Development Corp
[Signature]
Property Owner's signature(s)*

7-13-22

Date

***Attach additional sheets as required**

Roy Jambor

From: Laci M. Ehlers <lehlers@mcleanhowardlaw.com>
Sent: Wednesday, August 10, 2022 3:56 PM
To: Roy Jambor
Cc: Erin Selvera
Subject: Peninsula - FLUM Amendment

Roy,

Please accepted this request on behalf of SGB Development Corp, as owner of that certain 40.60 acre tract in Lago Vista locally known as The Peninsula PDD, to amend the Future Land Use Map to align with uses provided in the Peninsula PDD. We request that the amendment to the FLUM be considered by Planning & Zoning Commission and Council concurrently with the submitted PDD amendment request (City Case File No. 22-2169-PDD-MOD).

Please let me know if you need any further information.

Thank you,
Laci

Laci Ehlers

lehlers@mcleanhowardlaw.com

4301 Bull Creek Road | Ste 150
Austin, Texas 78731
512.328.2008 office
737.309.0651 direct
512.328.2409 fax
www.mcleanhowardlaw.com

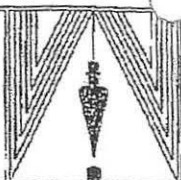


*******We've moved*****Please note our new address.**

CONFIDENTIALITY NOTICE: This communication is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If you are not the intended recipient of this information, you are notified that any use, dissemination, distribution, or copying of the communication is strictly prohibited.



WATSON SURVEYING
9501 CAPITAL OF TEXAS HWY.
SUITE 303 AUSTIN, TX 78759
346-8566 FAX 346-8568



FIELD NOTES FOR 40.60 ACRES OUT OF THE JAMES K. BALDWIN SURVEY (ABSTRACT NO. 609), CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, BEING COMPOSED OF A 16.84 ACRE TRACT CONVEYED TO G&G/PENINSULA, LP BY DEED RECORDED IN DOCUMENT NO. 2005114201, TRAVIS COUNTY OFFICIAL PUBLIC RECORDS (TCOPR), AND A 23.76 ACRE TRACT CALLED 23.72 ACRES IN A DEED TO G&G/PENINSULA, LP RECORDED IN DOCUMENT NO. 2005114202, SAID 40.60 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a "X" in concrete found on the west side of a concrete electric transformer pad, at the northwest corner of said 16.84 acre tract, in the north right-of-way (ROW) line of American Drive, also the northeast corner of Lot 30001-C, A RESUBDIVISION OF A PORTION OF HIGHLAND LAKE ESTATES SECTION 26 AND HIGHLAND LAKE ESTATES SECTION 30, a subdivision recorded in Book 81, Page 35B, Travis County Plat Records, for the northwest corner hereof;

THENCE S75°36'00"E 190.00 feet, with the south ROW line of American Drive, to a ½" steel pin with plastic orange cap set at the start of a curve;

THENCE along said ROW curve to the left with chord of N78°12'56"E 118.35 feet and radius of 60 feet, to a ½" steel pin found at a southerly corner of said 23.76 acre tract, for a point on curve hereof;

THENCE along said ROW curve to the left with chord of N66°05'56"W 107.69 feet and radius of 60 feet, to a ½" steel pin found at end of ROW curve, for corner hereof;

THENCE N75°38'49"W 189.94 feet along the north ROW of American Drive to a ½" steel pin found at the westerly southwest corner of said 23.76 acre tract, also the southeast corner of Lot 30078, Highland Lake Estates Section 30, a subdivision recorded in Book 81, Page 35B, Travis County Plat Records, for westerly corner hereof;

THENCE N14°27'32"E 530.95 feet to a ½" steel pin found at the northwest corner of said 23.76 acres, also the southwest corner of a 18.23 acre tract recorded in Doc. 2003186577, TCOPR, for the northwest corner hereof;

THENCE S75°36'E 538.64 feet along the south line of said 18.23 acre tract to a submerged point in the southwest line of The Cove At Lago Vista, a subdivision recorded in Book 84, Page 163B, Travis County Plat Records, for angle point hereof;

THENCE S38°13'E 1103.20 feet to a submerged angle point in said subdivision, for angle point hereof;

THENCE S04°52'E 570.10 feet to a submerged point on the approximate north bank of the Colorado River, at the southeast corner of said 23.76 acres, for southeast corner hereof;

THENCE S85°08'W 696.96 feet along said north bank to a submerged point at the southeast corner of said 16.84 acre tract for angle point hereof;

THENCE S85°05'35"W 707.74 feet along said north bank to a submerged point at the southeast corner of a 3.356 acre tract conveyed to Vacation Villages Association, Inc. by deed recorded in Book 12607, Page 2822, TCOPR, for southwest corner hereof;

THENCE along the east line of said 3.356 acres the following 2 courses:

- 1) N04°51'08"W 843.32 feet to a $\frac{1}{2}$ " steel pin found, for angle point,
- 2) N14°25'32"E 205.77 feet to a $\frac{1}{2}$ " steel pin found at the northeast corner of said 3.356 acre tract, for angle point hereof;

THENCE N14°21'58"E 69.15 feet along the east line of said Lot 30001-C to the POINT OF BEGINNING, containing 40.60 acres of land.

Surveyed 1 September 2005 by:


Stuart Watson, RPLS 4550



23-2314-PDD-MOD

Existing “Peninsula PDD” Amendment

Attachment 2

Proposed Use Description Amendment / Draft Ordinance

July 13, 2022

Roy Jambor, Director
Development Services Department
City of Lago Vista
5803 Thunderbird Street
Lago Vista, Texas 78645

RE: **Zoning Amendment Application for The Peninsula Planned Development District** (the "Application") Located at the South Terminus of American Drive, Lago Vista, Texas (the "Property")

Dear Mr. Jambor:

This firm represents, and this letter is submitted on behalf of, SGB Development Corp. (the "Applicant") as the owner of the undeveloped Property in the above-referenced Application. The Property is 40.60 acres in size and is bounded by condominiums and vacation rentals to the west, undeveloped property owned by the Applicant to the north, and Lake Travis to the south and east. The Property is currently zoned as The Peninsula Planned Development District ("The Peninsula PDD") based on Ordinance No. 07-02-15-01 ("PDD Ordinance"). The purpose of this Application is to request minor amendments to The Peninsula PDD to permit apartments, increase the limitation on rental units, and limit the ability to use the units for short term rentals ("PDD Amendments").

To appropriately react to current market conditions and provide a market-rate, rental residential product to the community, the Applicant is requesting the PDD Amendments as further detailed below:

Zoning for the Condominiums Parcels – Parcels D1, D2 and D3.

- Amend Section 6.4.C to include "apartments" as a use permitted for development in the Condominium Parcels.
- Amend Section 6.4.F. to read "Up to one hundred percent (100%) of the apartments or condominiums may consist of rental units, which may not be leased for less than thirty days."

On behalf of the Applicant, we look forward to working with the City on approval of these proposed PDD Amendments. If you have any questions or comments, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,



Laci Ehlers

ORDINANCE NO. 23-03-02-0 🗳️

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AMENDING THE EXISTING PLANNED DEVELOPMENT DISTRICT KNOWN AS “THE PENINSULA” APPROVED BY ORDINANCE NO. 07-02-15-01 AND AS AMENDED BY ORDINANCE NO. 08-08-21-02 REGARDING THE LIST AND DESCRIPTION OF PERMITTED USE FOR THE “CONDOMINIUM PARCELS.”

WHEREAS, the owner of approximately 40.60 acres of land, as more particularly described in the attached **Exhibit “A”** (referred to hereinafter as the “Property”), has filed an application requesting an amendment to the existing Planned Development District (PDD) known as “The Peninsula” approved by Ordinance No. 07-02-15-01 and as amended by Ordinance No. 08-08-21-02; and

WHEREAS, the Property currently resides within the corporate limits of the City of Lago Vista;

WHEREAS, the amended list and description of permitted uses for the Property is set forth in Section 4 below, which modifies the designated land uses and restrictions applicable to the Property previously established in Ordinance No. 07-02-15-01 as amended by Ordinance No. 08-08-21-02, with all other aspects of the approval remaining intact; and

WHEREAS, after giving ten (10) days written notice to the owners of land in and within 200 feet of the area being rezoned, as well as having published notice to the public at least fifteen (15) days prior to the date of such hearings, the Planning and Zoning Commission and City Council each held separate public hearings on the proposed rezoning of the Property included in this Ordinance; and

WHEREAS, the Planning and Zoning Commission at its public hearing held on February 9, 2023, has reviewed the request and the circumstances of the Property, and was unable to secure a vote of a majority of the members present to recommend either that a substantial change in the circumstances of the Property, sufficient to warrant a change in the zoning of the Property has or has not transpired; and

WHEREAS, the Planning and Zoning Commission has forwarded a recommendation to the City Council in accordance with applicable regulations that does not oppose enactment of the proposed zoning change; and

WHEREAS, the City Council at its public hearing held on March 2, 2023, has reviewed the request and the circumstances of the Property, and find that a substantial change in the circumstances of the Property, sufficient to warrant a change in the zoning of the Property has transpired; and

WHEREAS, the City, by and through its legislative discretion, has adopted a comprehensive plan for the City of Lago Vista, with amendments to its Future Land Use Map including Section 6 of Ordinance No. 22-09-01-01, and having considered and reviewed such comprehensive plan, the City Council finds the rezoning approved herein is consistent with the comprehensive plan which shall not be interpreted as inconsistent with this rezoning; and

WHEREAS, the City desires that development within its corporate limits occur in an orderly manner in order to protect the health, safety, and welfare of its present and future citizens, protect property values and provide for the growth of the City's tax base; and

WHEREAS, the City desires to control the development standards for the Property, protect third party property owners in the City, and to ensure the benefits of planned development and an enhanced tax base that are achieved through rezoning the Property; and

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City has general authority to adopt an ordinance or police regulation that is for the good government, peace or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

WHEREAS, pursuant to Chapter 211 of the Texas Local Government Code, the City has the authority to zone and rezone property; and

WHEREAS, the City Council finds that it is necessary and proper for the good government, peace or order of the City of Lago Vista to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact. The Planning and Zoning Commission and City Council find that this Ordinance satisfies the requirements of Section 10 and Section 13 of the City of Lago Vista Zoning Ordinance, codified under Ordinance No. 98-04-27-03, as amended (the "Zoning Code").

Section 2. Enactment. The Zoning Code and other applicable ordinances are hereby modified and amended by rezoning the Property as set forth in Section 3.

Section 3. Rezoned Property. The Zoning Ordinance is hereby amended by zoning the approximately 40.60 acres of land, more particularly described in **Exhibit "A"** as an update to "The Peninsula Planned Development District" (PDD) and Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02, with the use of individual land areas as set forth in this Ordinance.

Section 4. Zoning Requirements. All applicable use restrictions and development requirements in the existing Planned Development District" (PDD) known as "The Peninsula" as established in Ordinance No. 07-02-15-01 and Ordinance No. 08-08-21-02 shall remain intact except for the following provisions of Section 4 of Ordinance No. 08-08-21-02 which shall be repealed and re-enacted as follows:

4. Zoning for the Condominiums Parcels – Parcels D1, D2 and D3:

- C. The Condominium Parcels shall be developed only as any one or a combination of the following uses: residential condominiums or apartments, including privately owned or leased units; accessory uses as defined and limited in Item H below; and all uses specified in parcel E including parking except as limited in Item 4.L below;
 - F. Up to one hundred percent (100%) of the residential condominiums or apartments may consist of rental units, which may not be leased for less than thirty days;
24. The developer agrees to fund design and construction of all off-site improvements, including but not limited to surface improvements and widening of American Drive between the project site and Boggy Ford Road as identified in a Traffic Impact Analysis (TIA) to be completed and approved as part of the site development plan review required by Chapter 10.5 of the Lago Vista Code of Ordinances.

Section 5. Amendment of Applicable Zoning Ordinances. The zoning requirements established in this Ordinance shall apply to the Property. The comprehensive zoning requirements of the Zoning Code and all other applicable ordinances, as they may be amended by this Ordinance, shall apply to the Property. Should any conflict appear between the requirements of the zoning and development ordinances of the City of Lago Vista as compared with the requirements for the Property set forth in this Ordinance, the requirements set forth in this Ordinance shall control.

Section 6. Repealer. The Zoning Ordinance and all other applicable portions of the Lago Vista Code of Ordinances are amended as required to incorporate the amendment to “The Peninsula Planned Development District” (PDD) as described herein. Any portion of the Zoning Ordinance, Comprehensive Master Plan or any applicable ordinance in conflict with this Ordinance is hereby repealed or amended to the extent of such conflict only.

Section 7. Severability. Should any section or part of this Ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Penalty. Any person, firm or corporation violating any of the provisions or terms of this Ordinance or of the Code of Ordinances as amended hereby, shall be subject to the same penalty as provided for in the Code of Ordinances, Section 1.109 General Penalty for Violations of Code; Continuing Violations of the City of Lago Vista, and upon conviction shall be punished by a fine not to exceed Two Thousand Dollars (\$2,000.00) for each offense.

Section 9. Publication Clause. The City Secretary of the City of Lago Vista is hereby directed to publish in the Official Newspaper of the City of Lago Vista the Caption, and Effective Date Clause of this Ordinance as required by Section 52.013 of the *Texas Local Government Code*.

Section 10. Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below in accordance with the provisions of the *Texas Local Government Code* and the City's Charter.

Section 11. Change of Zoning Map. The City Manager is hereby authorized to and shall promptly note the zoning change on the official Zoning Map of the City of Lago Vista, Texas.

Section 13. Proper Notice and Meeting. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapter 551, Texas Local Government Code*.

AND, IT IS SO ORDERED.

PASSED AND APPROVED this ____ day of March 2023.

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilman _____, seconded by Councilman _____, the above and foregoing ordinance was passed and approved.

EXHIBIT "A"

Legal Description

40.60 ACRES OUT OF THE JAMES K. BALDWIN SURVEY (ABSTRACT NO. 609) , CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, BEING COMPOSED OF A 16.84 ACRE TRACT CONVEYED TO G&G / PENINSULA, LP BY DEED RECORDED IN DOCUMENT NO. 2005114201, TRAVIS COUNTY OFFICIAL PUBLIC RECORDS (TCOPR), AND A 23.76 ACRE TRACT CALLED 23.72 ACRES IN A DEED TO G&G / PENINSULA, LP RECORDED IN DOCUMENT NO. 2005114202, SAID 40.60 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a "X" in concrete found on the west side of a concrete electric transformer pad, at the northwest corner of said 16.84 acre tract, in the north right-of-way (ROW) line of American Drive; also the northeast corner of Lot 30001-C, **A RESUBDIVISION OF A PORTION OF HIGHLAND LAKE ESTATES SECTION 26 AND HIGHLAND LAKE ESTATES SECTION 30**, a subdivision recorded in Book 81, Page 358, Travis County Plat Records, for the northwest corner hereof;

THENCE S75°36'00"E 190.00 feet, with the south ROW line of American Drive, to a 1/2" steel pin with plastic orange cap set at the start of a curve;

THENCE along said ROW curve to the left with chord of N78°12'56"E 118.35 feet and radius of 60 feet, to a 1/2" steel pin found at a southerly corner of said 23.76 acre tract, for a point on curve hereof;

THENCE along said ROW curve to the left with chord of N66°05'56"W 107.89 feet and radius of 60 feet, to a 1/2" steel pin found at end of ROW curve, for corner hereof;

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THENCE N14°27'32"E 530.95 feet to a 1/2" steel pin found at the northwest corner of said 23.76 acres, also the southwest corner of a 18.23 acre tract recorded in Doc. 2003186577, TCOPR, for the northwest corner hereof;

THENCE S75°36'E 538.64 feet along the south line of said 18.23 acre tract to a submerged point in the southwest line of The Cove At Lago Vista, a subdivision recorded in Book 84, Page 163B, Travis County Plat Records, for angle point hereof;

THENCE S38°13' E 1103.20 feet to a submerged angle point in said subdivision, for angle point hereof;

EXHIBIT "A"

Legal Description (continued)

THENCE S04°52'E 570.10 feet to a submerged point on the approximate north bank of the Colorado River, at the southeast corner of said 23.76 acres, for southeast corner hereof;

THENCE S85°08'W 696.96 feet along said north bank to a submerged point at the southeast corner of said 16.84 acre tract for angle point hereof;

THENCE S85°05'35"W 707.74 feet along said north bank to a submerged point at the southeast corner of a 3.356 acre tract conveyed to Vacation Villages Association, Inc. by deed recorded in Book 12607, Page 2822, TCOPR, for southwest corner hereof;

THENCE along the east line of said 3.356 acres the following 2 courses:

- 1) N04°51'08"W 843.32 feet to a 1/2" steel pin found, for angle point;
- 2) N14°25'32"E 205.77 feet to a 1/2" steel pin found at the northeast corner of said 3.356 acre tract, for angle point hereof;

THENCE N14°21'58"E 69.15 feet along the east line of said Lot 30001-C to the **POINT OF BEGINNING**, containing 40.60 acres of land.

23-2314-PDD-MOD

Existing “Peninsula PDD” Amendment

Attachment 3

Previously Approved PDD Plans / Ordinances

CITY OF LAGO VISTA, TEXAS

ORDINANCE NO. 07-02-15-01

AN ORDINANCE OF THE CITY OF LAGO VISTA, TEXAS, AMENDING THE ZONING ORDINANCE BY REZONING THE LAND KNOWN AS *THE PENINSULA* FROM DISTRICT "CR RESORTS" APPLICABLE TO SUCH PROPERTY IN EFFECT PURSUANT TO ORDINANCE NO 00-12-14-02 TO A "PLANNED DEVELOPMENT DISTRICT"; ESTABLISHING THE ZONING REQUIREMENTS FOR THE PLANNED DEVELOPMENT DISTRICT; MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the owner of the property known as The Peninsula described hereinafter (the "Property") has requested that the Property be rezoned;

WHEREAS, after giving ten days' notice to the owners of land within two hundred feet of the Property, the Planning & Zoning Commission held a public hearing on the proposed rezoning and forwarded its recommendations on the rezoning to the City Council;

WHEREAS, after publishing notice to the public at least fifteen days prior to the date of such hearing, the City Council at a public hearing has reviewed the request and the circumstances of the Property and finds that a substantial change in circumstances of the Property, sufficient to warrant a change in the zoning of the Property, has transpired;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

Section 1. Findings: The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Amendment of Zoning Ordinances: Ordinance No. 98-04-27-03, as amended, the City of Lago Vista Zoning Ordinance (the "Zoning Ordinance" or "Code"), Ordinance No. 00-12-14-02 (the "Zoning Overlay District"), Ordinance No. 00-12-14-02 (the "Resorts Master Plan") are hereby modified and amended by rezoning the Property as set forth in Section 3.

Section 3. Rezoned Property: The Zoning Ordinance, the Zoning Overlay District, and the Marina Ordinance are hereby amended by changing the zoning district from the current zoning district of "CR Resorts" to zoning district "PDD", subject to this ordinance (this "Ordinance") for the land described as

40.60 acres of land out of the JAMES K. BALDWIN SURVEY, ABSTRACT NO. 609, in the City of Lago Vista, Travis County, Texas, being composed of a 16.84 acre tract of land conveyed to G&G/Peninsula, L.P. by warranty deed recorded in Doc. No. 2005114201, Official Public Records of Travis County, Texas, and a 23.76 acre tract of land conveyed to G&G/Peninsula, L.P., by warranty deed recorded in Doc. No. 2005114202, Official Public records of Travis County, Texas, said 40.60 acres being described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes (collectively, the "Property")

The Property is accordingly hereby rezoned to Planned Development District- "PDD", with the uses as set forth in Section 4 of individual parcels identified hereinbelow.

Section 4. Amendment and Modification of Applicable Zoning Ordinances:

The zoning requirements established herein shall apply to the Planned Development District ("PDD") known as The Peninsula Planned Development. The comprehensive zoning requirements of Ordinance No. 00-12-14-02 related to a Resorts Master Plan shall be of no further force or effect as to the Property. The comprehensive zoning requirements of Ordinance No. 98-04-27-03, as amended, shall apply to each individual Parcel as identified below; provided that should any conflict appear between the requirements in the comprehensive zoning ordinance and the requirements for the individual Parcels set forth herein, the requirements set forth herein shall control. The Marina Ordinance, as amended, is hereby amended to the extent of any conflict herewith; provided that should a conflict appear between the requirements of the Marina Ordinance and the requirements herein for a marina, the requirements set forth herein control.

Section 5. Identification of Parcels within the PDD: The Property consists of the following parcels of land which are also depicted in Exhibit "B" attached hereto and incorporated herein for all purposes:

- a. Parcel A, the "Recreational Area Parcel";
- b. Parcel B, the "Dry Boat Storage Facility Parcel";
- c. Parcel C, the "Marina Parcel";
- d. Parcels D1, D2 and D3, the "Condominiums Parcels";
- e. Parcel E, the "Garden Areas Parcel"; and
- f. Parcel F, the "Cove Parcel".

Section 6. Zoning Requirements: The following zoning requirements established herein shall apply to the Parcels identified in Section 5, as follows:

1. **Zoning for the Recreational Area Parcel - Parcel A:**
 - A. Construction in Parcel A shall comply with the zoning requirements and development standards for Developed Park District P-1B except as hereinafter modified.
 - B. No off-street parking will be required for Parcel A.
 - C. The Recreational Area Parcel shall be developed exclusively for outdoor recreational areas including, specifically, tennis courts, indoor and outdoor swimming pools, children's playground, volleyball courts, and other similar conventional recreational uses associated with the project. No residential living quarters or public recreational water parks or commercial or community marina or private boat docks or slips shall be constructed on any portion of Parcel A.
 - D. The Recreational Area Parcel shall not be made available to the general public, but shall exclusively be reserved for the use of the condominium association and its members.

- E. Lighting for recreational uses shall conform to Retail Center Lighting provisions which require downcasting lights, minimum wattage, and dimming after 11:00 p.m.
 - F. Construction and operation of a snack bar shall be permitted on Parcel A.
 - G. There shall be no setback requirements in Parcel A internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property boundary of the project site.
2. Zoning for the Dry Boat Storage Facility Parcel - Parcel B:
 The Dry Boat Storage Facility Parcel shall be designed, constructed and operated subject to the following conditions:
- A. Construction in Parcel B shall comply with the zoning requirements and development standards for Commercial District C-2 except as hereinafter modified:
 - B. No off-street parking will be required for Parcel B.
 - C. Any development or use permitted on Parcel E, the Garden Areas Parcel, with the exception of parking shall be permitted on Parcel B;
 - D. The Dry Stack Boat Storage Facility Parcel shall be limited to the lesser of the following: (1) two hundred (200) dry stack slips with trailer storage facility or, (2) a number of dry stack slips equal to the total number of condominium units constructed in Parcels D1, D2 and D3.
 - E. The dry boat storage facility shall be constructed and designed in a manner clearly consistent with the architectural style of the condominium buildings.
 - F. The dry boat storage facility shall not exceed a height of 745 feet msl.
 - G. Boat loading and unloading operations shall employ fork lifts and other equipment capable of the proposed load conveyance and equipped with noise suppression equipment and quiet technologies which will yield the lowest commercially available decibel measurements.
 - H. Dry boat loading and unloading operations shall be restricted to times between the hours of 7:00 am and 10:00 pm.
 - I. The dry boat storage loading ramp shall be constructed directly between the opening of the boat storage building and the nearest appropriate location of Lake Travis as defined by the site design engineer subject to City approval.
 - J. Dry stack boat storage facilities shall not be made available to the general public, but shall exclusively be reserved for the use of the condominium association and its members. This requirement shall be codified as a deed restriction on the property.
 - K. There shall be no setback requirements in Parcel B internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property line boundary of the project site.
3. Zoning for the Marina Parcel-Parcel C:
- A. Construction in Parcel C shall comply with the zoning requirements and development standards for commercial zoning designation C-1C except as hereinafter modified:
 - B. One publicly-available parking spot shall be provided for every two publicly-available marina slips.

- C. The Marina Parcel, including any inundated lands forming part of such Parcel, shall be developed only as condominium marina, private boat docks, wet slips, and/or dockominiums.
 - D. All development of marinas and boat docks shall be subject to approval by the Lower Colorado River Authority.
 - E. Condominium Marina or Boat Docks shall mean any type of floating marina facility or boat dock as defined by the LCRA in which individual permanent floating slips are owned or available for sale or lease to individual owners of The Peninsula condominiums project only and in which common areas such as roofs, gangways, decks, anchoring facilities, and other appurtenances are owned and maintained by the Condominium Owners Association or other similar such entity.
 - F. Boat rental to the owners of the condominiums units but not to the public at large is an approved use to be located in Parcel C.
 - G. The Condominium Marina and Boat Docks shall be limited to a combined maximum of fifty (50) permanent wet slips plus the number of courtesy slips and tie-up docks appropriate for operation of the dry boat storage facility, an on-the-water restaurant, if constructed, and a boat rental facility but under no circumstances to exceed ninety-six (96) total wet slips and tie-up locations.
 - H. The Condominium Marina Parcel may include development and construction of a ship's store and a floating restaurant not to exceed 3,500 square feet in size.
 - I. The playing of music associated with operation of the floating restaurant shall be restricted based on applicable City of Lago Vista curfew and City code requirements. The playing of amplified music outdoors is prohibited after 10:00 p.m.
 - J. There shall be no marine fueling facilities constructed in Parcel C.
 - K. No more than one (1) restaurant, including restaurants serving alcoholic beverages, may be constructed at the floating marina facility. This restaurant may be open to the general public.
 - L. A floating Ship's Store may be constructed in Parcel C.
 - M. Development and construction of boat launch facilities, including ramps, appurtenances, ancillary mechanical equipment, and access driveways to provide ingress and egress to Lake Travis for watercraft shall be permitted on Parcel C.
 - N. There shall be no setback requirements in Parcel C internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property line boundary of the project site.
4. Zoning for the Condominiums Parcels - Parcels D1, D2 and D3:
- A. Construction in Parcels D1, D2 and D3 shall comply with the zoning requirements and development standards for zoning designation CR/Condominiums except as hereinafter modified:
 - B. Building exterior materials shall be limited to white limestone rock with 100 percent masonry coverage unless otherwise approved by the City Council.
 - C. The Condominium Parcels shall be developed only as any one or a combination of the following uses: residential condominiums, including privately owned or leased units; accessory uses as defined and limited in

- Item H below; and any and all uses specified in Parcel E including parking except as limited in Item 4.L below;
- D. A maximum of two hundred and twenty-five (225) units may be constructed on the combined areas of Condominium Parcels D1, D2 and D3;
 - E. All combined construction of residential and accessory uses on Parcels D1, D2 and D3 shall be subject to a maximum aggregate of two hundred and seventy thousand (270,000) square feet of heated and air-conditioned space not including the dry stack boat storage facility. If future market conditions warrant an increase in the size of the meeting and conventions facility over and above the 5,000 square feet minimum starting size, the final maximum size of the meetings and conventions facility will be up to 20,000 square feet and the final maximum size of the entire heated and air conditioned space collectively on the Condominiums Parcels, excluding the dry stack boat storage facilities, will not exceed two hundred and eighty-five thousand (285,000) square feet.
 - F. Up to thirty percent (30%) of the condominiums may consist of rental units, which, when leased nightly, weekly or monthly for a term of less than thirty days, will be subject to applicable hotel occupancy taxes due the City of Lago Vista from such use;
 - G. There shall be no use of any condominium units as time share properties.
 - H. Accessory uses shall be permitted on the Condominiums Parcels as follows: meeting room (no less than 5,000 sf total and no more than 20,000 sf total), one restaurant/bar/commercial kitchen/dining room/private club (not to exceed 6,000 sf total), health and exercise facilities (not to exceed 2,000 sf total), spa/beauty and retail shops (not to exceed 2,000 sf total), medical facilities (not to exceed 2,000 sf total), offices/lobby (not to exceed 3,000 sf total), and any and all recreational uses and facilities as permitted on Parcel A. The total area of accessory uses in Parcels D1, D2 and D3 shall not exceed in total thirty-five thousand (35,000) square feet;
 - I. Construction of accessory uses is not limited to either Zone D1, D2 or D3.
 - J. The maximum height for any structure located on Parcel D1 shall be 776 feet msl (approximately 48 feet above the maximum elevation on the tract). The maximum height for any structure located on Parcel D2 shall be 755 feet msl (approximately 26 feet above the maximum elevation on the tract). The maximum height for any structure located on Parcel D3 shall be 755 feet (approximately 26 feet above the maximum elevation on the tract).
 - K. The maximum number of stories dedicated to residential use located in Parcel D1 shall be four. The maximum number of stories dedicated to residential use located in Parcel D2 shall be two. The maximum number of stories above elevation 723 located in Parcel D3 shall be two. In addition to the residential stories, one or two parking levels may be located below the residential levels.
 - L. Surface and enclosed parking facilities may be constructed with minimum parking ratios for each use contained within Parcels D1, D2 and D3 to comply with City of Lago Vista Code as of the date of adoption of this Ordinance;

- M. Boat Launch Facilities, including ramps, appurtenances, equipment and driveways, may be constructed across Parcel D1 to provide access and ingress and egress for to-be-stored or launched personal watercraft to and from Parcel B and Parcel C.
 - N. There shall be no setback requirements in Parcels D1, D2 and D3 internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property line boundary of the project site.
5. Zoning for the Garden Areas Parcel - Parcel E:
- A. Construction in Parcel E shall comply with the zoning requirements and development standards for park zoning designation P-1B except as hereinafter modified:
 - B. The Garden Areas Parcel shall be developed only as a combination of one or more of the following uses: gardens, garden appurtenances such as gazebos and walkways, water features, driveways, entrance features, fire lanes, garbage truck access lanes, and surface parking areas limited to a maximum of 150 parking spaces.
 - C. There shall be no setback requirements in Parcel E internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property line boundary of the project site.
6. Zoning for the Cove Parcel - Parcel F:
- A. Construction in Parcel F shall comply with the zoning requirements and development standards for park zoning designation P-2 except as hereinafter modified:
 - B. The Cove Parcel shall be developed exclusively for pedestrian trails and walkways and non-structural recreational facilities such as picnic areas or volleyball. No residential living quarters or commercial or community marina or private boat docks or slips or parking areas or structural recreational facilities such as tennis courts or swimming pools shall be constructed on any portion of Parcel F. Subsurface anchoring systems required for construction of floating marina facilities located in Parcel C (the "Marina Parcel") shall be allowed in Parcel F.
 - C. No off-street parking will be required for Parcel F.
7. The City of Lago Vista shall have a public safety easement over all private streets and roadways and all easements and any greenbelts dedicated to the homeowner's association.
8. Each developed Parcel within the PDD shall be served by City of Lago Vista water and wastewater utility services. Wastewater utilities located within this Planned Development are public utilities up to the point of connection to each Tract's lot line. Water utilities are part of the public system up to the point of connection to a private service meter.
9. No street lights shall be required on private streets. Street lights shall be installed by the declarant under the to-be-formed condominium regime ("Declarant") on all new public streets constructed by Declarant, not less frequently than every

800 lineal feet. All street lights shall be downcasting type capable of dimming after 11:00 p.m.

10. Save and except in case of excavations for construction of structures, boat storage facilities and subsurface parking, cut and fill shall be limited to a maximum of 4 feet above or below grade; provided, however, that cut or fill in excess of 4 feet shall be permitted if the cut or fill slope is terraced to control erosion and sedimentation. Cut or fill in excess of 4 feet for construction of boat launching and conveyance facilities shall be permitted provided such cut or fill shall be subject to recommendations from a licensed geotechnical engineer as to safe slope stability and erosion controls.
11. No oil drilling, extraction or removal of stone, gravel, caliche, minerals, earth or other natural material for commercial purposes shall be permitted.
12. No building or other structure other than a marine structure, boat ramp or associated appurtenances may be constructed below the 681 foot mean sea level contour line of Lake Travis.
13. No barbed wire shall be allowed in the construction of any fence on the Property. Any fence, wall, hedge or other similar structure shall not exceed 6-feet in height nor be composed of a material other than 14 gauge or heavier wire or wrought iron or masonry
14. No livestock, horses or exotic animals shall be allowed on any Parcel.
16. Building Setbacks shall also serve as conservation and Non-Point Source(“NPS”) vegetative buffer strips unless otherwise designated on the Site Plan.
17. Except for conditions specifically set forth in this ordinance, the Zoning Ordinance 98-04-27-03 and other City ordinances, as amended from time to time, shall apply.
18. All of the Property shall be subject to a Critical Water Quality Zone beginning at the 681-ft contour and extending 75 feet horizontally inland.
19. Impervious cover on the property shall not exceed seventy (70) percent of the gross area of the tract located above the 681' contour.
20. The developer agrees that a fair and objective appraisal will be performed on the area currently designated as public ROW at The Peninsula property, and that the developer will pay the City of Lago Vista the value determined in this appraisal for purchase of this public ROW area.²¹ Upon approval of this PDD document, the developer agrees to commence subdivision and final platting for the subject property. The developer further agrees to submit a site plan application with construction documents to the City of Lago Vista. No issuance of building permits for the proposed project will occur without a City of Lago Vista approved Site Plan and Final Plat. The City of Lago Vista agrees that a condominium regime will be permitted on the subject property.
22. The following facilities will be open to the public:

- Residential condominiums which may be rented out as described in Section 4.D above
 - Meeting rooms including the initial 5,000 sf and any additional meetings and convention space which is added to the project
 - On-shore restaurant including bar, dining room, outdoor decks, commercial kitchen and private club
 - Floating restaurant including bar, dining room, outdoor decks, commercial kitchen and private club
 - Ship's store at the floating marina
 - Spa/beauty facilities
 - Medical offices
 - Retail facilities
 - Easements for walking on private streets, sidewalks and common areas without use of the Parcel A recreational facilities
23. The following facilities will not be open to the public but will be reserved exclusively for condominium owners/renters and their guests:
- Residential condominiums reserved for ownership only
 - Dry stack marina
 - Floating marina slips
 - Boat rentals at the floating marina
 - Parcel A recreational facilities
 - Parcel A snack bar
 - Parcel D office facilities
 - Health and exercise areas
24. The developer agrees to fund design and construction of improvements to American Drive between the project site and Boggy Ford Road including roadway overlay and widening.
25. The developer agrees to fund design and construction of all lift station improvements at the American Drive lift station site necessary to serve increased densities at the project site. The developer will also fund design and construction of a portion of the total length of force main improvements necessary to convey wastewater effluent to the City of Lago Vista's municipal wastewater treatment system.
26. The developer agrees to fund design and construction of all water line improvements along American Drive between the project site and Highland Lake Blvd necessary to serve increased densities at The Peninsula.

Section 7. Amendment of Ordinances. Ordinance No. 98-04-27-03 and Ordinance No. 00-12-14-02 are hereby amended to add the above-described Planned Development District.

Section 8. Severability. Should any section or part of this Ordinance be held unconstitutional illegal, or invalid, or the application to any person or circumstance thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions


thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this ordinance are declared to be severable.

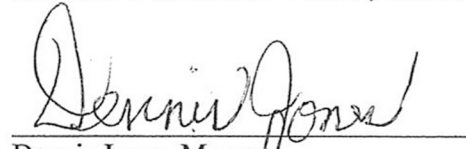
Section 9. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Tex. Gov't. Code.

PASSED AND APPROVED on this 15th day of February, 2007.

ATTEST:

THE CITY OF LAGO VISTA, TEXAS

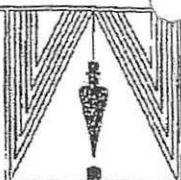

Christina Buckner, City Secretary


Dennis Jones, Mayor

On a motion by Mike Thornton, seconded by Fred Harless, the above and foregoing instrument was passed and approved.



WATSON SURVEYING
9501 CAPITAL OF TEXAS HWY.
SUITE 303 AUSTIN, TX 78759
346-8566 FAX 346-8568



FIELD NOTES FOR 40.60 ACRES OUT OF THE JAMES K. BALDWIN SURVEY (ABSTRACT NO. 609), CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, BEING COMPOSED OF A 16.84 ACRE TRACT CONVEYED TO G&G/PENINSULA, LP BY DEED RECORDED IN DOCUMENT NO. 2005114201, TRAVIS COUNTY OFFICIAL PUBLIC RECORDS (TCOPR), AND A 23.76 ACRE TRACT CALLED 23.72 ACRES IN A DEED TO G&G/PENINSULA, LP RECORDED IN DOCUMENT NO. 2005114202, SAID 40.60 ACRES BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a "X" in concrete found on the west side of a concrete electric transformer pad, at the northwest corner of said 16.84 acre tract, in the north right-of-way (ROW) line of American Drive, also the northeast corner of Lot 30001-C, A RESUBDIVISION OF A PORTION OF HIGHLAND LAKE ESTATES SECTION 26 AND HIGHLAND LAKE ESTATES SECTION 30, a subdivision recorded in Book 81, Page 35B, Travis County Plat Records, for the northwest corner hereof;

THENCE S75°36'00"E 190.00 feet, with the south ROW line of American Drive, to a ½" steel pin with plastic orange cap set at the start of a curve;

THENCE along said ROW curve to the left with chord of N78°12'56"E 118.35 feet and radius of 60 feet, to a ½" steel pin found at a southerly corner of said 23.76 acre tract, for a point on curve hereof;

THENCE along said ROW curve to the left with chord of N66°05'56"W 107.69 feet and radius of 60 feet, to a ½" steel pin found at end of ROW curve, for corner hereof;

THENCE N75°38'49"W 189.94 feet along the north ROW of American Drive to a ½" steel pin found at the westerly southwest corner of said 23.76 acre tract, also the southeast corner of Lot 30078, Highland Lake Estates Section 30, a subdivision recorded in Book 81, Page 35B, Travis County Plat Records, for westerly corner hereof;

THENCE N14°27'32"E 530.95 feet to a ½" steel pin found at the northwest corner of said 23.76 acres, also the southwest corner of a 18.23 acre tract recorded in Doc. 2003186577, TCOPR, for the northwest corner hereof;

THENCE S75°36'E 538.64 feet along the south line of said 18.23 acre tract to a submerged point in the southwest line of The Cove At Lago Vista, a subdivision recorded in Book 84, Page 163B, Travis County Plat Records, for angle point hereof;

THENCE S38°13'E 1103.20 feet to a submerged angle point in said subdivision, for angle point hereof;

THENCE S04°52'E 570.10 feet to a submerged point on the approximate north bank of the Colorado River, at the southeast corner of said 23.76 acres, for southeast corner hereof;

THENCE S85°08'W 696.96 feet along said north bank to a submerged point at the southeast corner of said 16.84 acre tract for angle point hereof;

THENCE S85°05'35"W 707.74 feet along said north bank to a submerged point at the southeast corner of a 3.356 acre tract conveyed to Vacation Villages Association, Inc. by deed recorded in Book 12607, Page 2822, TCOPR, for southwest corner hereof;

THENCE along the east line of said 3.356 acres the following 2 courses:

- 1) N04°51'08"W 843.32 feet to a $\frac{1}{2}$ " steel pin found, for angle point,
- 2) N14°25'32"E 205.77 feet to a $\frac{1}{2}$ " steel pin found at the northeast corner of said 3.356 acre tract, for angle point hereof;

THENCE N14°21'58"E 69.15 feet along the east line of said Lot 30001-C to the POINT OF BEGINNING, containing 40.60 acres of land.

Surveyed 1 September 2005 by:


Stuart Watson, RPLS 4550





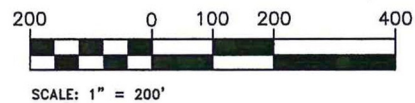
	APPROXIMATE SIZE
Ⓐ RECREATION AREA PARCEL	1.0 Ac.
Ⓑ DRY BOAT STORAGE FACILITY PARCEL	0.8 Ac.
Ⓒ MARINA PARCEL	11.6 Ac.
Ⓓ CONDOMINIUM PARCELS	6.0 Ac.
Ⓔ GARDENS PARCEL	4.3 Ac.
Ⓕ COVE PARCEL	16.9 Ac.

AREAS SUBJECT TO CHANGE FOR FINAL DESIGN AND GRADING.

THE PENINSULA
PDD ZONE MAP
JANUARY, 2007

**LOOMIS
AUSTIN**

ENGINEERING, LAND SURVEYING &
ENVIRONMENTAL CONSULTING
3103 Bee Cave Road • Suite 225 • Austin Texas 78746
Phone: (512) 327-1180 • Fax: (512) 327-4062 • www.loomisaustin.com



- D. All development of marinas and boat docks shall be subject to approval by the Lower Colorado River Authority.
- E. Condominium Marina or Boat Docks shall mean any type of floating marina facility or boat dock as defined by the LCRA in which individual permanent floating slips are owned or available for sale or lease to individual owners of The Peninsula condominiums project only and in which common areas such as roofs, gangways, decks, anchoring facilities, and other appurtenances are owned and maintained by the Condominium Owners Association or other similar such entity.
- F. Boat rental to the to the public at large is an approved use to be located in Parcel C.
- G. The Condominium Marina and Boat Docks shall be limited to a combined maximum of fifty (50) permanent wet slips plus the number of courtesy slips and tie-up docks appropriate for operation of the dry boat storage facility, an on-the-water restaurant, if constructed, and a boat rental facility but under no circumstances to exceed ninety-six (96) total wet slips and tie-up locations.
- H. The Condominium Marina Parcel may include development and construction of a ship's store and a floating restaurant not to exceed 3,500 square feet in size.
- I. The playing of music associated with operation of the floating restaurant shall be restricted based on applicable City of Lago Vista curfew and City code requirements. The playing of amplified music outdoors is prohibited after 10:00 p.m.
- J. There shall be no marine fueling facilities constructed in Parcel C.
- K. No more than one (1) restaurant, including restaurants serving alcoholic beverages, may be constructed at the floating marina facility. This restaurant may be open to the general public.
- L. A floating Ship's Store may be constructed in Parcel C.
- M. Development and construction of boat launch facilities, including ramps, appurtenances, ancillary mechanical equipment, and access driveways to provide ingress and egress to Lake Travis for watercraft shall be permitted on Parcel C.
- N. There shall be no setback requirements in Parcel C internal to the project boundaries or between parcels except that there shall be a 25' building setback from the western property line boundary of the project site.

4. Zoning for the Condominiums Parcels - Parcels D1, D2 and D3:

- A. Construction in Parcels D1, D2 and D3 shall comply with the zoning requirements and development standards for zoning designation CR/Condominiums except as hereinafter modified:
- B. All building exterior materials shall be limited to white limestone rock; or masonry coverage unless otherwise approved by the City Council.
- C. The Condominium Parcels shall be developed only as any one or a combination of the following uses: residential condominiums, including privately owned or leased units; accessory uses as defined

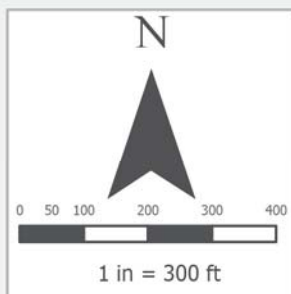
- and limited in Item H below; and any and all uses specified in Parcel E including parking except as limited in Item 4.L below;
- D. A maximum of two hundred and twenty-five (225) units may be constructed on the combined areas of Condominium Parcels D1, D2 and D3;
- E. All combined construction of residential and accessory uses on Parcels D1, D2 and D3 shall be subject to a maximum aggregate of two hundred and seventy thousand (270,000) square feet of heated and air-conditioned space not including the dry stack boat storage facility. If future market conditions warrant an increase in the size of the meeting and conventions facility over and above the 5,000 square feet minimum starting size, the final maximum size of the meetings and conventions facility will be up to 20,000 square feet and the final maximum size of the entire heated and air conditioned space collectively on the Condominiums Parcels, excluding the dry stack boat storage facilities, will not exceed two hundred and eighty-five thousand (285,000) square feet.
- F. Up to thirty percent (30%) of the condominiums may consist of rental units, which, when leased nightly, weekly or monthly for a term of less than thirty days, will be subject to applicable hotel occupancy taxes due the City of Lago Vista from such use;
- G. There shall be no use of any condominium units as time share properties.
- H. Accessory uses shall be permitted on the Condominiums Parcels as follows: meeting room (no less than 5,000 sf total and no more than 20,000 sf total), one restaurant/bar/commercial kitchen/dining room/private club (not to exceed 6,000 sf total), health and exercise facilities (not to exceed 2,000 sf total), spa/beauty and retail shops (not to exceed 2,000 sf total), medical facilities (not to exceed 2,000 sf total), offices/lobby (not to exceed 3,000 sf total), and any and all recreational uses and facilities as permitted on Parcel A. The total area of accessory uses in Parcels D1, D2, D3, and B shall not exceed in total thirty-five thousand (35,000) square feet;
- I. Construction of accessory uses is not limited to either Zone D1, D2 or D3.
- J. The maximum height for any structure located on Parcel D1 shall be 776 feet msl (approximately 48 feet above the maximum elevation on the tract). The maximum height for any structure located on Parcel D2 shall be 755 feet msl (approximately 26 feet above the maximum elevation on the tract). The maximum height for any structure located on Parcel D3 shall be 755 feet (approximately 26 feet above the maximum elevation on the tract).
- K. The maximum number of stories dedicated to residential use located in Parcel D1 shall be four. The maximum number of stories dedicated to residential use located in Parcel D2 shall be two. The maximum number of stories above elevation 723 located in Parcel D3 shall be two. In addition to the residential stories, one or two parking levels may be located below the residential levels.

23-2314-PDD-MOD

Existing “Peninsula PDD” Amendment

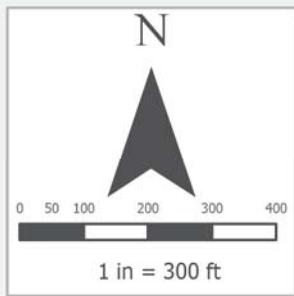
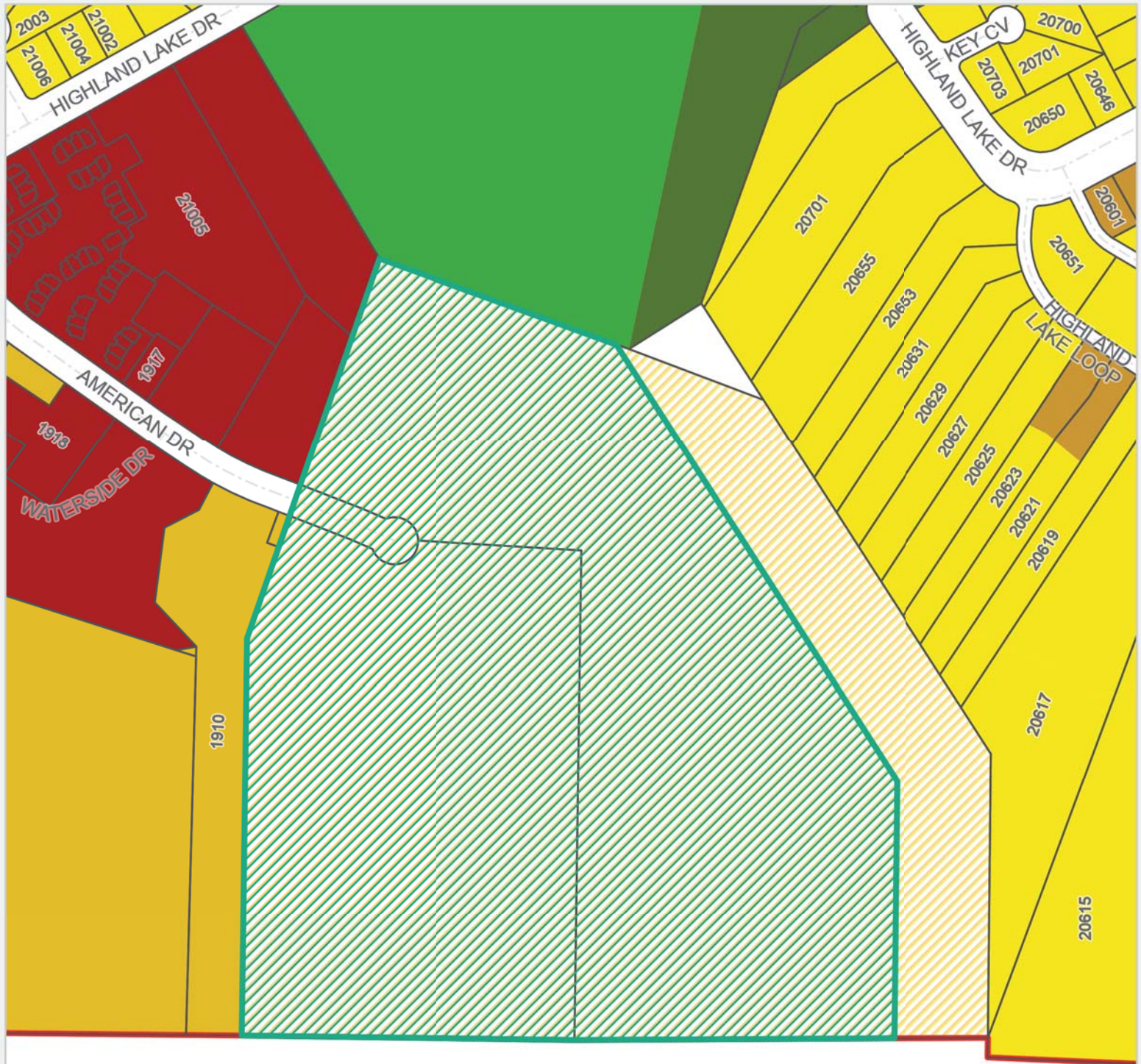
Attachment 4

Maps



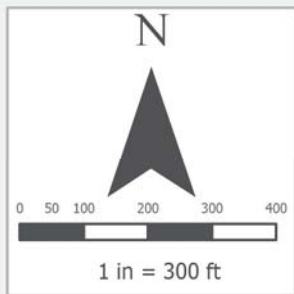
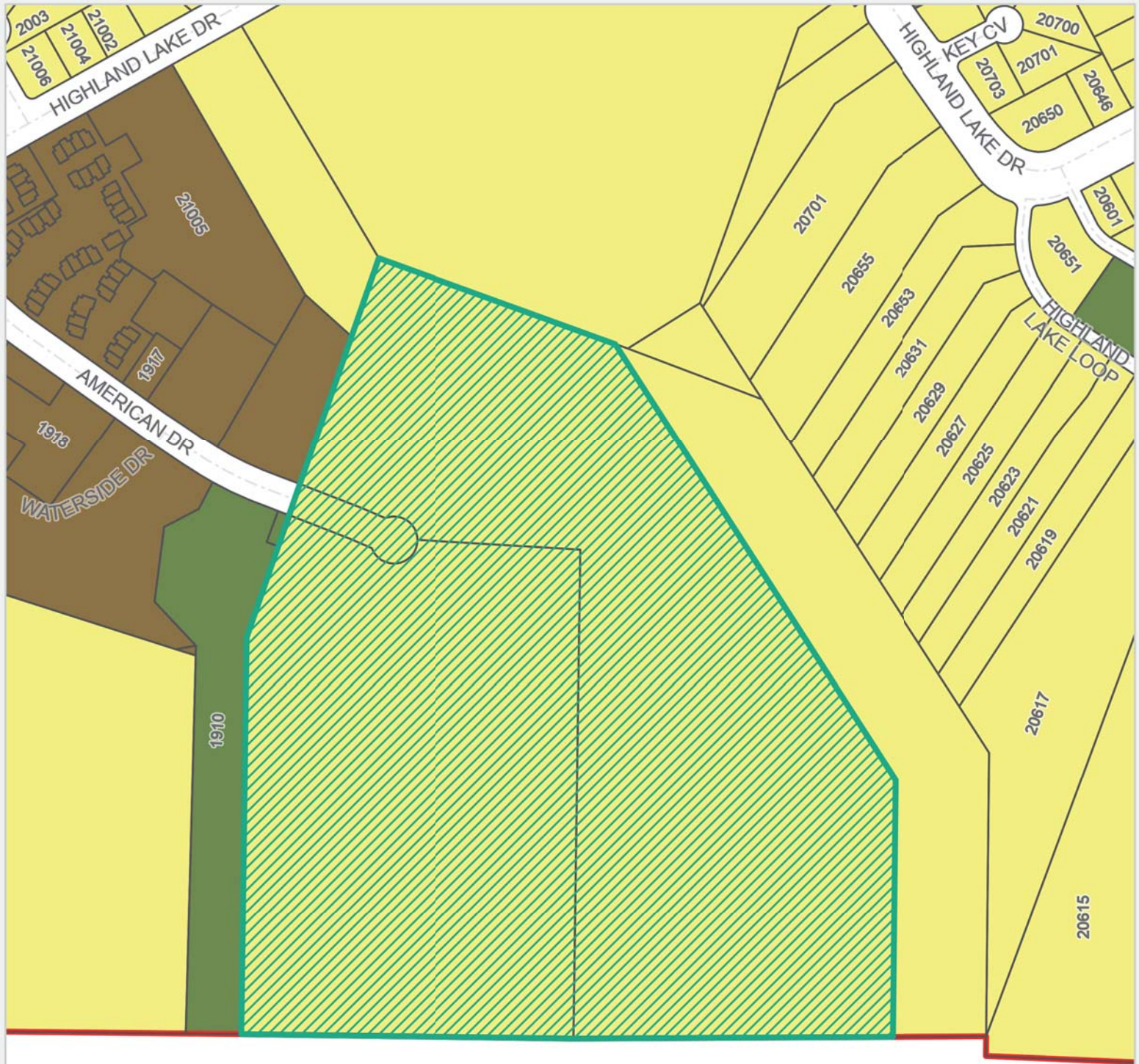
1900 American Drive			
Request Type	Existing PDD Amendment	Project	23-2314-PDD-MOD
Change Request	Amend Permitted Uses	Date	01/24/2023
Map Type	Aerial Image and Topography	Drawn By	RJambor
This document is for information purposes only and is not suitable for use as the basis for a legal description or project design. It represents only the approximate location of property boundaries rather than information obtained from a field survey.			

Contours	
	10 ft
	50 ft
	Street
	Project Area
	TaxParcel
	City Limits



1900 American Drive			
Request Type	Existing PDD Amendment	Project	23-2314-PDD-MOD
Change Request	Amend Permitted Uses	Date	01/24/2023
Map Type	Existing Zoning Districts	Drawn By	RJambor
This document is for information purposes only and is not suitable for use as the basis for a legal description or project design. It represents only the approximate location of property boundaries rather than information obtained from a field survey.			

— Street	G-1
▬ Project Area	P-1A
▭ Tax Parcel	P-1C
⬮ City Limits	PDD
Zoning Districts	
■ CR	■ R-1C
	■ R-1G
	■ R-2



1900 American Drive			
Request Type	Existing PDD Amendment	Project	23-2314-PDD-MOD
Change Request	Amend Permitted Uses	Date	01/24/2023
Map Type	Future Land Use	Drawn By	RJambor
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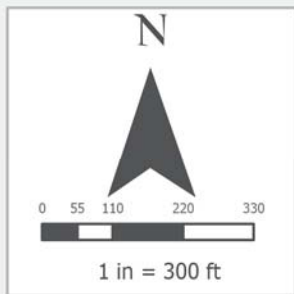
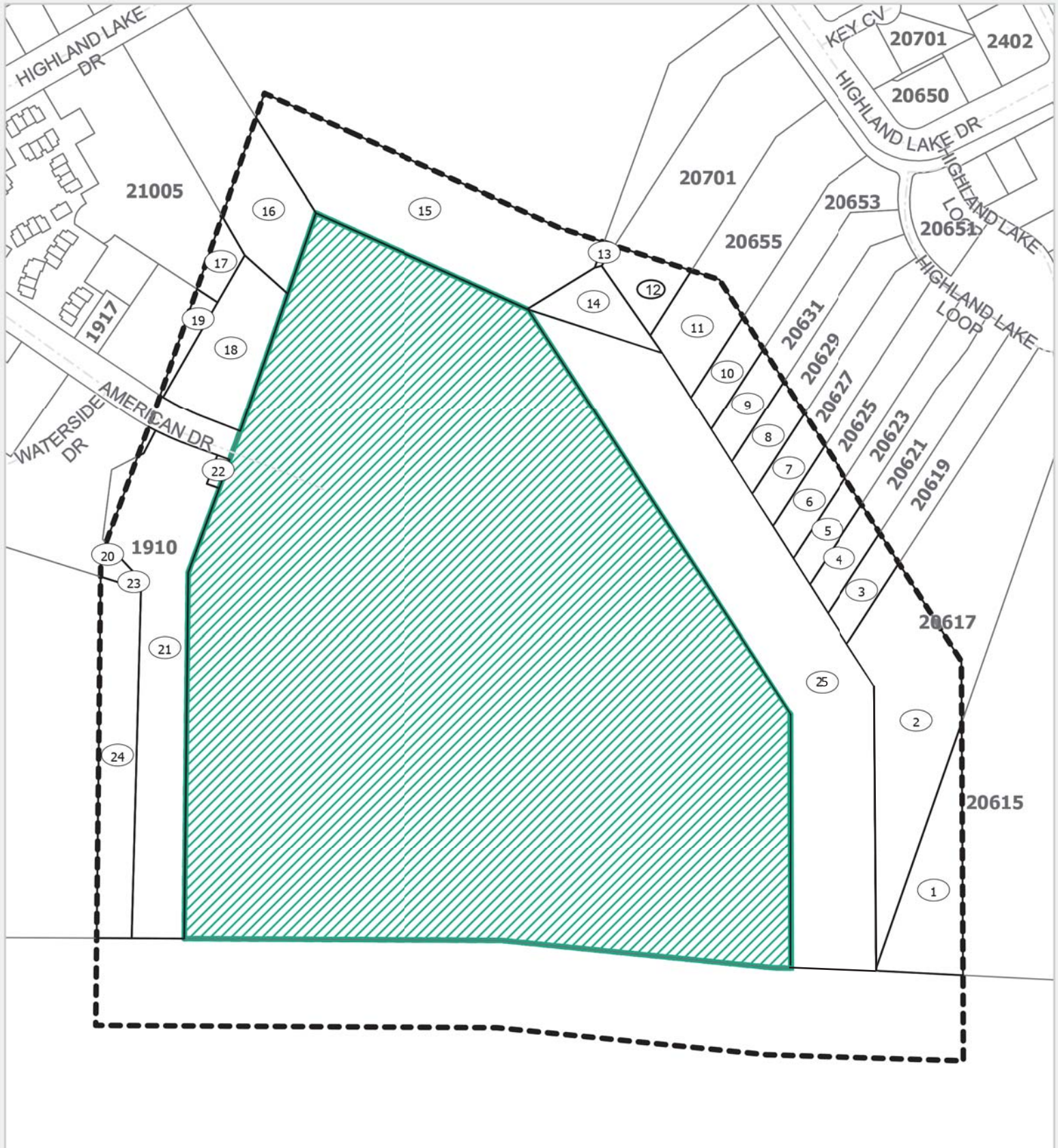
Street
Project Area
TaxParcel
City Limits
High Density Residential
Low Density Residential
POA Park

23-2314-PDD-MOD

Existing “Peninsula PDD” Amendment

Attachment 5

Notice Comments



1900 American Drive			
Request Type	Existing PDD Amendment	Project	23-2314-PDD-MOD
Change Request	Amend Permitted Uses	Date	01/24/2023
Map Type	Notification Boundary	Drawn By	RJambor
This document is for information purposes only and is not suitable for use as the basis for a legal description or project design. It represents only the approximate location of property boundaries rather than information obtained from a field survey.			

Requestor Property

200ft Notice Boundary

Street

Tax Parcels (TCAD)



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 2

January 25, 2023

PIASECKI RICHARD F & JILL C
LIVING TRUST
20617 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☐ In Favor; ☒ Opposed

Comments:

see attached

Signed:

John Rich Piasecki

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.

The Peninsula Project, 1900 American Drive, Lago Vista, TX

Project # 23-2314-PDD-MOD

We are **OPPOSED** to Applicant's requested amendment to the existing PDD known as 'The Peninsula'.

The "**MINOR**", "**SMALL**", "**STRAIGHT-FORWARD**" change requested by Applicant is anything but minor, small and straight-forward. What was touted by the original applicant back in 2007-2008 --- an upscale amenity-rich condominium complex --- and again in 2021 by this Applicant --- upscale market-rate condominiums, health club, marina and other amenities making Lago Vista an 'eco-chic alternative in the housing market' --- will be reduced to a stripped-down version of one- and two-bedroom units if allowed to be re-zoned for apartments. (Applicant has declined to provide information on market-rate until they complete their studies but is requesting this amendment nonetheless.) The listed amenities in the existing PDD simply don't jive with an apartment complex. The character and use of the property will be totally changed.

This request to amend the PDD to add "apartments" and delete "STR" in lieu of "LTR" is a smoke screen and not the real issue at hand. This is not about STR vs. LTR. I sincerely doubt that the Applicant is concerned about what is "right for the community" (words of Dave Rulien/SGB). Condos and apartments may be the same under the zoning ordinance, but they are very different animals. It goes much deeper than Mr. Jambor said --- having a "unit above you" as opposed to a townhouse. We are talking about owner vs. renter and the ramifications thereof.

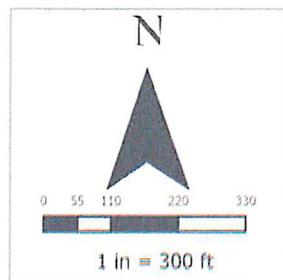
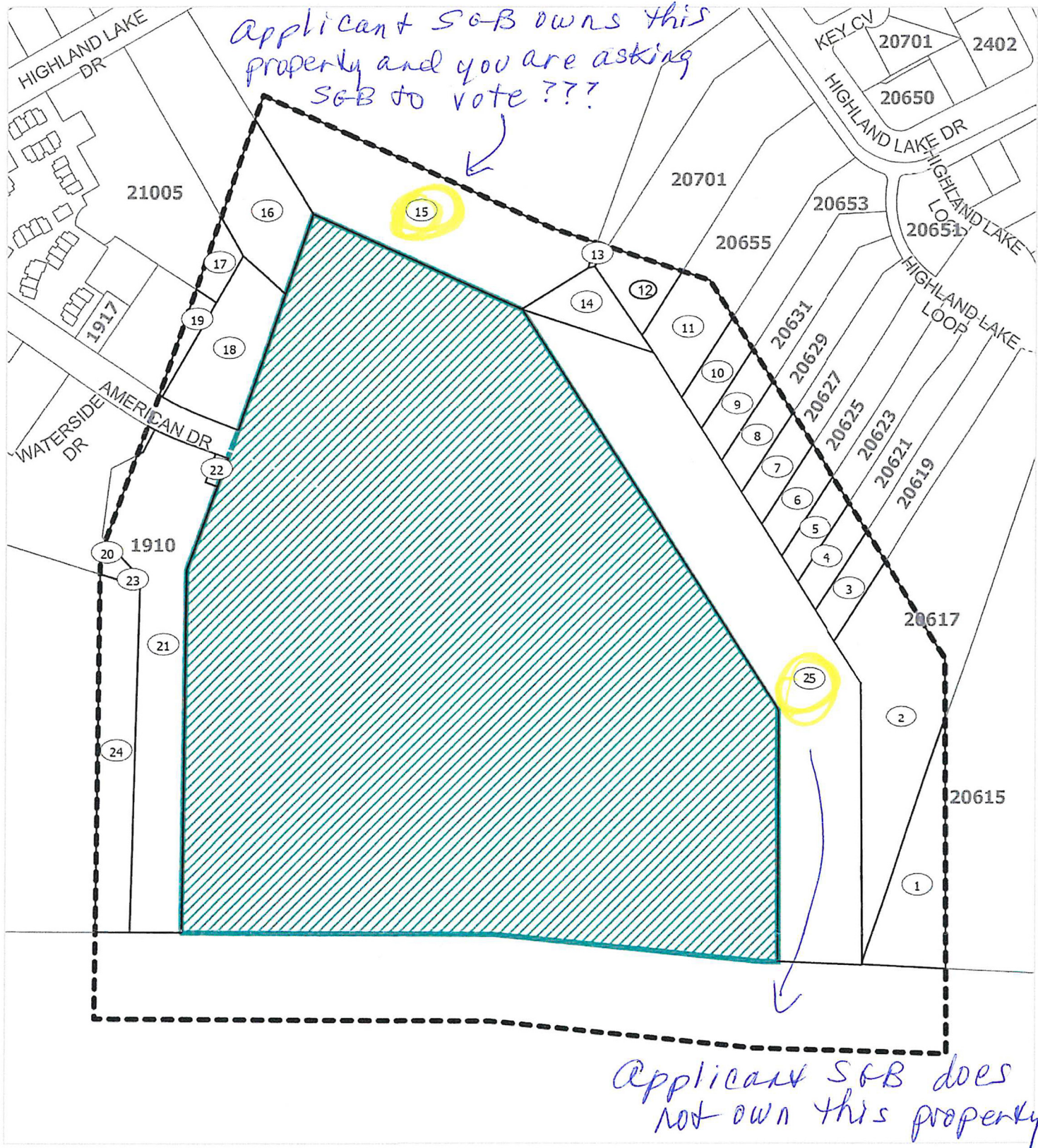
This property and its incredible location deserve better.

Thank you for listening.



Jill & Rich Piasecki

Notification Mailing ID #2



1900 American Drive

Request Type	Existing PDD Amendment	Project	23-2314-PDD-MOD
Change Request	Amend Permitted Uses	Date	01/24/2023
Map Type	Notification Boundary	Drawn By	RJambor

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- Requestor Property
- 200ft Notice Boundary
- Street
- Tax Parcels (TCAD)



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 3

January 25, 2023

KARR GEORGE K IV & KAREN M
20619 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

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Phone Number: 512-267-5259

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☐ In Favor; ☒ Opposed

Comments:

would like owners that are vested in the community rather than renters with no investment in keeping the property nice over the long term.

Signed:

[Signature] Lot 13 the Cove

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 4

January 25, 2023

YATES JOHN T
20621 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

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☐ In Favor; ☒ Opposed

Comments:

see attached letter

Signed:

John Yates

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.

Feb 5, 2023

Development Services And the Planning & Zoning Committee

Re 23-2314-PDD-MOD, The Peninsula

To whom it may concern:

I am a long term Lago Vista Resident, since August 2001.

I am against the current Zoning request in front of the P&Z Commission.

First the Developer has it listed for sale, The City should not grant zoning adjustment to allow a developer merely a greater sales profit. SGB purchased years ago and has nothing to improve the property. The city is responsible to its citizens not Developer Profits.

Second this property is worth more than being just a rental place. We should ensure private ownership in an effort to help ensure the property is maintained.

Third, We still haven't seen the traffic or fire impact study. American can not handle the traffic the their isn't really a road between Highland Lake Drive and the Peninsula, Its more of a parking lot.

Fourth the property has minimal buildable acreage. Attached is a photo of the property during the 2018 flood.



Sincerely

John Yates
John Yates

20621 Highland Lake Loop



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 5

January 25, 2023

SMITH WELTON C & NANCY L FOSTER SMITH
20623 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

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E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

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☐ In Favor; ☒ Opposed

Comments: *Reasons to appose:*
1. Lower property values *4. Destruction of roads*
2. Additional crime. *to Peninsula.*
3. more noise *5. Breaks our view of the lake*
Signed: *Nancy L. Smith* *6. Probably will have open*
Welton C. Smith *door of renters and*
This whole page may be returned as follows: *of owners.*

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box
4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall
5803 Thunderbird St.



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 7

January 25, 2023

DUNLAP KAREN JOLENE &
PECK WAYNE CODY
20627 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

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Phone Number: 512-267-5259

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☐ In Favor; ☒ Opposed

Comments:

Why not wait to see what the new owner wants to do. They may be opposed to this change. We don't think this additional change to the 2007/2008 PDD adds any value.

Signed:

Karen Jolene Dunlap & Wayne Cody P

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.

Feb. 8, 2023

City of Lago Vista
Development Services
Planning and Zoning Committee

Re: Project 23-2314-PDD-MOD

Hearing Date and Time: Thursday, Feb. 9, 2023 at 6:30 PM

Project Property Location: 1900 American Drive

200' Notification Mailing ID: 8 **Verified**

Richard and Julie Wolf / 20629 Highland Lake Loop

Regarding item #5 on the P&Z agenda of Feb. 9, 2023

5. 23-2314-PDD-MOD: Consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

As a property owner within the 200 foot radius of the proposed zoning change – we are **OPPOSED** to this request.

We are long term residents of Lago Vista, having lived at our residence for over 20 years.

We have seen many PDD proposals / modifications for the subject property 'The Peninsula' over the years. We are **OPPOSED** to the current request to modify the PDD.

Per my understanding, SGB wants to allow apartments instead of being restricted to condominiums. In my research the primary difference comes down to ownership. Apartments are never "owned" by the residents, they are owned by corporations. This would certainly change the resulting development - which was originally marketed as an upscale amenity rich condominium complex - complete with health spa, marina, restaurants and other amenities to make it a destination on the north shore of Lake Travis.

The Peninsula PDD has undergone revision after revision. Each time a new owner comes into play, there are changes. SGB has tried to sell this property multiple times since they withdrew their original PDD modification / application and abruptly left the City Council meeting on Aug. 5, 2021. Currently SGB has this property set to be auctioned off.

I believe we should spare Planning and Zoning, the City Council, and residents of Lago Vista the extra work and confusion that will be added to an already multi-layer of changes in this PDD. It will certainly be modified again once the auction has been completed and there is a new owner. Let the new owner come up with their vision for the property and make application for amendment as they see appropriate.

Regards,

Julie and Richard Wolf / 20629 Highland Lake Loop / Lago Vista, TX



Notice of Public Hearing

Project #: 23-2314-PDD-MOD

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 10

January 25, 2023

LADNER GARY L & LYNDIA S
20653 HIGHLAND LAKE LOOP
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

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Phone Number: 512-267-5259

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☐ In Favor; ☒ Opposed

Comments:

We do not think that this change is necessary. The current owner has made it known that they plan to sell the property. Last notice in The American Statesman says an on-line auction will happen in the near future. Why not wait to see what the next owner wants? This does not have to be added to the 2007/2008 PDD to muck more things up. It adds no value.

Signed: Lyndia S Ladner Gary L Ladner

This whole page may be returned as follows:

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In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Notice of Public Hearing

Project #: **23-2314-PDD-MOD**

Hearing Date and Time: Thursday, February 9, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 1900 American Drive (a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.)

200' Notification Mailing ID: 18, 19, 20, 21

January 25, 2023

VACATION VILLAGES ASSOCIATION
% VACATION RESORTS
25510 COMMERCE CENTRE DR # 100
LAKE FOREST, CA 92630

The Planning and Zoning Commission will make a consideration of a recommendation regarding a requested amendment to the existing Planned Development District (PDD) approval known as "The Peninsula" regarding the list and description of permitted uses for the "Condominiums Parcels." The property is commonly referred to as 1900 American Drive and a legal description of the 40.60-acre tract under consideration is available upon request from the City of Lago Vista.

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☐ In Favor; ☒ Opposed

Comments: Please see the attached letter.

Signed: 

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box
4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall
5803 Thunderbird St.



February 25, 2023

Dear Mayor and Lago Vista City Council Members:

The Board of Directors for the Shores at Lake Travis represent 2,346 owners for a Homeowner's Association timeshare property that has been in existence for 40 years. The Shores would be the closest neighbor to the proposed project and the most impacted as the Association property and living units are situated on both sides of American Drive immediately west of the proposed development. The Board is unanimously opposed to the proposed PDD modifications of the existing ordinance.

Chelsea Sibiglia is the Manager for the Shores at Lake Travis representing The Shores at Lake Travis HOA and is authorized to speak or send communications on our behalf.

Jeff Scruggs

President

Shores at Lake Travis Homeowners Association

Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Roy Jambor, Development Services

SUBJECT: The Lago Vista City Council will hold a public hearing and consider a conditional use application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence on Lot 1901A of Lago Vista Estates, Section 6, commonly referred to as 7503 White Oak Drive.

BACKGROUND: Immediately following this summary is a packet that includes a staff report that describes the discussion and recommendation of the Planning and Zoning Commission following the public hearing related to this request at their meeting on January 12, 2023. There was a delay as a result of the time it took the applicant to make the corrections required by the Planning and Zoning Commission as a condition of their recommendation. Two of the five members in attendance at that meeting preferred a deferral to allow the Commission to first review and approve the amended application documents.

Despite the apparent simplicity of the corrections, the hesitancy by the two members who preferred a deferral was seemingly justified. After almost two months of repeated requests and identification of remaining errors, we received some of the desired information and corrections. The plans for a driveway to the proposed new accessory building have been abandoned or delayed and it no longer appears on the proposed site plan. Nonetheless, all three existing accessory structures are indicated as being removed.

However, the maximum permissible height of the proposed accessory building remains a source of confusion by whoever prepared the submittal documents. In addition, no dimensions were added to building elevations to clarify the intent.

Inaccurate notes asserting that the proposed accessory building could be as much as 18 feet in height above the highest existing grade elevation on the property remained on the site plan.

Instead, the height of the accessory building cannot exceed the height of the principal residence which is only 9.1 feet above the highest point on the lot despite having a height of 28.9 feet to the highest ridge above the finish first floor elevation.

Fortunately, the location of the proposed accessory building has a similar grade elevation as the principal residence and is clearly drawn less than 28.9 feet in height, despite the absence of exact dimension. As such, the staff corrected the drawings to accurately reflect the ordinance limitations and the recommendation of the Planning and Zoning Commission.

The revised site plan is distinguishable by its descriptive title in the packet.

Ordinance No. 23-03-02-03 provides that this same type of relief will require a special exception approval from the Board of Adjustment going forward. Similar applications will therefore not appear on future City Council agendas, although a more limited number of conditional use approvals remain, such as carports and home-based businesses. Although incomplete, this application was submitted on September 9, 2022, well before the effective date of the recent ordinance amendment.

FINANCIAL IMPACT: N/A

ATTACHMENTS:

[7503 White Oak Drive Conditional Use - Packet.pdf](#)

**LAGO VISTA CITY COUNCIL
STAFF LAND USE REPORT – MARCH 16, 2023**



P&Z CASE NO:	22-2275-CO-U: 7503 White Oak Drive
APPLICANT:	Mark G. and Sharon G. Lyell
LANDOWNER:	Same
LOCATION:	East side of street ± 275 feet north of Oak Hill Lane
ZONING:	R-1D ("Single-Family Residential")
PROPOSED USE:	Accessory building with excessive floor area

PLANNING AND ZONING COMMISSION DISCUSSION AND RECOMMENDATION:

- As apparent in the Planning and Zoning Commission staff report, there was a lot of confusion related to this application as submitted. The most significant ambiguity related to the fact that the submitted site plan showed a much larger existing residence than was indicated on the survey that was also submitted. That larger residence appeared to be identical to a significant addition to the residence that permitted, but never executed. If those improvement had been constructed, this approval would not even be required as the total floor area would have easily exceeded 2,400 square feet (twice the size of the currently proposed accessory building).
- There was also a lot of missing and apparently inaccurate or erroneous information related to both the height of the existing residence and the proposed height of the accessory building. Quite simply the information and drawings contained contradictory information that was apparent despite the lack of precise dimensions.
- The final source of confusion related to the existing accessory structures already on the property that represent a likely violation and would clearly create a violation if not prior to the completion of the proposed accessory building. Similarly, the site plan included a driveway that would appear to displace at least some of those existing accessory structures, despite the lack of an explicit note indicating that they were to be removed as part of the proposed improvements.
- The Planning and Zoning Commission recommended approval of an accessory building with a maximum of 1,200 square feet of floor area, and a height that is less than both the existing principal residence and the maximum height permitted by the zoning ordinance in Table A (18 feet above the highest existing grade elevation on the property. However, that recommendation was conditioned upon the staff receiving complete and unambiguous updated documents before forwarding the request to the City Council. Two of the five members present at the meeting instead preferred a deferral to allow the Commission to first review and approve the amended documents. The remaining three members nonetheless prevailed.

POTENTIAL ALTERNATIVE DECISIONS:

- A. Approve the conditional use for an accessory building that has a floor area of 1,200 square feet subject to a requirement that the maximum height of the building does not exceed the limits prescribed in Table A of Chapter 14 or the height of the existing principal residence.
 - B. Defer consideration of the application pending receipt of completely accurate and unambiguous site plans, height data, and building elevations.
 - C. Deny the conditional use for an accessory building that has a floor area greater than one-half of the floor area of the principal residence.
-

**LAGO VISTA PLANNING AND ZONING COMMISSION
STAFF LAND USE REPORT – JANUARY 12, 2023**



P&Z CASE NO:	22-2275-CO-U: 7503 White Oak Drive
APPLICANT:	Mark G. and Sharon G. Lyell
LANDOWNER:	Same
LOCATION:	East side of street ± 275 feet north of Oak Hill Lane
ZONING:	R-1D ("Single-Family Residential")
PROPOSED USE:	Accessory building with excessive floor area

GENERAL INFORMATION / LOCATION:

- White Oak Drive is a street west of Lohman Ford Road that forms a circular loop that extends north from Ridgeview Road. The centerline distance between the origin and termination of White Oak Drive on Ridgeview Road is approximately 900 feet. The subject property is in the northeast quadrant of this loop, north of Oak Hill Lane which is the nearest intersecting street. An amended subdivision plat was approved in 1990 that combined two former lots at this location. The distance between the centerline of the Oak Hill Lane and the centerline of the subject property is approximately 275 feet.
- The applicant seeks approval to construct a detached accessory building with a floor area that exceeds fifty percent of the floor area of the principal residence. The proposed 1,200 square foot accessory building appears intended to include the storage of vehicles or watercraft. The application form that was submitted suggests that the floor area of the existing residence is approximately 1,400 square feet on a 1.43-acre lot. It also promises to obtain "approval signatures from all adjacent neighbors, which is not a requirement for this application.
- However, the application includes quite a bit of ambiguous and potentially contradictory information about the height of the proposed accessory building and the height of the existing residence. Although the staff has no reason to assume that a special exception for additional height will be required, the current application does not include enough reliable information to support that conclusion. As a result, an email was sent requesting the applicant to commit to providing more reliable height information as a prerequisite to the required notices. No additional information has been received pursuant to that request.

SITE PLAN / CONTEXT CONSIDERATIONS:

- The survey of the property completed in 2021 identifies the high point of the lot as 873.20 feet above mean sea level (MSL). The proposed new site plan includes information about the maximum height permitted by the zoning ordinance on this property (888.20 feet above MSL). It also includes some information about the height of two distinct buildings, which are presumably the existing residence and the proposed accessory building. Unfortunately, it does not clarify what information is associated with each building. The ordinance prescribes that the accessory building must not exceed the maximum height permitted by the zoning ordinance or the height of the principal residence, absent a special exception approval for the additional height.
- While the information provided suggests that the height of both buildings will be similar, there are also reasons to question whether that information is accurate. The principal residence is a two-story structure that was remodeled with an addition in 2019. The original second floor living area is accommodated within the confines of a steeply pitched gable roof. The Travis County Appraisal District confirms that assumption by noting that the living area on the second level is only slightly more than half the size of the first floor living area. Although the addition is likely excluded, they estimated that the residence previously consisted of approximately 1,796 of floor area, distinguished from the living area by including all covered areas. This suggests that the building with a roof height 28.9 feet above the first floor level is the principal residence and is taller than the proposed accessory building as required by the ordinance, absent a special exception approval.

- However, the information on the site plan about the second building, presumably the proposed accessory building, indicates that it has a roof that is 26.1 feet above the first floor level. The commitment to provide information showing the height of the roof above the first floor level remains outstanding. In addition, the building elevations add to the confusion instead of helping to resolve it.
- Those building elevations include an indication that the plate height of the accessory building is 12 feet above the first floor level. While there is no dimension to the top of the roof provided, it is apparent (if the drawing is to scale as required) that the height of the roof framing is at least two feet less than the height of the supporting walls. That would lead to the conclusion that the proposed accessory building will have a height that is no greater than approximately 22 feet in height. The information on the site plan instead asserts that the shorter of the two buildings is 26.1 feet in height above the first floor level, a discrepancy of almost 20 percent.
- The building elevations do not indicate the roof pitch of the proposed accessory building, although it is clearly less steep than the roof on the principal residence that accommodates a second living area. This would tend to confirm the accuracy of the building elevations and the inaccuracy of the height information on the site plan.

RELEVANT ORDINANCE PROVISIONS / COMPREHENSIVE PLAN CONSIDERATIONS:

- HB 2439 of the 2019 Texas legislature prohibits the City from enforcing regulations that restrict the use of building materials or construction methods that are otherwise permitted by the adopted model building codes. However, the failure to include any of that information on the building elevations can be problematic. In addition to a similar roof pitch (adequate in this case), the color of both the roof and façade of the accessory building must resemble those on the principal residence in accordance with Section 6.10(b)(5)(C) of Chapter 14.
- When the proposed accessory building is to be a pre-engineered “metal building,” compliance can require additional effort which has been ignored in the recent past as the color selections are typically more limited. Although redundant and arguably unnecessary, the staff would nonetheless encourage the Commission to seek confirmation of the construction methods and materials of the accessory building and to specify the colors as including a dark grey roof and beige siding.
- The 2021 survey includes an indication of three existing accessory structures consisting of a “steel carport, a “steel shipping container,” and a wooden shed. There are no records of any of these being permitted although the wooden shed might be exempt from that requirement if it has an area less than 30 square feet. Section 6.10(b)(1) of Chapter 14 also prohibits more than two accessory structures larger than 30 square feet. As the proposed new site plan does not show any of these accessory buildings, they will presumably be removed, and any potential violations resolved.
- However, that same survey shows a very substantial rectangular area very near the northwest property line shared by the adjacent lot (notification ID 6). The staff was able to determine that this is an indication of clearing and site work that was begun in anticipation of an accessory building permit that was denied in early 2021 because it was also larger than 50 percent of the floor area of the principal residence. Photographs of that work were taken by the code enforcement official and included in the records of that permit application. While that application was for an accessory living quarters (described by the applicant as a “mother-in-law suite”), the current proposed accessory building appears to be in a similar location, although noticeably smaller.
- While that application was denied because it exceeded more than 50 percent of the floor area of the principal residence, it is less clear that the current application is required. As noted above, the application form submitted asserts that the existing residence includes approximately 1,400 square feet. However, the 2019 permit for additions and renovations to the existing residence suggest that that it includes 1,946 square feet of living area and a total floor area of 2,906 square feet.

POTENTIAL ALTERNATIVE RECOMMENDATIONS:

- A. Defer consideration of a recommendation regarding the conditional use approval pending the previously promised information regarding building heights and an accurate computation of the total floor area of the existing principal residence.
 - B. Recommend denial of the conditional use approval as:
 - 1. it is not required since the proposed accessory building does not exceed fifty percent of the floor area of the existing principal residence; and
 - 2. this application cannot resolve any height related issues.
 - C. Recommend approval of the conditional use for an accessory building that has an area of 1,200 square feet subject to a requirement that the maximum height of the building does not exceed the limits prescribed in Table A of Chapter 14 or the height of the existing principal residence.
-

22-2275-CO-U
7503 White Oak Drive

Attachment 1

Application



CITY OF LAGO VISTA

Conditional Use Permit

Conditional Use Permit Fee: \$250.00

Applicant Information:

Name: Mark & Sharon Lyell

Address: 7503 White Oak Drive, Lago Vista TX 78645

Telephone #: 512-576-3000

E-mail: sharon@lyellco.com

Date of Application: 09/21/22

Signature: *Sharon Lyell*

Request:

Conditional Use Permit is being sought for: Accessory Building exceeding 50% of primary residence size. Detached garage 1200sq ft, primary residence ~1400sq ft. Will get approval signatures from all adjacent neighbors. Lot is 1.43 Acres

Legal Description: 1901A - Resub of lots 1901 & 1902 Section 6
Lago Vista Estates

(Subdivision) (Section) (Lot)


Please attach a to-scale drawing of the improvements that would be provided.

Re: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

Sharon Lyell <sharon@lyellco.com>

Mon 12/12/2022 7:29 PM

To: Roy Jambor <Roy.Jambor@lagovistatexas.gov>

 2 attachments (189 KB)

LYELL NEW DETACHED GARAGE - FLOOR PLAN & ELEVATIONS.pdf; Project1 - Sheet - A101 - LYELL SURVEY.pdf;

Hi Roy,

Here is the drawing "Project 1" which shows the existing residence with elevations and the garage detail. The garage roof pitch is 7/12 so the ridge height is 12 plus 8.5' to the peak, 2-.5' total. Well under the limit of height. Please let me know if you need anything else and I will get it for you. Or if you want me to upload these drawings on the portal "mygovernmentonline". Thank you for your help.

Sharon Lyell

512-576-3000

www.lyellco.com

sharon@lyellco.com

From: Roy Jambor <Roy.Jambor@lagovistatexas.gov>

Sent: Thursday, December 8, 2022 1:15 PM

To: Sharon Lyell <sharon@lyellco.com>

Subject: RE: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

No this is fine. I will send the ad.

Roy Jambor, AICP/PA
Director of Development Services
City of Lago Vista, Texas

Please take note of the new email address

roy.jambor@lagovistatexas.gov



From: Sharon Lyell <sharon@lyellco.com>

Sent: Thursday, December 8, 2022 1:13 PM

To: Roy Jambor <Roy.Jambor@lagovistatexas.gov>

Subject: Re: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

Yes you have my commitment, do I need to do something other than this email?

Sharon Lyell

512-576-3000

www.lyellco.com
sharon@lyellco.com

From: Roy Jambor <Roy.Jambor@lagovistatexas.gov>
Sent: Thursday, December 8, 2022 1:04 PM
To: Sharon Lyell <sharon@lyellco.com>
Cc: Alice Drake <Alice.Drake@lagovistatexas.gov>
Subject: RE: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

No problem. I just need your commitment right now (so I can run the ad).

Roy Jambor, AICP/PA
Director of Development Services
City of Lago Vista, Texas

Please take note of the new email address
roy.jambor@lagovistatexas.gov



From: Sharon Lyell <sharon@lyellco.com>
Sent: Thursday, December 8, 2022 1:02 PM
To: Roy Jambor <Roy.Jambor@lagovistatexas.gov>
Subject: Re: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

yes sir, I will get you those before Monday, I think I already have all of that, I am just at the office and it is at home. I will get it to you right away

Sharon Lyell
512-576-3000
www.lyellco.com
sharon@lyellco.com

From: Roy Jambor <Roy.Jambor@lagovistatexas.gov>
Sent: Thursday, December 8, 2022 12:16 PM
To: Sharon Lyell <sharon@lyellco.com>; Alice Drake <Alice.Drake@lagovistatexas.gov>
Subject: RE: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation

I need a drawing of your proposed accessory building that shows the height to the ridge and the dimensions of the building, or something that is printed to scale as required by the ordinance. What you submitted is not. Your existing drawing only shows the plate height. Alternatively, you can give me the roof pitch, which will allow me to determine the height of the ridge based on the dimensions of the building you supplied with the site plan.

However, I am not understanding your notes on this site plan regarding height as they appear to say something different than your email below.

Below you state that the new detached garage will be lower than the height of the existing residence and that you don't really know the exact elevations.

However, the site plan you sent includes the following exact elevations and an indication that the new roof will be slightly higher than the roof of the existing residence:

Existing residence finish first floor elevation: 864.4'

Existing residence roof height: 879.5'

New garage finish first floor elevation: 853.4'

New garage roof height: 882.3' (almost three feet higher than the existing residence)

However, these numbers seem highly suspect. They assert that the peak of the ridge on the garage is 28.9' above the finish floor level. However, the elevations indicate that the plate height is exactly 12 feet. If 28.9' is accurate, the roof framing has a height of 16.9' and exceeds the plate height by 4.9'. While I can scale your elevation drawings, I can assure you that the roof framing is drawn in a manner that indicates that it is shorter than the plate height.

That likely means that no special exception is required and that your email below is probably accurate. However, I need drawings that show that and that are consistent with each other. Otherwise, you are not likely to be approved. If you will commit to providing accurate drawings in a reply to this email, I will go ahead and advertise your application. I must have those within two weeks from now.

Please let me know as soon as possible as my deadline for the information to include in the ad is today.

Roy Jambor, AICP/PA
Director of Development Services
City of Lago Vista, Texas

Please take note of the new email address
roy.jambor@lagovistatexas.gov



From: Sharon Lyell <sharon@lyellco.com>
Sent: Thursday, December 8, 2022 11:42 AM
To: Alice Drake <Alice.Drake@lagovistatexas.gov>
Cc: Roy Jambor <Roy.Jambor@lagovistatexas.gov>
Subject: Re: MyGovernmentOnline.org - Application #APP-9970 Received Confirmation
Importance: High

Hi Roy,

Here is the site plan showing our existing house and the proposed detached garage. The back of our property is a hill, I don't have the exact elevation but the garage's highest point will be lower than my existing house and much lower than 18 feet above the highest point of the property but I am not sure exactly how to display this on the plan. The highest point of the roofed garage will be 19 feet

from ground level (and my house is a two-story so it is higher than that). Please let me know what else you need from me, as we are ready to start right away once approved. Thank you so much for your help!

Sharon Lyell

512-576-3000

www.lyellco.com

sharon@lyellco.com

22-2275-CO-U
7503 White Oak Drive

Attachment 2
Existing Survey, Site Plan, and Accessory Building Floor Plan

Being all of Lot 1901A of Lots 1901 & 1902
LAGO VISTA ESTATES, SECTION SIX, Lago Vista,
Travis County, Texas. Original Plat recorded
in Book 49, Page 5, Plat Records, Travis County,
Texas.

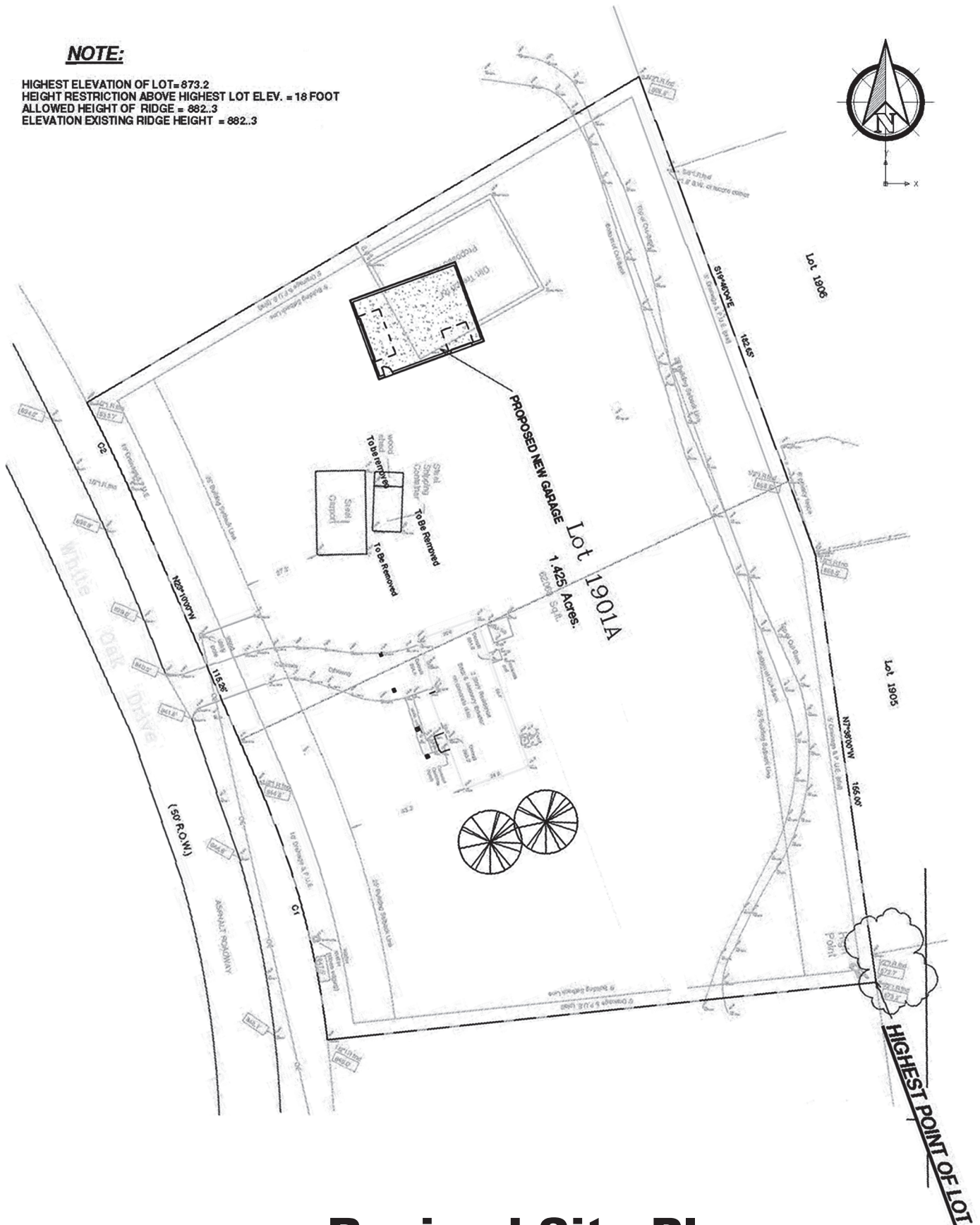
This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category III Condition B Survey.
(fieldwork performed: June 1, 2021)

Gregory E. West, R.P.L.S. No. 4188

Date _____

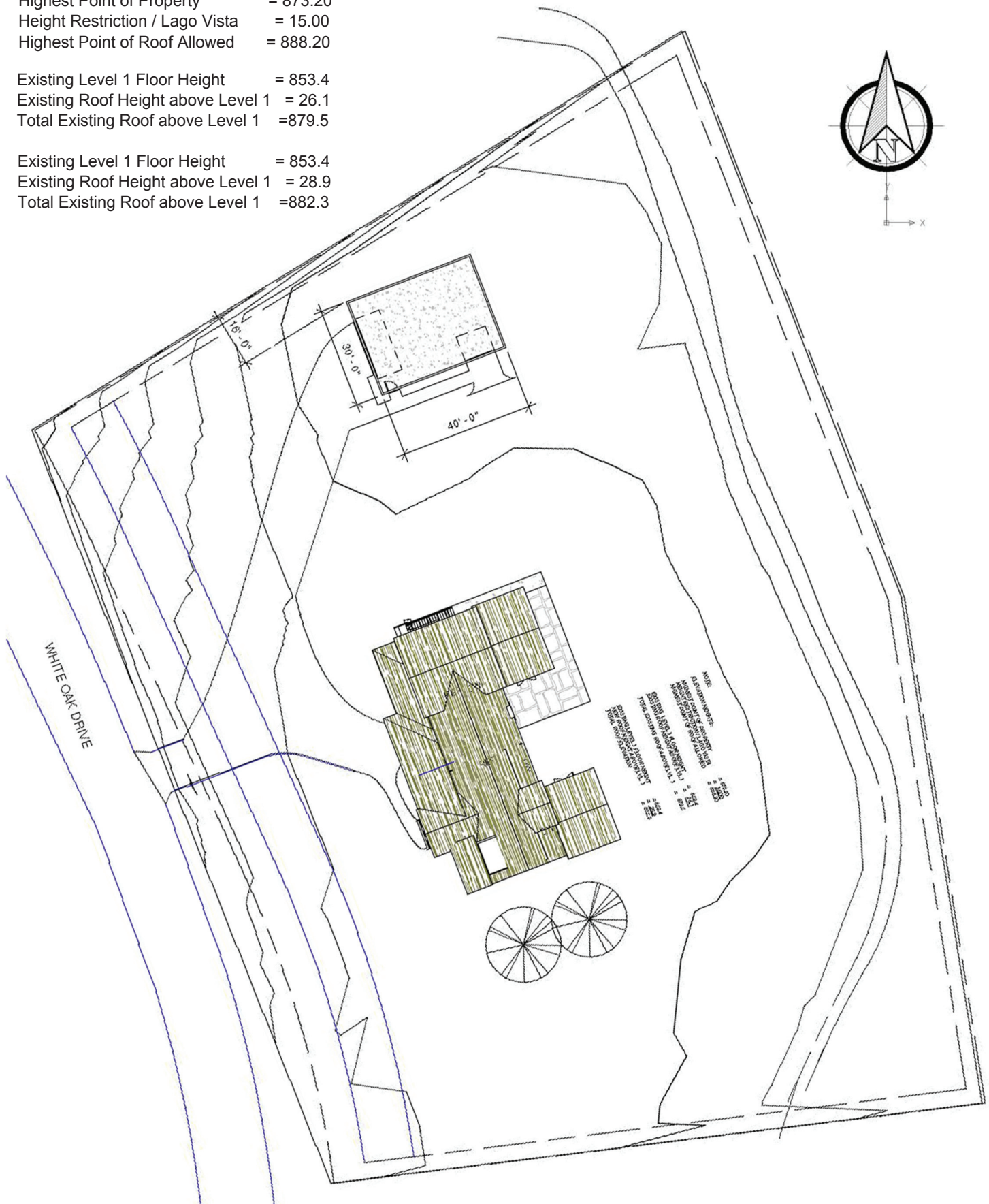
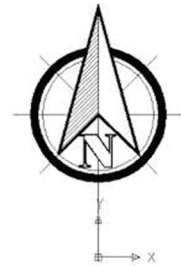


HIGHEST ELEVATION OF LOT=873.2
HEIGHT RESTRICTION ABOVE HIGHEST LOT ELEV. = 18 FOOT
ALLOWED HEIGHT OF RIDGE = 882.3
ELEVATION EXISTING RIDGE HEIGHT = 882.3

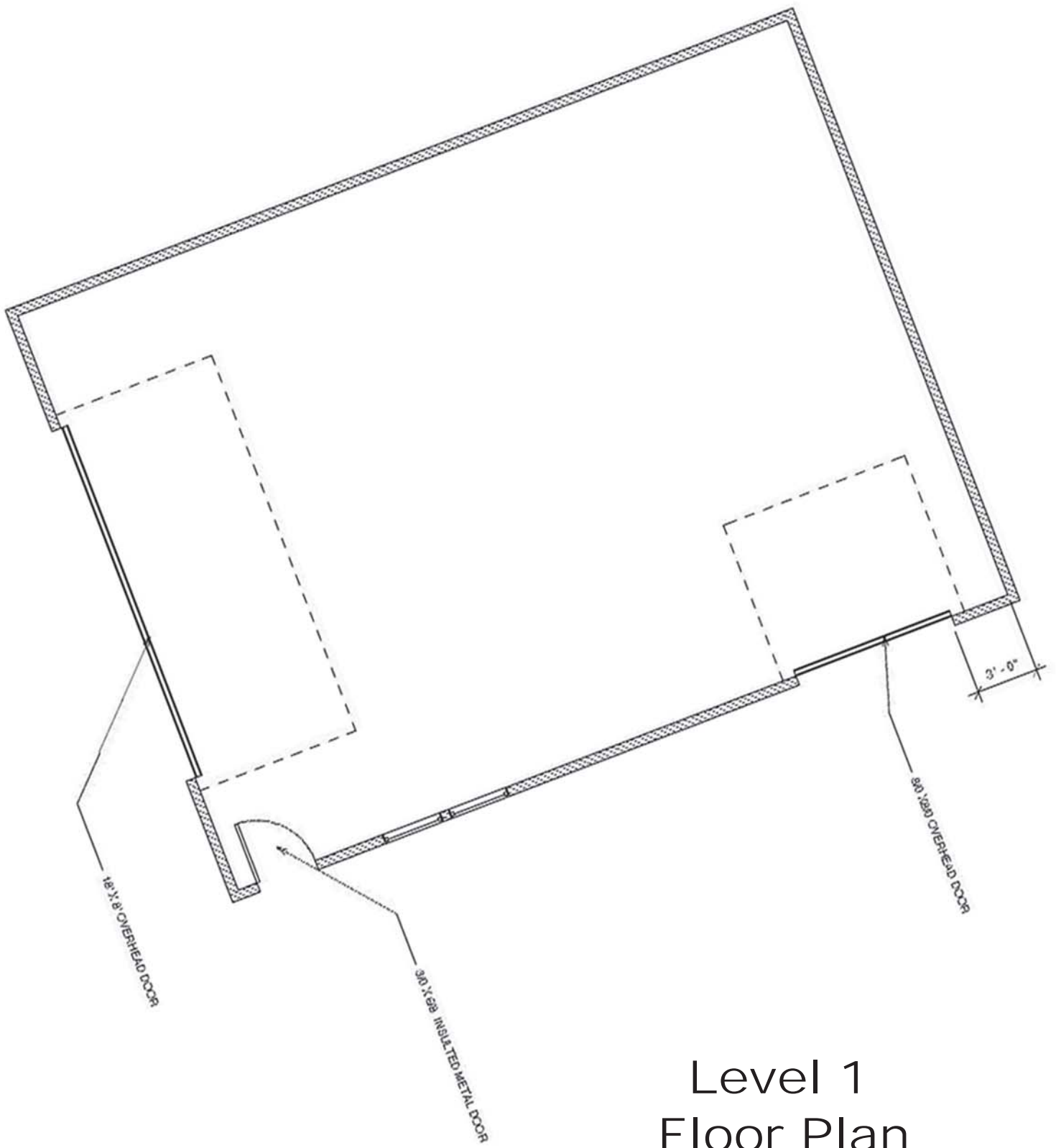


Revised Site Plan

Existing Level 1 Floor Height = 853.4
Existing Roof Height above Level 1 = 28.9
Total Existing Roof above Level 1 = 882.3



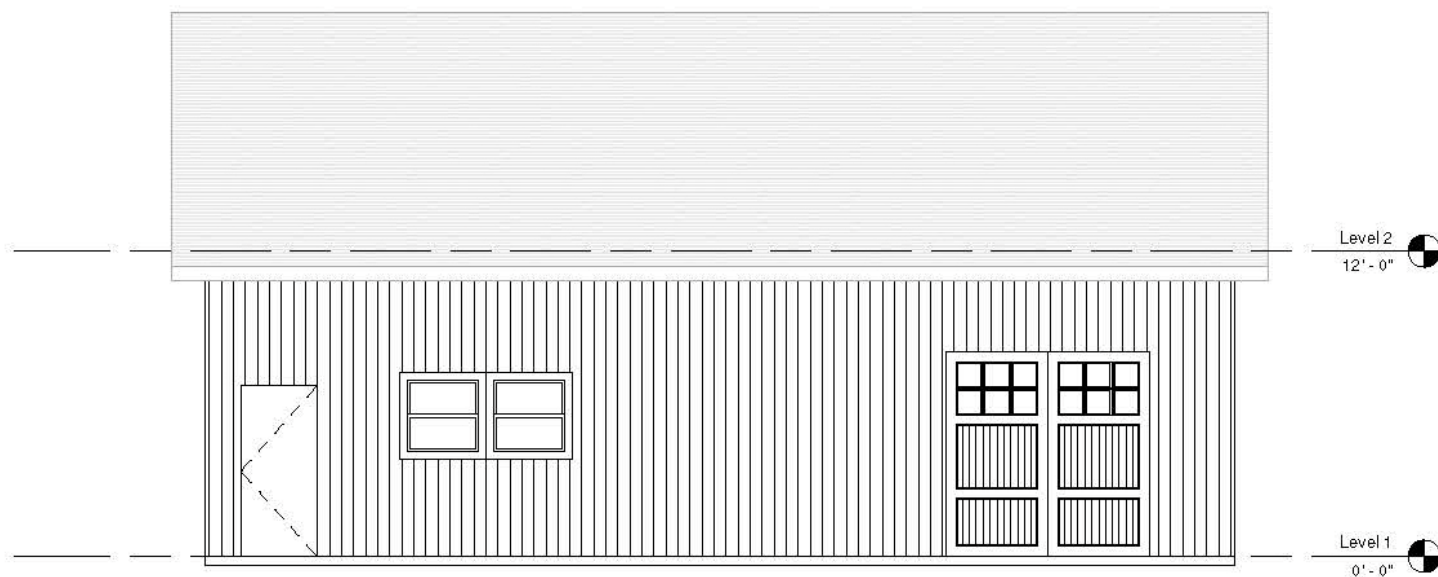
Erroneous Original Site Plan



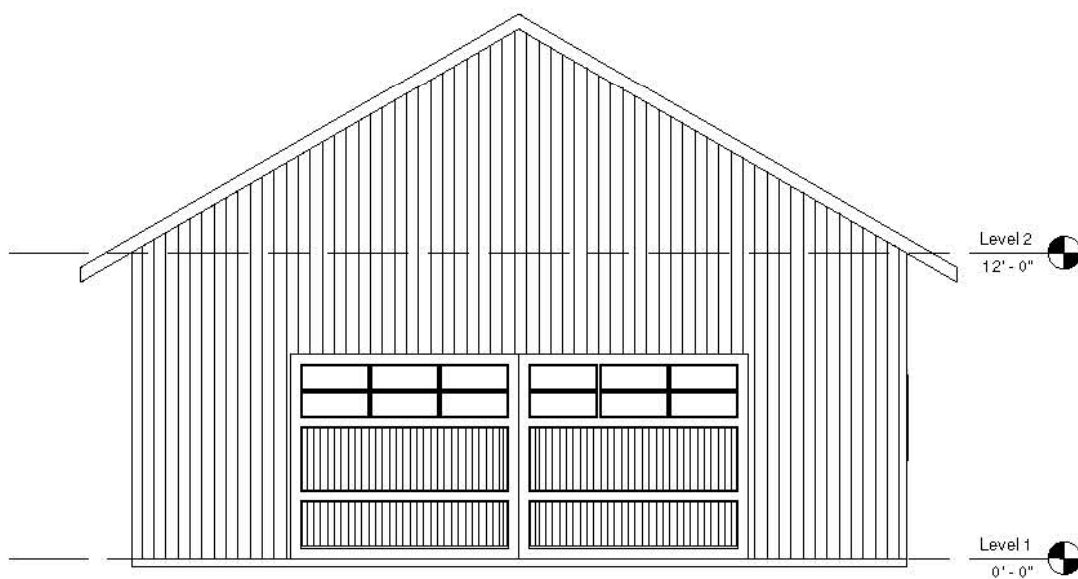
Level 1
Floor Plan

22-2275-CO-U
7503 White Oak Drive

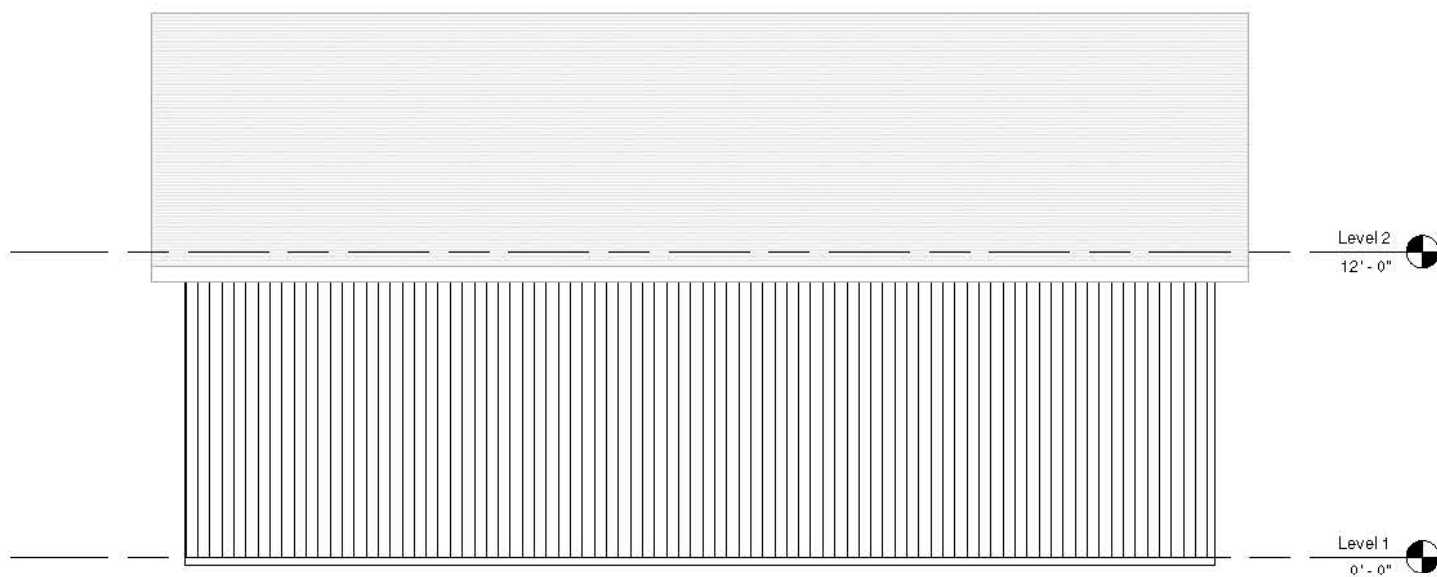
Attachment 3
Accessory Building Elevations



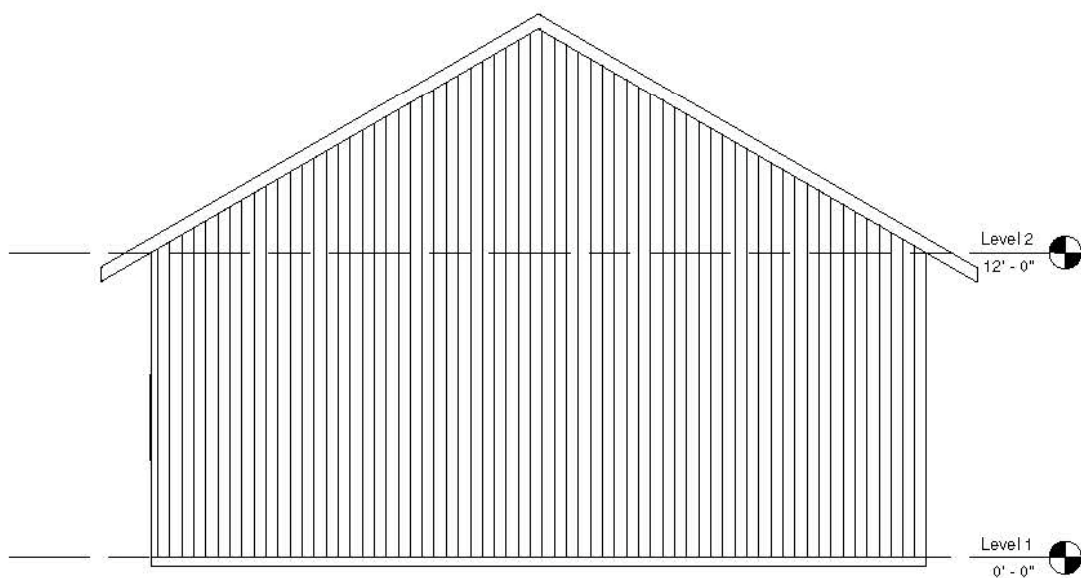
Right (Southeast) Elevation



Front (Southwest) Elevation



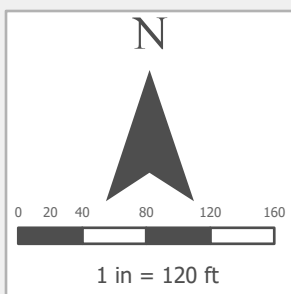
Left (Northwest) Elevation



Rear (Northeast) Elevation

22-2275-CO-U
7503 White Oak Drive

Attachment 4
Maps



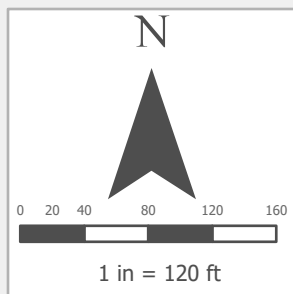
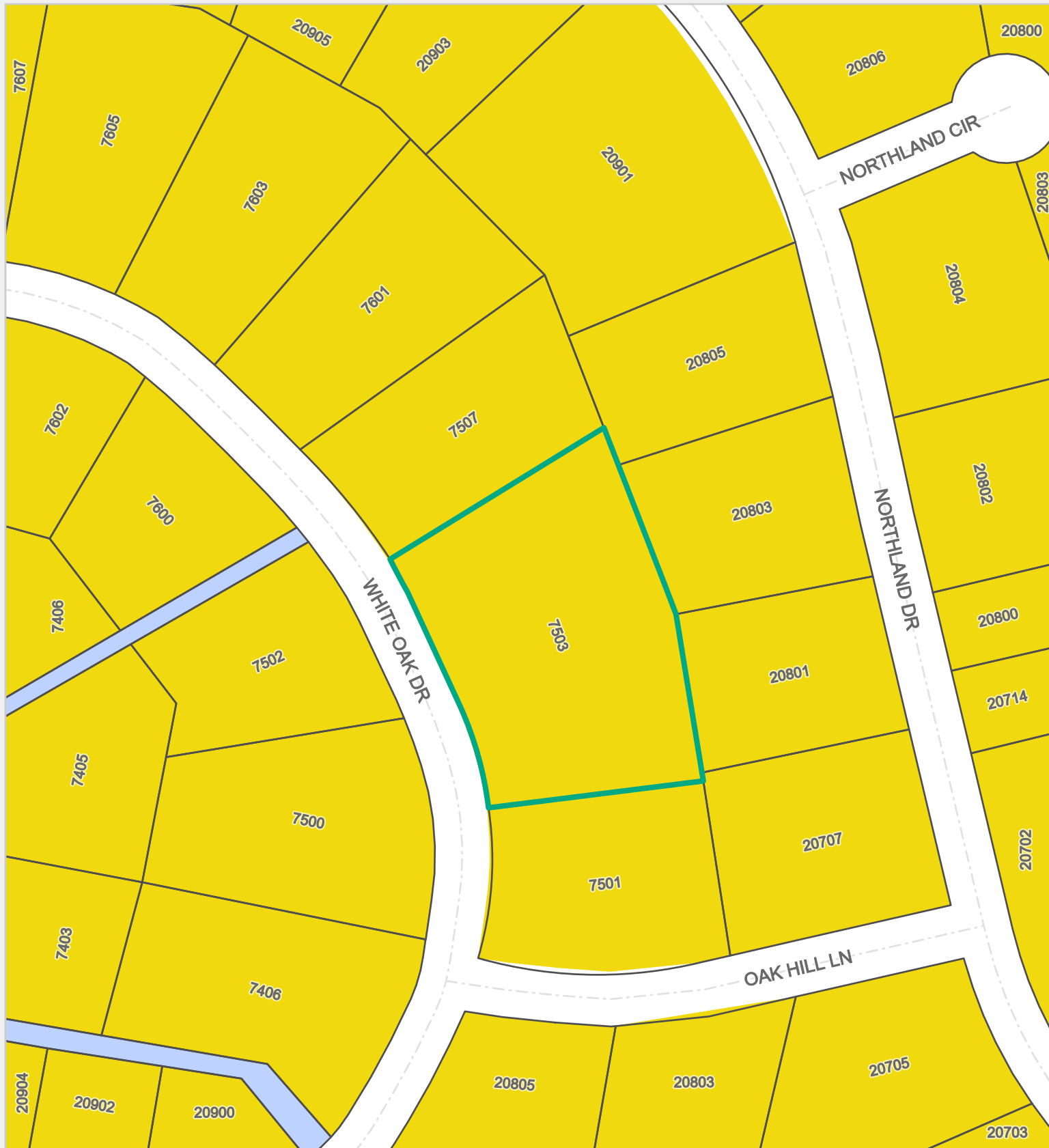
7503 White Oak Dr

Request Type	Conditional Use Permit	Project	22-2275-CO-U
Change Requested	Increase floor area of accessory building	Date	12/14/2022
Map Purpose	Aerial & Topo Map	Drawn By	chris.martinez

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Contours

- 10 ft
- 50 ft
- Street
- Project Area
- TaxParcel 146

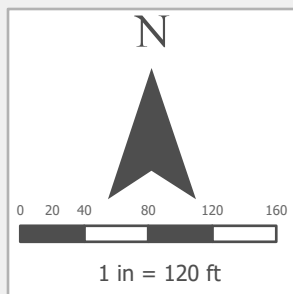
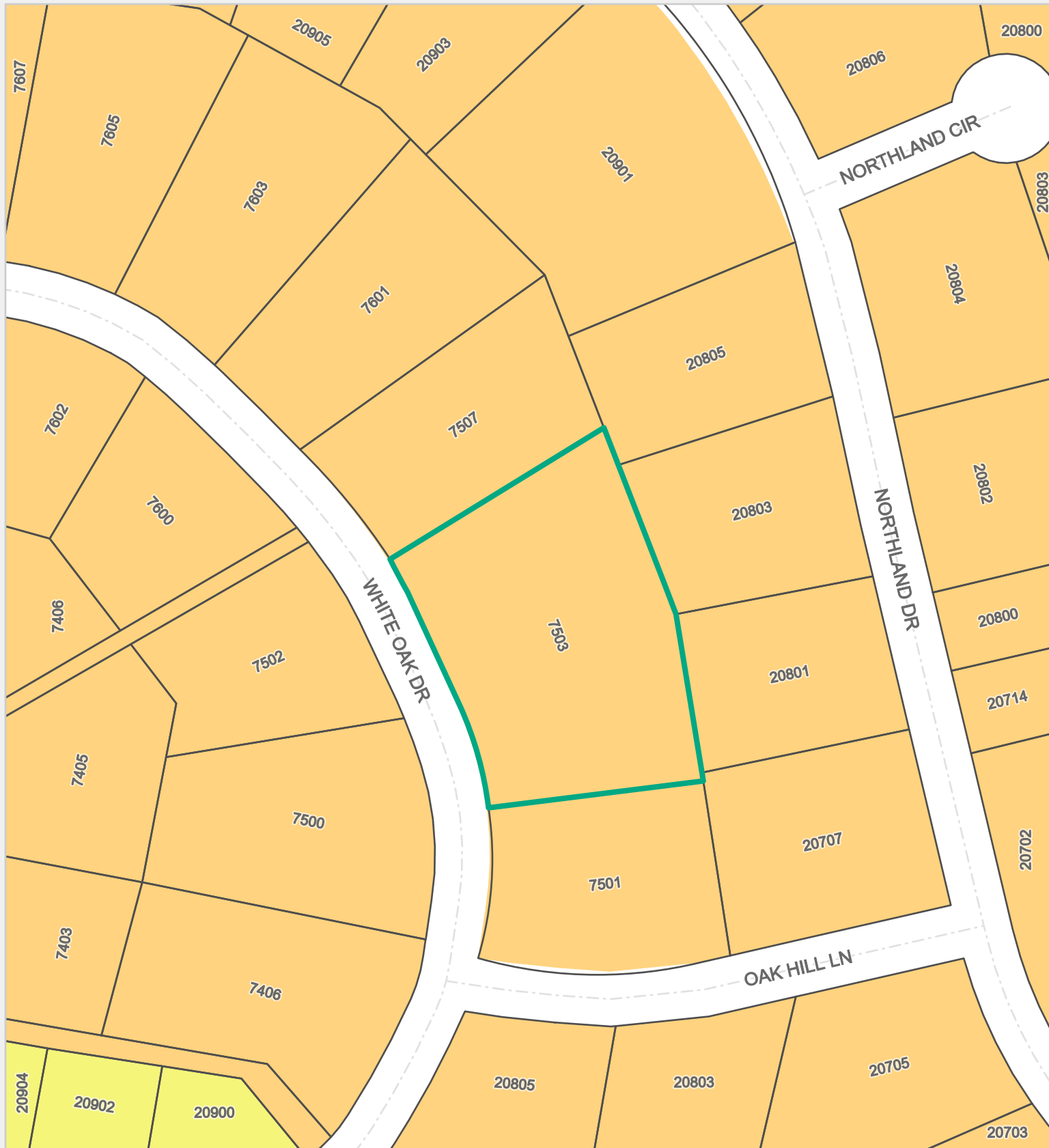


7503 White Oak Dr

Request Type	Conditional Use Permit	Project	22-2275-CO-U
Change Requested	Increase floor area of accessory building	Date	12/14/2022
Map Purpose	Zoning Map	Drawn By	chris.martinez

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

	Street
	Project Area
	TaxParcel
Zoning Districts	
	R-1D
	TR-1



7503 White Oak Dr

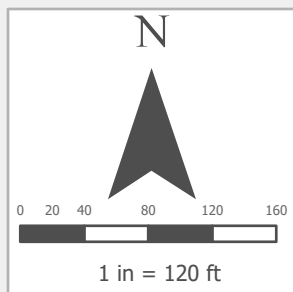
Request Type	Conditional Use Permit	Project	22-2275-CO-U
Change Requested	Increase floor area of accessory building	Date	12/14/2022
Map Purpose	Future Land Use Map	Drawn By	chris.martinez

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

- Street
- Project Area
- TaxParcel
- Estate Residential
- Low Density Residential

22-2275-CO-U
7503 White Oak Drive

Attachment 5
Notice Comments



7503 White Oak Dr			
Request Type	Conditional Use Permit	Project	22-2275-CO-U
Change Requested	Increase floor area of accessory building	Date	12/14/2022
Map Purpose	Notification Boundary Map	Drawn By	chris.martinez
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.			

---	Street
 	Project Area
 	200ft Notice Boundary
 	TaxParcel



Notice of Public Hearing

Project #: 22-2275-CO-U

Hearing Date and Time: Thursday, January 12, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

200' Notification Mailing ID: 2

December 20, 2022

LYELL LEVI
7500 WHITE OAK DR
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a conditional use permit application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence at 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☒ In Favor; ☐ Opposed

Comments:

Signed: 

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Notice of Public Hearing

Project #: 22-2275-CO-U

Hearing Date and Time: Thursday, January 12, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

200' Notification Mailing ID: 3

December 20, 2022

PETTINGER WESLEY E & HEDWIG
1501 BANBURY CT
RICHARDSON, TX 75082

The Planning and Zoning Commission will make a consideration of a recommendation regarding a conditional use permit application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence at 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☐ In Favor; ☒ Opposed

Comments:

I don't want a storage/accessory building directly in front of my HOME (I plan to build on Lot 7502). An eye sore and negative effect on Value.

Signed:

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Notice of Public Hearing

Project #: 22-2275-CO-U

Hearing Date and Time: Thursday, January 12, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

200' Notification Mailing ID: 8

December 20, 2022

YETLEY BRODY & AMANDA L
20901 NORTHLAND DR
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a conditional use permit application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence at 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☒ In Favor; ☐ Opposed

Comments:

NO OBJECTION

Signed:

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Notice of Public Hearing

Project #: 22-2275-CO-U

Hearing Date and Time: Thursday, January 12, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

200' Notification Mailing ID: 10

December 20, 2022

DURHAM CLIFFORD G & CYNTHIA J
20803 NORTHLAND DR
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a conditional use permit application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence at 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☒ In Favor; ☐ Opposed

Comments:

We live directly above the area in consideration.
We are not opposed. We feel it will be an improvement
for the area. There's plenty of room for a home or in this
case accessory building and would not be an obstruction.
Signed: Cynthia Durham

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box
4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall
5803 Thunderbird St.



Notice of Public Hearing

Project #: 22-2275-CO-U

Hearing Date and Time: Thursday, January 12, 2023, at 6:30 P.M. in the Council Chambers at City Hall, 5803 Thunderbird St., Lago Vista, Texas

Project Property Location: 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

200' Notification Mailing ID: 11

December 20, 2022

ANDERSEN FLOYD & JULIA REVOCABLE LIVING TRUST
20801 NORTHLAND DR
LAGO VISTA, TX 78645

The Planning and Zoning Commission will make a consideration of a recommendation regarding a conditional use permit application pursuant to Section 17 of Chapter 14 of the Lago Vista Code of Ordinances to allow for an accessory building that includes more than one-half of the floor area of the principal residence at 7503 White Oak Drive (Lago Vista Estates, Section 6, Lot 1901A)

For additional information, please contact us as follows and include the above highlighted project # with all inquiries:

E-mail: development@lagovistatexas.gov
Phone Number: 512-267-5259

Please return your comments as soon as possible. Individuals who do not own property within the notification boundary or those unable to deliver written comments within the required deadline must attend the public hearing to provide input. **Please note that unexplained support or opposition is less useful to the voting members than comments with context and a specific basis.**

☒ In Favor; ☐ Opposed

Comments:

will add to property look 5

Signed:

J. Andersen

This whole page may be returned as follows:

E-mail: development@lagovistatexas.gov
Postal Address: City of Lago Vista, Development Services Dept., P.O. Box 4727, Lago Vista, TX, (U.S.A.) 78645
In Person at Front Counter: Development Services Dept., Lago Vista City Hall 5803 Thunderbird St.



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE: March 16, 2023

SUBMITTED BY: Starr Lockwood, Finance

SUBJECT: Discussion, consideration, and possible action regarding Resolution No. 23-1993; A Resolution by the City Council of the City of Lago Vista, Texas, accepting the Fiscal Year 2022 Audit as prepared by Singleton, Clark & Company, PC.

BACKGROUND: Singleton, Clark & Company, PC was contracted to complete the City of Lago Vista's Annual Audit for Fiscal Year 2022. A copy of the Audit is included in the Council Packet for review. Robert Gattilia, CPA and shareholder in the firm, will be in attendance at the City Council Meeting to make a formal presentation and address any specific questions posed by Council Members.

FINANCIAL IMPACT: The data presented in the Audit represents all final numbers for the 2021-2022 Fiscal Year.

ATTACHMENTS:
[Resolution](#)
[Letter to Governing Body](#)
[Annual Financial Report](#)

CITY OF LAGO VISTA, TEXAS

RESOLUTION NO. 23-1993

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS ACCEPTING FROM SINGLETON, CLARK & COMPANY, PC, THE AUDIT FOR FISCAL YEAR 2022

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS:

THAT, the City Council of the City of Lago Vista, Texas, hereby accepts the audit for Fiscal Year 2022 prepared by Singleton, Clark & Company PC, the City's official auditor.

AND IT IS SO RESOLVED.

PASSED AND APPROVED this _____ day of March 2023.

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor _____, seconded by Councilor _____, the above and foregoing instrument was passed and approved.



January 20, 2023

To the Mayor and Members of the City Council
Of the City of Lago Vista, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lago Vista, Texas for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 6, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Opinion on the Financial Statements

The primary purpose of a financial audit is for the auditor to render an opinion as to whether the financial statements of the audited organization appear to be free from material misstatement and adhere to generally accepted accounting principles. This opinion must be based on a systematic review of the evidence supporting the financial statement amounts. In conjunction with the audit, the auditor must also consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion on internal control.

Our opinion on the financial statements appears within the Independent Auditor's Report on page 1 of the Annual Financial Report. This opinion is classified as *Unmodified*.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Lago Vista, Texas are described in Note 1 to the financial statements.

During the year the City implemented *Governmental Accounting Standards Board Statement No. 87 - Leases* (GASB 87) which brought significant changes to the accounting treatment for leases. GASB 87 increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases. This new standard replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset.

We noted no transactions entered into by City of Lago Vista, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Lago Vista, Texas's financial statements were:

Management's estimate of the net pension liability and other post-employment liabilities is based on actuarial studies of the pension and post-employment benefit plans prepared by independent actuaries contracted by the respective plan. We evaluated the key factors and assumptions used within these actuarial studies in determining that the resulting net pension liability and other post-employment benefit liability are reasonable in relation to the financial statements taken as a whole.

Management's estimate of current year and accumulated depreciation on long-term capital assets is based on the historical cost of these assets and estimates of their useful lives. We evaluated the recorded asset values, estimated useful lives, and accumulated depreciation amounts to determine that they appear reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures appear to be neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 20, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Lago Vista, Texas's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Fund Balance of the General Fund

The General Fund is the main operating fund of the City and contains the primary financial resources available to provide for ongoing City operations. The ending fund balance level of the General Fund is therefore a good indicator of the financial health of the City. A commonly accepted best practice for fund balance is to maintain an ending fund balance level of at least 25% of annual noncapital General Fund expenditures. As of September 30, 2022, the fund balance of the General Fund was \$7,013,566 in total, which represented 89.8% of noncapital General Fund expenditures for the year.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Lago Vista, Texas's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Audit Findings, Internal Control, and Compliance Related Matters

Government Auditing Standards and the federal Uniform Guidance require an auditor to report material weaknesses and significant deficiencies found in the internal control of an organization, as well as material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A regular *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet potentially more consequential than a regular deficiency and important enough to merit attention by those charged with governance.

Material noncompliance with provisions of laws, regulations, contracts, and grant agreements occurs when the noncompliance is to a large enough degree that there could be a material effect on the determination of financial statement amounts or consequences severe enough to potentially affect the organization's operations.

No matters came to our attention during the audit that would require reporting in accordance with the above criteria.

Other Matters

We applied certain limited procedures to the management's discussion and analysis section preceding the financial statements and the pension and post-employment benefit liability schedules that follow the notes to the financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information such as the combining statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the governing body and management of City of Lago Vista, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

DRAFT - FOR DISCUSSION
PURPOSES ONLY

8/6/2023
12:52 PM

Client: 20-0018.0 - City of Lago Vista, Texas
Engagement: Audit 22 - City of Lago Vista, Texas
Period Ending: 9/30/2022
Trial Balance: 3600.01 - Annual Trial Balance - 2 Year
Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		3600.01		
To reverse client entry for capital outlay.				
15-1630	IMPROVEMENTS OTHER THAN		13,589.00	
30-1660	MACHINERY & EQUIPMENT		40,011.38	
30-1660	MACHINERY & EQUIPMENT		75,514.00	
30-1660	MACHINERY & EQUIPMENT		239,319.00	
30-1690	CONSTRUCTION IN PROGRESS		13,700.00	
30-1690	CONSTRUCTION IN PROGRESS		43,423.85	
15-510-9000	FIXED ASSETS			13,589.00
30-560-9720	MACHINERY & EQUIPMENT			75,514.00
30-560-9750	WATERLINE: BAR K TO BRONCO			43,423.85
30-565-9720	MACHINERY & EQUIPMENT			40,011.38
30-565-9750	WTP EXPANSION			13,700.00
30-570-9720	MACHINERY & EQUIPMENT			239,319.00
Total			425,557.23	425,557.23
Adjusting Journal Entries JE # 2		4600.04		
To move capital additions in proprietary funds from income statement to balance sheet accounts.				
15-1630	IMPROVEMENTS OTHER THAN		13,589.02	
30-1660	MACHINERY & EQUIPMENT		40,011.38	
30-1660	MACHINERY & EQUIPMENT		75,514.00	
30-1660	MACHINERY & EQUIPMENT		239,319.00	
30-1690	CONSTRUCTION IN PROGRESS		13,700.00	
30-1690	CONSTRUCTION IN PROGRESS		43,423.85	
15-510-9000	FIXED ASSETS			13,589.02
30-560-9720	MACHINERY & EQUIPMENT			75,514.00
30-560-9750	WATERLINE: BAR K TO BRONCO			43,423.85
30-565-9720	MACHINERY & EQUIPMENT			40,011.38
30-565-9750	WTP EXPANSION			13,700.00
30-570-9720	MACHINERY & EQUIPMENT			239,319.00
Total			425,557.25	425,557.25
Adjusting Journal Entries JE # 3		3600.01		
To reclass lease payments to debt from expense accounts.				
15-2180	NOTE PAYABLE CURRENT		100,031.00	
15-510-9105	GOLF CARTS - INTEREST		4,002.22	
15-530-9751	TURF GATOR-INTEREST		9,882.00	
15-510-4570	RENTAL/LEASE			38,480.71
15-530-4570	RENTAL/LEASE			75,434.51
Total			113,915.22	113,915.22
Adjusting Journal Entries JE # 4		5100.03		
To record ending current-year accounts payable amounts per Incode balance report.				
10-1299	DUE TO/FROM OTHER FUNDS		19,756.00	
14-1299	DUE TO/FROM OTHER FUNDS		33,780.00	
15-1299	DUE TO/FROM OTHER FUNDS		3,308.00	
30-1299	DUE TO/FROM OTHER FUNDS		7,855.00	
40-1299	DUE TO/FROM OTHER FUND		18,768.00	
99-2000	ACCOUNTS PAYABLE		83,467.00	
10-2000	ACCOUNTS PAYABLE			19,756.00
14-2000	ACCOUNTS PAYABLE			33,780.00
15-2000	ACCOUNTS PAYABLE			3,308.00

DRAFT - FOR DISCUSSION
PURPOSES ONLY

8/6/2023
12:52 PM

Client: 20-0018.0 - City of Lago Vista, Texas
Engagement: Audit 22 - City of Lago Vista, Texas
Period Ending: 9/30/2022
Trial Balance: 3600.01 - Annual Trial Balance - 2 Year
Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
30-2000	ACCOUNTS PAYABLE			7,855.00
40-2000	ACCOUNTS PAYABLE			18,768.00
99-1299	DUE TO/FROM OTHER FUNDS			83,467.00
Total			166,934.00	166,934.00

Adjusting Journal Entries JE # 5

3600.01

To reclass grant revenue recorded to account 30-1280.

30-1280	GRANTS RECEIVABLE		100,544.90	
30-450-3220	Other Utility Grants			100,544.90
Total			100,544.90	100,544.90

Adjusting Journal Entries JE # 6

4600.03

To add current year capital asset depreciation additions.

14-585-8505	Depreciation Expense		60,812.00	
15-585-8505	Depreciation Expense		181,731.00	
30-585-8505	Depreciation Expense		1,891,876.00	
14-1700	ACCUM DEPR BUILDINGS			9,197.00
14-1730	ACCUM DEPR IMPROVEMENTS OTHER			51,615.00
15-1715	DEPRECIATION - BUILDINGS			22,910.00
15-1730	DEPRECIATION - IMPROVE OTHER			61,586.00
15-1760	DEPRECIATION - F&F AND M&E			97,235.00
30-1700	DEPRECIATION-BUILDINGS			12,798.00
30-1701	DEPRECIATION-WATER PLANT			1,616,585.00
30-1703	DEPRECIATION-MACH/EQUIP			262,493.00
Total			2,134,419.00	2,134,419.00

Adjusting Journal Entries JE # 7

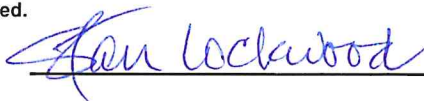
8130.02/8140.02

To adjust proprietary fund balances related to TMRS GASB 68 and GASB 75.

15-2595	NET PENSION LIABILITY		52,671.89	
15-510-1030	TMRS		2,058.64	
30-2595	NET PENSION LIABILITY		298,474.05	
30-555-1030	TMRS		11,665.62	
15-1997	DEFERRED RESOURCE OUTFLOW			7,761.35
15-1998	DEFERRED OUTFLOW-OPEB			336.45
15-2585	NET OPEB LIABILITY			1,689.82
15-2604	DEFERRED RESOURCE INFLOW			22,450.99
15-2605	DEFERRED INFLOW OPEB			32.37
15-510-1030	TMRS			22,459.55
30-1997	DEFERRED RESOURCE OUTFLOW			43,980.97
30-1998	DEFERRED OUTFLOW-OPEB			1,906.55
30-2585	NET OPEB LIABILITY			9,575.62
30-2604	DEFERRED RESOURCE INFLOW			127,222.29
30-2605	DEFERRED INFLOW OPEB			183.45
30-555-1030	TMRS			127,270.79
Total			364,870.20	364,870.20

These entries have been reviewed and approved by management and will be posted to the accounting system as of the fiscal year end audited.

SIGNED:



DATE:

3/9/2023

DRAFT - FOR DISCUSSION
PURPOSES ONLY

3/2/2023
11:49 AM

Client: 20-0018.0 - City of Lago Vista, Texas
 Engagement: Audit 22 - City of Lago Vista, Texas
 Period Ending: 9/30/2022
 Trial Balance: 3600.01 - Annual Trial Balance - 2 Year
 Workpaper: 3700.02 - RJE Report (for client provided and immaterial needed only)

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 1001		3600.01		
The General Fund trial balance is out of balance by \$50.				
10-410-1810	OTHER REVENUE			50.00
Total			0.00	50.00
Total Reclassifying Journal Entries			0.00	50.00
Total All Journal Entries			0.00	50.00

DRAFT - FOR DISCUSSION
PURPOSES ONLY

CITY OF LAGO VISTA, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022



SINGLETON, CLARK
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council of
City of Lago Vista, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lago Vista, Texas (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Lago Vista, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lago Vista, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Lago Vista, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lago Vista, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Lago Vista, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lago Vista, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section which precedes the basic financial statements and the pension and other post-employment benefits liabilities related schedules following the notes to the financial statements be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lago Vista, Texas's basic financial statements. The accompanying combining schedules of non-major governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of non-major governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on January 20, 2023 our consideration of City of Lago Vista, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Lago Vista, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lago Vista, Texas's internal control over financial reporting and compliance.

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Cedar Park, Texas

January 20, 2023

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CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Management's Discussion and Analysis

The Management's Discussion and Analysis section of the City of Lago Vista, Texas's (hereafter the "City") Annual Financial Report offers readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. Please read it in conjunction with the independent auditor's report beginning on page 1 of this report and the City's basic financial statements which follow this section.

Financial Highlights

- The City's net position for governmental activities increased by \$348,328 to end at \$7,142,031.
- The City's fund balance in the General Fund increased by \$1,796,928 to end at \$7,013,566.
- The City's net position in the Utility Fund increased by \$7,186,148 to end at \$68,113,727.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, sanitation, and culture and recreation. The business-type activities of the City include aviation, golf, and utilities.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation for which the City financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds as applicable.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Hotel Fund, the Debt Service Fund, and the Capital Projects Fund which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund, Debt Service Fund, Capital Projects Fund, Aviation Fund, Golf Course Fund, and Utility Fund. Budgetary comparison statements have been provided for the General Fund and the Debt Service Fund to demonstrate compliance with these budgets.

Proprietary Funds. The City has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its aviation, golf, and utility operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a city's functions. The City is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the aviation, golf, and utility funds, all of which are considered to be major funds of the City. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are then provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Basis of Reporting. The government-wide statements and the fund-level proprietary statements are reported using the full accrual basis of accounting. The governmental funds are reported using the modified accrual basis of accounting.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 60 of this report.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$79,084,308 at the close of the most recent fiscal year.

**Condensed Statement of Net Position
As of September 30**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 13,888,822	13,433,740	\$ 19,661,784	\$ 13,461,663	\$ 33,550,606	\$ 26,895,403
Capital assets	25,660,987	28,116,503	55,648,170	52,726,495	81,309,157	80,842,998
Total assets	39,549,809	41,550,243	75,309,954	66,188,158	114,859,763	107,738,401
Deferred outflows of resources	416,993	582,801	255,576	357,201	672,569	940,002
Current liabilities	814,062	1,700,539	2,603,715	709,764	3,417,777	2,410,303
Noncurrent liabilities	31,290,458	33,163,108	578,094	871,445	31,868,552	34,034,553
Total liabilities	32,104,520	34,863,647	3,181,809	1,581,209	35,286,329	36,444,856
Deferred inflows of resources	720,251	475,694	441,444	291,555	1,161,695	767,249
Net position:						
Net investment in capital assets	1,319,417	(4,115,523)	50,718,593	52,348,447	52,038,010	48,232,924
Restricted	4,897,714	2,237,267	7,264,645	7,264,645	12,162,359	9,501,912
Unrestricted	924,900	8,671,959	13,959,039	5,059,503	14,883,939	13,731,462
Total net position	\$ 7,142,031	\$ 6,793,703	\$ 71,942,277	\$ 64,672,595	\$ 79,084,308	\$ 71,466,298

By far, the largest portion of the City's net position (65.8%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (15.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,883,939 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position for both Governmental and Business-Type Activities.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

The City's overall net position increased by \$7,618,010 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$348,328 from the prior fiscal year for an ending balance of \$7,142,031. While the current recession certainly had an impact on the City, management was able to take various actions (e.g., increasing rates for certain revenue sources, delaying certain nonrecurring expenses, reducing expenses related to non-essential ongoing programs in the culture and recreation function) that neutralized its effect on governmental activities. The increase in the overall net position of governmental activities is primarily due to revenues greatly exceeding budgeted amounts and expenditures coming in under budget.

**Condensed Statement of Activities
For the Years Ended September 30**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program Revenues:						
Charges for services	\$ 4,172,007	\$ 3,079,155	\$ 14,651,777	\$ 13,203,121	\$ 18,823,784	\$ 16,282,276
Operating grants & contributions	209,657	381,353	-	-	209,657	381,353
Capital grants and contributions	-	-	-	32,542	-	32,542
General Revenues:						
Property taxes	7,874,729	7,486,850	-	-	7,874,729	7,486,850
Other taxes	1,873,203	1,653,998	-	-	1,873,203	1,653,998
Grants and contributions not restricted to specific programs	22,446	200	-	-	22,446	200
Other	79,099	164,805	151,456	117,801	230,555	282,606
Total revenue	14,231,141	12,766,361	14,803,233	13,353,464	29,034,374	26,119,825
Expenses:						
General government	2,728,216	2,831,465	-	-	2,728,216	2,831,465
Public safety	2,920,501	2,717,147	-	-	2,920,501	2,717,147
Highways and streets	1,246,199	1,256,449	-	-	1,246,199	1,256,449
Sanitation	1,169,561	1,096,201	-	-	1,169,561	1,096,201
Culture and recreation	882,842	697,427	-	-	882,842	697,427
Economic development and assistance	434,994	315,089	-	-	434,994	315,089
Interest and bank fees	1,039,721	1,139,642	-	-	1,039,721	1,139,642
Aviation	-	-	490,159	417,287	490,159	417,287
Golf Course	-	-	1,051,118	1,175,504	1,051,118	1,175,504
Utility	-	-	9,453,053	7,556,066	9,453,053	7,556,066
Total expenses	10,422,034	10,053,420	10,994,330	9,148,857	21,416,364	19,202,277
Increase (decrease) in net position before transfers	3,809,107	2,712,941	3,808,903	4,204,607	7,618,010	6,917,548
Transfers	(3,460,779)	3,729,642	(1,397,306)	(3,729,642)	(4,858,085)	-
Increase (decrease) in net position	348,328	6,442,583	2,411,597	474,965	2,759,925	6,917,548
Net position - beginning	6,793,703	93,457	64,672,595	64,197,630	71,466,298	64,291,087
Prior period adjustment	-	257,663	-	-	-	257,663
Net position - ending	\$ 7,142,031	\$ 6,793,703	\$ 67,084,192	\$ 64,672,595	\$ 74,226,223	\$ 71,466,298

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Business-type Activities. For the City of Lago Vista, Texas's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$71,942,277. The total increase in net position for business-type activities (Aviation, Golf, and Utility Funds) was \$7,269,682, a 11.2% increase in net position from the prior fiscal year.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$12,631,200, an increase of \$1,066,167 in comparison with the prior year. Approximately 54.3% of this amount, \$6,853,863, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *restricted*, to indicate that it is restricted for particular purposes \$5,777,337.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,853,863, while total fund balance increased to \$7,013,566. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 68.3% of total general fund expenditures, while total fund balance represents approximately 70% of that same amount.

The fund balance of the City's general fund increased by \$1,796,928 during the current fiscal year. Based on review of the City's adopted and amended budgets in relation to the General Fund's actual results for the fiscal year, it appears the increase in fund balance was primarily due to higher than budgeted revenues for licenses and permits and lower than budgeted transfers out.

The Hotel Fund, a major fund, had a \$159,412 increase in fund balance to end at \$926,836. The increase in fund balance was primarily due to Hotel Tax revenues outweighing expenditures. This trend has been consistent year after year. This fund uses hotel taxes to promote local economic development.

The Debt Service Fund, a major fund, had an increase in fund balance during the current year of \$22,556 to bring the year end fund balance to \$459,708. The increase in fund balance was primarily caused by property tax revenue being higher than the Debt Service Fund's expenditures. This fund uses the City's interest and sinking tax levy to service its existing, related debt.

The Capital Projects Fund, a major fund, had a \$912,729 decrease in fund balance during the current fiscal year which put the overall fund balance at \$4,231,090. The decrease in fund balance was primarily caused by a significant decrease in transfers in from the General Fund and Utility Fund than in prior year.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Aviation Fund at the end of the year was \$64,075, for the Golf Course Fund was \$225,303, and for the Utility Fund was \$13,669,661. The total change in net position for all three funds was (\$70,036), \$153,570, and \$7,186,148, respectively.

The Aviation Fund had a \$70,036 decrease in net position during the current fiscal year which put the overall net position at \$1,490,427.

The Golf Course Fund had a \$153,570 increase in net position which put the overall net position at \$2,338,123. The City strives to operate its proprietary activities to break even; however, the City did transfer \$438,694 to the Golf Course Fund during the year.

The Utility Fund had a \$7,186,148 increase in net position during the current fiscal year which put the overall net position at \$68,113,727. The City's Utility Fund ended the year with a unrestricted net position amount of \$13,669,661 which represents about 69.2% of the fund's operating expenses for the year ended. Additionally, the Utility Fund has a restricted net position balance of \$7,264,645 related to future water and wastewater systems obligations.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, some of the more significant budget amendments included amendments to general government, public safety, highways and streets, sanitation, culture and recreation, and capital outlay.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$81,309,157 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the water treatment plant. The total increase in capital assets for the current fiscal year was approximately 1%.

Capital Assets, Net of Accumulated Depreciation

	Governmental Activities 2022	Governmental Activities 2021	Change
Land	\$ 1,495,408	\$ 1,495,408	\$ -
Buildings and improvements	28,015,955	28,003,455	12,500
Furniture and equipment	3,573,298	3,308,819	264,479
Construction in progress	2,651,136	3,984,409	(1,333,273)
Total	35,735,797	36,792,091	(1,056,294)
Less accumulated depreciation	(10,074,810)	(8,675,588)	(1,399,222)
Capital assets, net of depreciation	\$ 25,660,987	\$ 28,116,503	\$ (2,455,516)

	Business-Type Activities 2022	Business-Type Activities 2021	Change
Land	\$ 3,251,491	\$ 3,251,491	\$ -
Buildings & improvements	74,847,114	69,975,441	4,871,673
Furniture and equipment	5,900,970	5,546,125	354,845
Construction in progress	1,001,299	944,175	57,124
Total	85,000,874	79,717,232	5,283,642
Less accumulated depreciation	(29,352,704)	(26,990,737)	(2,361,967)
Capital assets, net of depreciation	\$ 55,648,170	\$ 52,726,495	\$ 2,921,675

Additional information on the City's capital assets can be found in Note III.D on pages 44-45 of this report.

CITY OF LAGO VISTA, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS DRAFT - FOR DISCUSSION
FOR THE YEAR ENDED SEPTEMBER 30, 2022 PURPOSES ONLY

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$30,598,877. The remainder of the City long-term obligations comprises pension-related debt, compensated absences and right-to-use leases.

Outstanding Debt

	Governmental Activities 2022	Governmental Activities 2021	Change
General obligation bonds	\$ 30,598,877	\$ 32,232,026	\$ (1,633,149)
Compensated absences	481,346	393,018	88,328
Net pension liability	(226,712)	346,210	(572,922)
Other post-employment benefits	210,235	191,854	18,381
Total	<u>\$ 31,063,746</u>	<u>\$ 33,163,108</u>	<u>\$ (2,099,362)</u>

	Business-Type Activities 2022	Business-Type Activities 2021	Change
Right-to-use leases	\$ 278,018	\$ 378,049	\$ (100,031)
Compensated absences	171,224	163,614	7,610
Net pension liability	(138,952)	212,194	(351,146)
Other post-employment benefits	128,853	117,588	11,265
Total	<u>\$ 439,143</u>	<u>\$ 871,445</u>	<u>\$ (432,302)</u>

The City's total debt decreased by \$2,546,884 during the current fiscal year. The reason for the decrease was due to regularly scheduled principal payments reducing existing outstanding debt. Additional information on the City's long-term debt can be found in Note III.I on pages 54-55 of this report.

Economic Factors and Next Year's Budgets and Rates

The City considered many factors when setting the fiscal year 2022-2023 budget. The City's General Fund budget for fiscal year 2022-2023 includes expenditures of \$19,771,614 which is a \$7,482,952 increase from fiscal year 2021-2022 total adopted expenditures. The city decreased the tax rate for 2022-2023 to \$0.2959 for the General Fund and to \$0.1324 for the Interest and Sinking Fund. The overall total tax rate decreased to \$0.4283 per \$100 valuation.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those interested in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's business office at the City of Lago Vista, Texas, 5803 Thunderbird Drive, PO Box 4727, Lago Vista, Texas 78645, or by calling (512) 267-1155, ext. 103.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF LAGO VISTA, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 48,962	\$ 615,982	\$ 664,944
Investments - current	8,261,111	21,650,489	29,911,600
Taxes receivable - delinquent	190,201	-	190,201
Accounts receivable, net	585,280	1,617,267	2,202,547
Intergovernmental receivable	182,752	-	182,752
Internal balances	4,393,804	(4,393,804)	-
Inventories	-	32,899	32,899
Net pension asset	226,712	138,951	365,663
Capital assets, not being depreciated:			
Land	1,495,408	3,251,491	4,746,899
Construction in progress	2,651,136	1,001,299	3,652,435
Capital assets, being depreciated:			
Buildings and improvements	12,500	1,536,130	1,548,630
Machinery, equipment, and vehicles	3,573,298	5,900,968	9,474,266
Other capital assets, depreciable	28,003,455	73,310,986	101,314,441
Accumulated depreciation	(10,074,810)	(29,352,704)	(39,427,514)
Total assets	39,549,809	75,309,954	114,859,763
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	416,993	255,576	672,569
Total deferred outflows of resources	416,993	255,576	672,569
LIABILITIES			
Accounts payable	229,275	243,061	472,336
Accrued salaries and benefits	150,501	56,445	206,946
Intergovernmental payable	8,249	-	8,249
Accrued interest payable	143,182	-	143,182
Unearned revenue	-	1,874,121	1,874,121
Other current liabilities	282,855	87,298	370,153
Customer deposits	-	342,790	342,790
Noncurrent liabilities:			
Due within one year	1,585,000	127,789	1,712,789
Due in more than one year	29,705,458	450,305	30,155,763
Total liabilities	32,104,520	3,181,809	35,286,329
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	720,251	441,444	1,161,695
Total deferred inflows of resources	720,251	441,444	1,161,695
NET POSITION			
Net investment in capital assets	1,319,417	50,718,593	52,038,010
Restricted for parks	159,703	7,264,645	7,424,348
Restricted for tourism	797,034	-	797,034
Restricted for debt service	109,886	-	109,886
Restricted for capital projects	3,831,091	-	3,831,091
Unrestricted	924,900	13,959,039	14,883,939
Total net position	\$ 7,142,031	\$ 71,942,277	\$ 79,084,308

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

CITY OF LAGO VISTA, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental activities:			
General government	\$ 2,728,216	\$ 57,671	\$ 209,657
Public safety	2,920,501	184,943	-
Inspection	-	2,624,906	-
Highways and streets	1,246,199	21,626	-
Sanitation	1,169,561	1,282,861	-
Culture and recreation	882,842	-	-
Economic development and assistance	434,994	-	-
Interest and bank fees	1,039,721	-	-
Total governmental activities:	<u>10,422,034</u>	<u>4,172,007</u>	<u>209,657</u>
Business-type activities:			
Aviation Fund	490,159	420,123	-
Golf Fund	1,051,118	765,994	-
Utility Fund	9,453,053	13,465,660	-
Total business-type activities:	<u>10,994,330</u>	<u>14,651,777</u>	<u>-</u>
Total primary government	<u>\$ 21,416,364</u>	<u>\$ 18,823,784</u>	<u>\$ 209,657</u>
General revenues:			
Property taxes			
Sales taxes			
Hotel/motel taxes			
Franchise taxes			
Contributions and donations			
Special assessments (move to Program Revenues when			
Investment earnings			
Gain (Loss) on sale of capital assets			
Miscellaneous			
Special item			
Extraordinary item			
Total general revenues			
Transfers			
Total general revenues, contributed capital			
and transfers			
Change in net position			
Net position - beginning			
Net position - ending			

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activites	Total
\$ (2,460,888)	\$ -	\$ (2,460,888)
(2,735,558)	-	(2,735,558)
2,624,906	-	2,624,906
(1,224,573)	-	(1,224,573)
113,300	-	113,300
(882,842)	-	(882,842)
(434,994)	-	(434,994)
(1,039,721)	-	(1,039,721)
(6,040,370)	-	(6,040,370)
-	(70,036)	(70,036)
-	(285,124)	(285,124)
-	4,012,607	4,012,607
-	3,657,447	3,657,447
(6,040,370)	3,657,447	(2,382,923)
7,874,729	-	7,874,729
1,079,705	-	1,079,705
236,652	-	236,652
556,846	-	556,846
22,446	-	22,446
-	-	-
67,895	151,456	219,351
-	-	-
11,204	-	11,204
-	-	-
-	-	-
9,849,477	151,456	10,000,933
(3,460,779)	(1,397,306)	(4,858,085)
6,388,698	3,612,235	5,142,848
348,328	7,269,682	7,618,010
6,793,703	64,672,595	71,466,298
\$ 7,142,031	\$ 71,942,277	\$ 79,084,308

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FUND BASIS FINANCIAL STATEMENTS

CITY OF LAGO VISTA, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	General	Hotel	Debt Service	Capital Projects	Total
	Fund	Fund	Fund	Fund	Governmental
					Funds
ASSETS					
Cash and cash equivalents	\$ 48,962	\$ -	\$ -	\$ -	\$ 48,962
Investments - current	5,191,030	869,613	459,394	1,741,074	8,261,111
Taxes receivable - delinquent	190,201	-	-	-	190,201
Accounts receivable	360,369	74,944	99,828	-	535,141
Allowance for uncollectible accounts receivable	(19,861)	-	-	-	(19,861)
Intergovernmental receivable	182,752	-	-	-	182,752
Due from other funds	2,469,926	-	815	2,508,785	4,979,526
Total assets	<u>\$ 8,423,379</u>	<u>\$ 944,557</u>	<u>\$ 560,037</u>	<u>\$ 4,249,859</u>	<u>\$ 14,177,832</u>
LIABILITIES					
Accounts payable	\$ 198,006	\$ 11,999	\$ 501	\$ 18,769	\$ 229,275
Accrued payroll	150,501	-	-	-	150,501
Intergovernmental payable	8,249	-	-	-	8,249
Due to other funds	580,000	5,722	-	-	585,722
Other current liabilities	282,855	-	-	-	282,855
Total liabilities	<u>1,219,611</u>	<u>17,721</u>	<u>501</u>	<u>18,769</u>	<u>1,256,602</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	190,202	-	99,828	-	290,030
Total deferred inflows of resources	<u>190,202</u>	<u>-</u>	<u>99,828</u>	<u>-</u>	<u>290,030</u>
FUND BALANCES					
Restricted:					
Restricted for parks	159,703	-	-	-	159,703
Restricted for tourism	-	926,836	-	-	926,836
Restricted for debt service	-	-	459,708	-	459,708
Restricted for capital projects	-	-	-	4,231,090	4,231,090
Unassigned	6,853,863	-	-	-	6,853,863
Total fund balances	<u>7,013,566</u>	<u>926,836</u>	<u>459,708</u>	<u>4,231,090</u>	<u>12,631,200</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 8,423,379</u>	<u>\$ 944,557</u>	<u>\$ 560,037</u>	<u>\$ 4,249,859</u>	<u>\$ 14,177,832</u>

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

CITY OF LAGO VISTA, TEXAS
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance of all governmental funds	\$ 12,631,200
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,660,987
Warrants outstanding net of allowance are not an available resource and, therefore, are not reported in the funds.	70,000
Other long-term assets, such as uncollected property taxes, are not available to pay for and, therefore, are reported as unavailable revenue in the funds.	290,030
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(31,223,405)
Additional long-term liabilities related to the recognition of the net pension liability and/or the net OPEB liability is/are not reported in the funds.	(286,781)
Net position of governmental activities	<u><u>\$ 7,142,031</u></u>

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

CITY OF LAGO VISTA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT, FOR DISCUSSION
PURPOSES ONLY

	General Fund	Hotel Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Property taxes	\$ 5,091,424	\$ -	\$ 2,675,754	\$ -	\$ 7,767,178
Sales taxes	1,079,705	-	-	-	1,079,705
Hotel/motel taxes	-	236,652	-	-	236,652
Franchise taxes	556,846	-	-	-	556,846
Penalties and interest on taxes	45,102	-	20,178	-	65,280
Licenses and permits	2,624,906	-	-	-	2,624,906
Intergovernmental revenues	209,657	-	-	-	209,657
Charges for services	1,282,861	-	-	-	1,282,861
Fines	120,064	-	-	-	120,064
Investment earnings	34,961	6,353	5,903	20,678	67,895
Grants and contributions	22,446	-	-	-	22,446
Miscellaneous revenue	11,204	-	-	-	11,204
Total revenues	11,079,176	243,005	2,701,835	20,678	14,044,694
EXPENDITURES					
Current:					
General government	2,242,449	-	-	-	2,242,449
Public safety	2,480,816	-	-	-	2,480,816
Highways and streets	1,058,582	-	-	-	1,058,582
Sanitation	993,482	-	-	-	993,482
Culture and recreation	749,929	-	-	-	749,929
Economic development and assistance	285,912	83,593	-	-	369,505
Debt service:					
Bond principal	-	-	1,531,000	-	1,531,000
Interest - bonds	-	-	1,145,629	-	1,145,629
Interest - other debt	-	-	2,650	-	2,650
Capital outlay	2,225,384	-	-	1,576,407	3,801,791
Total expenditures	10,036,554	83,593	2,679,279	1,576,407	14,375,833
Excess (deficiency) of revenues over	1,042,622	159,412	22,556	(1,555,729)	(331,139)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,600,000	-	-	643,000	2,243,000
Transfers out	(845,694)	-	-	-	(845,694)
Total other financing sources (uses)	754,306	-	-	643,000	1,397,306
Net change in fund balance	1,796,928	159,412	22,556	(912,729)	1,066,167
Fund balance - beginning	5,216,638	767,424	437,152	5,143,819	11,565,033
Fund balance - ending	\$ 7,013,566	\$ 926,836	\$ 459,708	\$ 4,231,090	\$ 12,631,200

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

CITY OF LAGO VISTA, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT – FOR DISCUSSION
PURPOSES ONLY

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances for total governmental funds	\$ 1,066,167
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	(2,455,516)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	42,271
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,551,230
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The net effect of various transactions involving the net pension liability and/or the net OPEB liability is to decrease net position.	144,176
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Change in net position for governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ (4,509,757)</div>
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The notes to the financial statements are an integral part of this statement.

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CITY OF LAGO VISTA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT, FOR DISCUSSION
PURPOSES ONLY

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 5,100,539	\$ 5,100,539	\$ 5,091,424	\$ (9,115)
Sales taxes	854,398	866,884	1,079,705	212,821
Franchise taxes	540,500	540,500	556,846	16,346
Penalties and interest on taxes	-	-	45,102	45,102
Licenses and permits	1,844,531	1,844,531	2,624,906	780,375
Intergovernmental revenues	42,000	42,000	209,657	167,657
Charges for services	1,152,324	1,152,324	1,282,861	130,537
Fines	139,047	129,300	120,064	(9,236)
Investment earnings	4,954	4,954	34,961	30,007
Contributions and donations, private sources	40,000	40,000	22,446	(17,554)
Miscellaneous revenue	13,662	13,662	11,204	(2,458)
Total revenues	9,731,955	9,734,694	11,079,176	1,344,482
EXPENDITURES				
Current:				
General government	2,635,752	3,635,752	2,242,449	1,393,303
Public safety	2,803,225	2,803,225	2,480,816	322,409
Highways and streets	1,345,814	1,345,814	1,058,582	287,232
Sanitation	1,104,611	1,104,611	993,482	111,129
Culture and recreation	728,535	834,536	749,929	84,607
Economic development and assistance	284,853	315,346	285,912	29,434
Capital outlay	302,443	4,078,597	2,225,384	1,853,213
Total Expenditures	9,205,233	14,117,881	10,036,554	4,081,327
Excess (deficiency) of revenues over expenditures	526,722	(4,383,187)	1,042,622	5,425,809
OTHER FINANCING SOURCES (USES)				
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	(3,083,429)	(3,083,429)	(845,694)	2,237,735
Sale of general capital assets	100,000	100,000	-	(100,000)
Total other financing sources (uses)	(1,383,429)	(1,383,429)	754,306	2,137,735
Net change in fund balances	(856,707)	(5,766,616)	1,796,928	7,563,544
Fund balance - beginning	5,216,638	5,216,638	5,216,638	-
Fund balance - ending	\$ 4,359,931	\$ (549,978)	\$ 7,013,566	\$ 7,563,544

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

CITY OF LAGO VISTA, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Business-Type Activities			
	Aviation Fund	Golf Course Fund	Utility Fund	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ -	\$ 1,300	\$ 614,682	\$ 615,982
Investments - current	-	-	21,650,489	21,650,489
Accounts receivable, net	-	22,011	1,595,256	1,617,267
Due from other funds	98,517	241,731	-	340,248
Inventories	-	32,899	-	32,899
Net pension asset	-	22,148	116,803	138,951
Total current assets	98,517	320,089	23,977,230	24,395,836
Noncurrent Assets:				
Land	415,172	499,050	2,337,269	3,251,491
Buildings	186,081	863,164	486,885	1,536,130
Improvements other than buildings	916,668	1,578,241	70,816,077	73,310,986
Furnishings and equipment	-	2,251,804	3,649,164	5,900,968
Accumulated depreciation	(344,691)	(2,804,140)	(26,203,873)	(29,352,704)
Construction/development in progress	253,122	-	748,177	1,001,299
Total noncurrent assets	1,426,352	2,388,119	51,833,699	55,648,170
Total assets	1,524,869	2,708,208	75,810,929	80,044,006
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	-	37,379	218,197	255,576
Total deferred outflows of resources	-	37,379	218,197	255,576
LIABILITIES				
Current liabilities:				
Accounts payable	34,442	11,276	197,343	243,061
Compensated absences payable	-	12,788	43,657	56,445
Due to other funds	-	-	4,734,052	4,734,052
Unearned revenue	-	-	1,874,121	1,874,121
Bonds and notes payable - current	-	127,789	-	127,789
Other current liabilities	-	-	87,298	87,298
Customer deposits	-	-	342,790	342,790
Total current liabilities	34,442	151,853	7,279,261	7,465,556
Noncurrent Liabilities:				
Lease payables	-	150,228	-	150,228
OPEB liability	-	19,151	109,702	128,853
Other noncurrent liabilities	-	20,052	151,172	171,224
Total noncurrent liabilities	-	189,431	260,874	450,305
Total liabilities	34,442	341,284	7,540,135	7,915,861
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	-	66,180	375,264	441,444
Total deferred inflows of resources	-	66,180	375,264	441,444
NET POSITION				
Net investment in capital assets	1,426,352	2,112,820	47,179,421	50,718,593
Restricted for capital improvements	-	-	7,264,645	7,264,645
Unrestricted	64,075	225,303	13,669,661	13,959,039
Total net position	\$ 1,490,427	\$ 2,338,123	\$ 68,113,727	\$ 71,942,277

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

CITY OF LAGO VISTA, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Business-Type Activities			Total
	Aviation Fund	Golf Course Fund	Utility Fund	Proprietary Funds
REVENUES				
Operating revenues:				
Charges for services:				
Water	\$ -	\$ -	\$ 7,638,526	\$ 7,638,526
Wastewater/sewer	-	-	5,558,252	5,558,252
Other charges	411,781	765,994	-	1,177,775
Miscellaneous revenue	8,342	-	268,882	277,224
Total operating revenues	420,123	765,994	13,465,660	14,651,777
EXPENSES				
Operating expenses:				
Salaries and wages	8,505	477,813	2,356,156	2,842,474
Purchased services	20,962	105,195	602,380	728,537
Purchased property services	17,957	125,979	2,501,616	2,645,552
Materials and supplies	367,591	99,966	549,764	1,017,321
Other operating expenses	12,333	33,689	1,315,153	1,361,175
Depreciation	60,812	181,731	2,119,424	2,361,967
Miscellaneous	1,999	12,861	8,560	23,420
Total operating expenses	490,159	1,037,234	9,453,053	10,980,446
Operating income (loss)	(70,036)	(271,240)	4,012,607	3,671,331
Nonoperating revenues (expenses)				
Investment earnings	-	-	151,456	151,456
Capital contributions	-	-	4,858,085	4,858,085
Interest expense	-	(13,884)	-	(13,884)
Total nonoperating revenues (expenses)	-	(13,884)	5,009,541	4,995,657
Income before transfers in (out)	(70,036)	(285,124)	9,022,148	8,666,988
Transfers in	-	438,694	1,677,000	2,115,694
Transfers out	-	-	(3,513,000)	(3,513,000)
Change in net position	(70,036)	153,570	7,186,148	7,269,682
Net position-beginning	1,560,463	2,184,553	60,927,579	64,672,595
Net position-ending	\$ 1,490,427	\$ 2,338,123	\$ 68,113,727	\$ 71,942,277

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

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CITY OF LAGO VISTA, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Business-Type Activities			
	Aviation Fund	Golf Course Fund	Utility Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 420,123	\$ 765,908	\$ 12,331,970	\$13,518,001
Receipt (return) of customer deposits	-	-	29,720	29,720
Payments to suppliers and service providers	(411,618)	(560,560)	(315,532)	(1,287,710)
Payments to employees for salaries and benefits	(8,505)	(502,504)	(2,475,176)	(2,986,185)
Net cash provided by (used for) operating activities	-	(297,156)	9,570,982	9,273,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to/from other funds	-	438,694	(1,836,000)	(1,397,306)
Net cash provided by (used for) capital and financing activities	-	438,694	(1,836,000)	(1,397,306)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(13,589)	(5,270,053)	(5,283,642)
Principal paid on capital debt	-	(93,864)	-	(93,864)
Long-term employee costs	-	(34,085)	72,228	38,143
Net cash provided by (used for) capital and related financing activities	-	(141,538)	(339,740)	(481,278)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	-	-	(15,040,614)	(15,040,614)
Interest on investments	-	-	151,456	151,456
Net cash provided by investing activities	-	-	(14,889,158)	(14,889,158)
Net increase (decrease) in cash and cash equivalents	-	-	(7,493,916)	(7,493,916)
Cash and cash equivalents-beginning	-	1,300	8,108,598	8,109,898
Cash and cash equivalents-ending	\$ -	\$ 1,300	\$ 614,682	\$ 615,982
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:				
Operating income (loss)	(70,036)	(271,240)	4,012,607	3,671,331
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	60,812	179,013	2,119,424	2,359,249
(Increase) decrease in accounts receivable	-	(86)	(110,381)	(110,467)
(Increase) decrease in due from other funds	-	(144,247)	-	(144,247)
(Increase) decrease in inventories	-	(12,060)	-	(12,060)
(Increase) decrease in net pension asset	-	(22,148)	(116,803)	(138,951)
(Decrease) increase in deposits payable	-	-	29,720	29,720
(Decrease) increase in accounts payable	3,527	(23,845)	(72,111)	(92,429)
(Decrease) increase in accrued liabilities	-	(2,543)	(2,217)	(4,760)
(Decrease) increase in due to other funds	5,697	-	4,734,052	4,739,749
(Decrease) increase in other current liabilities	-	-	(1,023,309)	(1,023,309)
Total adjustments	70,036	(25,916)	5,558,375	5,602,495
Net cash provided by (used for) operating activities	\$ -	\$ (297,156)	\$ 9,570,982	\$ 9,273,826

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

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NOTES TO THE FINANCIAL STATEMENTS

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I. Summary of Significant Accounting Policies

This section describes the significant accounting and reporting guidelines of the City.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. However, there were no component units identified that would require inclusion in this report.

B. Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The Hotel Fund accounts for fees received in relation to hotel and motel taxes and are spent in relation to economic development and assistance.

The Capital Projects Fund accounts for the acquisition and construction of the government's major capital facilities.

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations.

The government reports the following major enterprise funds:

The Aviation Fund accounts for the government's aviation services, including aviation equipment, supplies, and facilities.

The Golf Course Fund accounts for the government's municipal golf course services, including the pro shop, snack bar, and golf course.

The Utility Fund accounts for the government's utility services, including water and sewer services.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under right-to-use leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Trust funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Budgetary Information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, Capital Projects Fund, Aviation Fund, Golf Course Fund, and Utility Fund. The Hotel Fund does not have an appropriated budget since other means control the use of these resources.

The appropriated budget is prepared by fund and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. Excess of expenditures over appropriations

For the year ended September 30, 2022, expenditures did not significantly exceed appropriations in any of the City's legally adopted budgets.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and cash equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the government are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools (e.g. Logic) when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The pools are subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

3. Inventories and prepaid items

Inventories are valued at cost using the weighted average cost method and consist of the golf course's pro shop inventory. The cost of such inventories is recorded as expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The City does not currently have an prepaid items.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	10-50
Machinery and equipment	5-20
Vehicles	5-10
Improvements	10-20

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government currently has deferred inflows related to net pension liability and other postemployment benefits. As well, the governmental funds report unavailable revenue related to property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

G. Revenues and Expenditures/Expenses

1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll of January 1, 2021, upon which the levy for the 2021-2022 fiscal year was based, was \$1,300,919,451. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended September 30, 2022, to finance General Fund and Debt Service Fund operations were \$0.3981 and \$0.2089, respectively, for a total tax rate of \$0.6070 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the 2021-2022 fiscal year was \$7,896,581. Tax collections, including collections of prior year delinquent balances, for the year ended September 30, 2022, were 98.2% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes.

3. Compensated absences

Vacation

Upon termination, all regular employees who resign or are terminated after a 90-day probation period will be compensated for unused vacation leave up to a max of 30 days. Payment is based on the employee's salary at time of termination. Two-week notice required.

Sick Leave

If employed before July 1, 2016, 50% of accrued sick leave is paid upon termination or resignation up to a max of 90 days. Any employee employed after July 1, 2016 will not be eligible for paid accrued sick leave at termination or resignation.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Stewardship, Compliance and Accountability

A. Violations of Legal or Contractual Provisions

No violations of legal or contractual provisions were noted during the current year.

B. Deficit Fund Equity

For the year ended September 30, 2022 there were no funds reported with deficit fund equity.

III. Detailed Notes on All Activities and Funds

A. Cash Deposits with Financial Institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of September 30, 2022, the government's bank balance was \$30,844,642 and \$0 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the government's name.

B. Investments

The State Treasurer's Investment Pool (Pool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note I.G.2, *Investments*, for a discussion of how the shares in the Pool are valued. The Pool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state. The government utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

As of September 30, 2022, the government had the following investments:

Investment Type	<u>Maturity Time in Years</u>	
	Less than	
	1	
Logic (local government investment pool)	\$	29,911,600
Total investments	\$	<u>29,911,600</u>

Interest rate risk. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of June 30, 2022, the government's investment in the State Treasurer's investment pool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The government's investments in commercial paper were rated A1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investor's Service. The government's investments in corporate bonds were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service.

Concentration of credit risk. The government's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivables for the major and nonmajor funds of both the governmental and proprietary funds of the government, including the applicable allowances for uncollectible accounts:

Governmental Funds:

Receivables	General Fund	Hotel Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Property taxes	\$ 190,201	\$ -	\$ 99,828	\$ -	\$ 290,029
Accounts receivable	214,631	-	-	176,866	391,497
Sales taxes	182,752	-	-	-	182,752
Franchise Taxes	145,738	74,944	-	-	220,682
Gross receivables	733,322	74,944	99,828	176,866	1,084,960
Less: Allowance for uncollectibles	(19,861)	-	-	-	(19,861)
Net receivables	<u>\$ 713,461</u>	<u>\$ 74,944</u>	<u>\$ 99,828</u>	<u>\$ 176,866</u>	<u>\$ 1,065,099</u>

Proprietary Funds:

Receivables	Golf Fund	Utility Fund	Total Proprietary Funds
Accounts receivable	\$ 22,011	\$ 1,794,108	\$ 1,816,119
Gross receivables	22,011	1,794,108	1,816,119
Less: Allowance for uncollectibles	-	(198,852)	(198,852)
Net receivables	<u>\$ 22,011</u>	<u>\$ 1,595,256</u>	<u>\$ 1,617,267</u>

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D. Capital Assets

Capital assets activity for the year ended September 30, 2022, was as follows:

Governmental Activities:

	Balance 10/1/21	Increases	Decreases	Adjustments	Balance 9/30/22
Capital assets, not being depreciated:					
Land	\$ 1,495,408	\$ -	\$ -	\$ -	\$ 1,495,408
Construction in progress	3,984,409	3,524,812	-	(4,858,085)	2,651,136
Total capital assets, not being depreciated	5,479,817	3,524,812	-	(4,858,085)	4,146,544
Capital assets, being depreciated:					
Autos and trucks	1,177,441	-	-	-	1,177,441
Buildings and streets	20,636,309	-	-	-	20,636,309
Furniture and fixtures	98,623	11,004	-	-	109,627
Improvements	7,367,146	12,500	-	-	7,379,646
Machinery and equipment	2,032,755	253,475	-	-	2,286,230
Total capital assets, being depreciated	31,312,274	276,979	-	-	31,589,253
Less accumulated depreciation for:					
Autos and trucks	(1,159,121)	(18,320)	-	-	(1,177,441)
Buildings and streets	(3,782,619)	(845,753)	-	-	(4,628,372)
Furniture and fixtures	(98,623)	(734)	-	-	(99,357)
Improvements	(2,351,741)	(348,364)	-	-	(2,700,105)
Machinery and equipment	(1,283,484)	(186,051)	-	-	(1,469,535)
Total accumulated depreciation	(8,675,588)	(1,399,222)	-	-	(10,074,810)
Total capital assets being depreciated, net	22,636,686	(1,122,243)	-	-	21,514,443
Governmental activities capital assets, net	\$ 28,116,503	\$ 2,402,569	\$ -	\$ (4,858,085)	\$25,660,987

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Business-Type Activities:

	Balance 10/1/21	Increases	Decreases	Adjustments	Balance 9/30/22
Capital assets, not being depreciated:					
Land	\$ 3,251,491	\$ -	\$ -	\$ -	\$ 3,251,491
Construction in progress	944,175	57,124	-	-	1,001,299
Total capital assets, not being depreciated	4,195,666	57,124	-	-	4,252,790
Capital assets, being depreciated:					
Buildings	1,536,130	-	-	-	1,536,130
Improvements	68,439,311	13,588	-	4,858,085	73,310,984
Furniture and equipment	5,546,125	354,845	-	-	5,900,970
Total capital assets, being depreciated	75,521,566	368,433	-	4,858,085	80,748,084
Less accumulated depreciation for:					
Buildings	(503,668)	(44,905)	-	-	(548,573)
Improvements	(21,960,498)	(1,957,334)	-	-	(23,917,832)
Furniture and equipment	(4,526,571)	(359,728)	-	-	(4,886,299)
Total accumulated depreciation	(26,990,737)	(2,361,967)	-	-	(29,352,704)
Total capital assets being depreciated, net	48,530,829	(1,993,534)	-	4,858,085	51,395,380
Business-type activities capital assets, net	\$ 52,726,495	\$(1,936,410)	\$ -	\$ 4,858,085	\$55,648,170

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

Governmental activities:

General government	\$ 397,439
Public safety	439,685
Highways and streets	187,617
Sanitation	176,079
Culture and recreation	132,913
Economic development and assistance	65,489
Total depreciation expense - governmental activities	<u>\$ 1,399,222</u>

E. Defined Benefit Pension Plan

Plan Description

The City participates as one of 920 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	62
Active employees	98
	<hr/>
	201
	<hr/>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lago Vista were 7.86% and 8.16% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were \$442,626, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

For calculating the actuarial liability and the retirement contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.

For calculating the actuarial liability and the retirement contribution rates, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

For calculating the actuarial liability and the retirement contribution rates, the PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

These actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Annuity Increase – The Consumer Price Index (CPI) is assumed to be 2.50% per year prospectively. For the City of Lago Vista annual annuity increases of 0.00% are assumed when calculating the TPL. To reflect the asymmetric nature of the credits due to the USC provision, there is a load on the final average earnings used in the calculation of 0.1% per year into the future that the calculation is performed.

For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) until 2027 are based on a mortality study performed in 2013, with the factors phasing into being based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. The current table of APRs is explicitly valued through 2032 and then it is assumed the APRs and the valuation mortality assumptions will be consistent over time. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public & Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	<u>100%</u>	

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2021. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and the projection of cash flows, the City's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the years remaining for the closed period existing for each base in addition.

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Schedule of Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 13,135,522	\$ 12,577,118	\$ 558,404
Changes for the year:			
Service cost	682,299	-	682,299
Interest	896,817	-	896,817
Difference between expected and actual experience	(120,024)	-	(120,024)
Contributions - employer	-	425,964	(425,964)
Contributions - employee	-	325,162	(325,162)
Net investment income	-	1,639,567	(1,639,567)
Benefit payments, including refunds of employee contr.	(380,988)	(380,988)	-
Administrative expense	-	(7,586)	7,586
Other changes	-	52	(52)
Net changes	1,078,104	2,002,171	(924,067)
Balance at 12/31/2021	<u>\$ 14,213,626</u>	<u>\$ 14,579,289</u>	<u>\$ (365,663)</u>

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.75% or 1-percentage-point higher 7.75% than the current rate:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
City's net pension liability/(asset)	\$ 1,559,917	\$ (365,663)	\$ (1,962,905)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the city recognized pension expense of (\$271,920).

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At September 30, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	\$ 191,186	\$ 1,032,047
Differences between expected and actual economic experience	79,647	109,159
Difference in assumption changes	9,977	-
Contributions subsequent to the measurement date	320,521	-
Total	<u>\$ 601,331</u>	<u>\$ 1,141,206</u>

\$320,521 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Ended Dec 31st:	Resources
2022	\$ (156,473)
2023	(339,695)
2024	(206,109)
2025	(158,119)
Total	<u>\$ (860,396)</u>

F. Other Post-Employment Benefit (OPEB) Obligations

Benefits Provided

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an other post-employment benefit, or OPEB.

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	12
Active employees	98
	<hr/>
	141
	<hr/>

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years September 30, 2022 and 2021 were \$12,143 and \$11,587 respectively, which equaled the required contributions each year.

Plan Assets

At the December 31, 2021 valuation and measurement date, there are no assets accumulated in trust.

Actuarial Assumptions

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50%-11.50% including inflation per year
Discount rate	1.84% based on Fidelity Index's 20-year Municipal GO AA Index
Retirees' share of benefit costs	\$0

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB No. 68. Mortality rates for service retirees are calculated using the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. The mortality rates for disabled retirees are calculated using the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Schedule of Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2020	\$ 309,442	\$ -	\$ 309,442
Changes for the year:			
Service cost	26,013	-	26,013
Interest	6,406	-	6,406
Change of benefit terms	-	-	-
Difference between expected and actual experience	(7,961)	-	(7,961)
Changes of assumptions	9,523	-	9,523
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contr.	(4,335)	-	(4,335)
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	29,646	-	29,646
Balance at 12/31/2021	\$ 339,088	\$ -	\$ 339,088

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 0.84% or 1-percentage-point higher 2.84% than the current rate:

	1% Decrease in	Current	1% Increase in
	Discount Rate 0.84%	Discount Rate 1.84%	Discount Rate 2.84%
City's net OPEB liability	\$ 408,109	\$ 339,088	\$ 284,721

Pension Plan Fiduciary Net Position

Detailed information about the OPEB plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the city recognized OPEB expense of \$39,378.

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

At September 30, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,732	\$ 16,295
Difference in assumption changes	54,625	4,194
Contributions subsequent to the measurement date	8,881	-
Total	<u>\$ 71,238</u>	<u>\$ 20,489</u>

\$8,881 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

Ended Dec 31st:	Resources
2022	\$ 11,912
2023	9,856
2024	13,430
2025	6,543
2026	127
Total	<u>\$ 41,868</u>

G. Risk Management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year, the City purchased commercial insurance to cover general liabilities. There are no significant reductions in coverage in the past fiscal year and no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Lease Obligations

1. Right-to-Use Lease

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows:

Year Ending September 30,	Business-type Activities
2023	\$ 114,544
2024	86,205
2025	76,758
2026	209,733
2027	9,170
2028	1
Total minimum lease payments	496,411
Less: amount representing interest	(43,986)
Present value of minimum lease payments	<u>\$ 452,425</u>

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

I. Long-Term Liabilities

General Obligation Bonds

The government issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and certificates of obligation have been issued for both governmental and business-type activities. These long-term debt instruments are direct obligations and pledge the full faith and credit of the government. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 5 to 30 years.

Details of long-term debt obligations outstanding at September 30, 2022 are as follows:

Governmental Activities:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/22
Bonds Payable					
Certificates of Obligation, Series 2006	2006	\$ 6,515,000	4.13%	2027	\$ 2,175,000
Certificates of Obligation, Series 2008	2008	2,000,000	3.87%	2028	760,000
General Obligation Refunding Bond, Series 2011	2011	4,535,000	2.00%	2023	465,000
Certificates of Obligation, Series 2014	2014	7,655,000	2-4.5%	2035	7,455,000
General Obligation Refunding Bond, Series 2015	2015	6,955,000	2-4%	2035	6,575,000
General Obligation Refunding Bond, Series 2016A	2016	1,810,000	2-4%	2037	1,645,000
General Obligation Refunding Bond, Series 2016B	2016	3,875,000	1.22-3.739%	2037	3,570,000
Certificates of Obligation, Series 2017	2017	7,725,000	3-4%	2047	6,680,000
Aggregate premium on bonds payable	2011	1,980,878	N/A	2047	1,273,877
Total Bonds Payable					<u><u>\$ 30,598,877</u></u>

Business-type Activities:

Business-type Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/22
Right-to-Use Leases Payable					
Wells Fargo, Mowers	2019	\$ 96,450	4.32%	2025	\$ 51,325
Yamaha, Golf Carts	2019	309,474	4.20%	2023	127,789
John Deere, Maintenance Equipment and Vehicles	2019	204,010	3.75%	2023	45,950
John Deere, Maintenance Vehicles	2021	65,598	3.75%	2027	52,954
Total Right-to-Use Leases					<u><u>\$ 278,018</u></u>

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Changes in Long-Term Liabilities

Changes in the government's long-term liabilities for the year ended September 30, 2022 are as follows:

Governmental Activities:

Description	Balance 10/1/21	Additions	Deletions	Balance 9/30/22	Due in One Year
Bonds Payable					
General obligation bonds	\$ 13,020,000	\$ -	\$ (765,000)	\$ 12,255,000	\$ 790,000
Certificates of obligation	17,836,000	-	(766,000)	17,070,000	795,000
Premium	1,376,026	-	(102,149)	1,273,877	-
Total bonds payable	32,232,026	-	(1,633,149)	30,598,877	1,585,000
Compensated absences	393,018	88,328	-	481,346	-
Net pension liability/(asset)	346,210	-	(572,921)	(226,712)	-
Net other postemployment benefit obligation	191,854	18,381	-	210,235	-
Governmental activities long-term liabilities	<u>\$ 33,163,108</u>	<u>\$ 106,709</u>	<u>\$(2,206,070)</u>	<u>\$ 31,063,746</u>	<u>\$ 1,585,000</u>

Business-type Activities:

Description	Balance 10/1/21	Additions	Deletions	Balance 9/30/22	Due in One Year
Capital leases	\$ 378,049	\$ (6,573)	\$ (93,458)	\$ 278,018	\$ 127,789
Compensated absences	163,614	7,610	-	171,224	-
Net pension liability/(asset)	212,194	-	(351,146)	(138,952)	-
Net other postemployment benefit obligation	117,588	11,265	-	128,853	-
Governmental activities long-term liabilities	<u>\$ 871,445</u>	<u>\$ 12,302</u>	<u>\$ (444,604)</u>	<u>\$ 439,143</u>	<u>\$ 127,789</u>

The debt service requirements for the government's bonds, loans, and notes are as follows:

Governmental Activities:

Year Ended September 30,	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2023	\$ 1,585,000	\$ 1,094,358
2024	1,639,000	1,037,372
2025	1,699,000	974,008
2026	1,764,000	907,531
2027	1,839,000	837,680
2028-2032	9,884,000	3,102,552
2033-2037	8,175,000	1,138,261
2038-2042	1,240,000	416,000
2043-2047	1,500,000	154,456
Totals	<u>\$ 29,325,000</u>	<u>\$ 9,662,218</u>

CITY OF LAGO VISTA, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

J. Fund Balance

Minimum fund balance policy. The governing council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at 90 days of general fund annual revenues (approximately 25%), but not to drop below 60 days (16.7%). In rare circumstances, it is allowed to drop further below target provided a plan is in place to restore the funds.

K. Interfund Receivables and Payables

The composition of interfund balances as of September 30, 2022 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	General Fund (Parkland)	\$ 580,000
General Fund	General Fund	10,403
General Fund	Hotel Fund	5,722
General Fund	Utility Fund	1,873,801
Debt Service Fund	Utility Fund	815
Capital Projects Fund	General Fund	2,508,785
Aviation Fund	General Fund	98,517
Golf Fund	General Fund	241,731
Total		<u>\$ 5,319,774</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund balances between governmental activities and business-type activities are classified as internal balances on the Statement of Net Position.

L. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2022 is as follows:

Transfer in to:					
	Governmental Funds		Enterprise Funds		Total
	General Fund	Capital Projects Fund	Golf Course Fund	Utility Fund	
Transfer out from:					
General Fund	\$ -	\$ 407,000	\$ 438,694	\$ -	\$ 845,694
Capital Projects Fund	-	19,000	-	1,677,000	1,696,000
Utility Fund	1,600,000	217,000	-	-	1,817,000
Total	<u>\$ 1,600,000</u>	<u>\$ 643,000</u>	<u>\$ 438,694</u>	<u>\$ 1,677,000</u>	<u>\$ 4,358,694</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move general fund resources to provide subsidies to other funds as needs arise, and 3) move resources from the electric fund to the general fund to subsidize governmental activities.

M. Contingencies

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

N. Subsequent Events

As of January 20, 2023, there were no items noted requiring recording and/or disclosure.

O. IMPLEMENTATION OF GASB 87

The objective of Governmental Accounting Standards Board Statement No. 87 – Leases (GASB 87) is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the foundational principle that leases are financing the right to use an underlying asset. Under this Statement, a lessee is required to recognize lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Although the district has right-to-use leased assets, we have decided to pass on implementing retroactively/prospectively GASB 87 for the City's copiers, mowers, and golf carts due to the relatively short remaining period and the immaterial nature of the payments.

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REQUIRED SUPPLEMENTARY INFORMATION
OTHER REPORTING

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018
A. Total pension liability				
1. Service cost	\$ 682,299	\$ 663,096	\$ 595,954	\$ 557,697
2. Interest (on the Total Pension Liability)	896,817	817,904	759,830	687,882
3. Changes of benefit terms	-	-	-	-
4. Difference between exptd. and actual	(120,024)	159,695	(74,546)	160,240
5. Changes of assumptions	-	-	37,949	-
6. Benefit payments, including refunds of employee contributions	(380,988)	(581,439)	(403,363)	(314,744)
7. Net change in total pension liability	\$ 1,078,104	\$ 1,059,256	\$ 915,824	\$ 1,091,075
8. Total pension liability - beginning	13,135,522	12,076,266	11,160,442	10,069,367
9. Total pension liability - ending	<u>\$ 14,213,626</u>	<u>\$ 13,135,522</u>	<u>\$ 12,076,266</u>	<u>\$ 11,160,442</u>
B. Plan fiduciary net position				
1. Contributions - employer	\$ 425,964	\$ 427,060	\$ 361,957	\$ 344,782
2. Contributions - employee	325,162	315,600	279,353	262,858
3. Net investment income	1,639,567	876,098	1,515,340	(293,885)
4. Benefit payments, including refunds of employee contributions	(380,988)	(581,439)	(403,363)	(314,744)
5. Administrative expense	(7,586)	(5,671)	(8,562)	(5,678)
6. Other changes	52	(222)	(257)	(297)
7. Net change in plan fiduciary net position	\$ 2,002,171	\$ 1,031,426	\$ 1,744,468	\$ (6,964)
8. Plan fiduciary net position - beginning	12,577,118	11,545,692	9,801,224	9,808,188
9. Plan fiduciary net position - ending	<u>\$ 14,579,289</u>	<u>\$ 12,577,118</u>	<u>\$ 11,545,692</u>	<u>\$ 9,801,224</u>
C. Net pension liability [A.9 - B.9]	<u>\$ (365,663)</u>	<u>\$ 558,404</u>	<u>\$ 530,574</u>	<u>\$ 1,359,218</u>
D. Plan fiduciary net position as a percentage of the total pension liability [B.9 / A.9]	102.57%	95.75%	95.61%	87.82%
E. Covered-employee payroll	\$ 5,419,370	\$ 5,258,495	\$ 4,655,888	\$ 4,380,966
F. Net position as a percentage of covered employee payroll [C / E]	-6.75%	10.62%	11.40%	31.03%

Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
\$ 530,359	\$ 498,365	\$ 431,114	\$ 362,015
623,948	569,842	527,056	489,774
-	-	-	-
101,262	43,293	20,443	(73,396)
-	-	212,906	-
(329,404)	(322,425)	(302,417)	(258,266)
\$ 926,165	\$ 789,075	\$ 889,102	\$ 520,127
9,143,202	8,354,127	7,465,025	6,944,898
\$ 10,069,367	\$ 9,143,202	\$ 8,354,127	\$ 7,465,025

\$ 316,030	\$ 249,566	\$ 234,864	\$ 215,450
245,916	231,081	212,546	203,575
1,166,782	523,318	11,202	402,356
(329,404)	(322,425)	(302,417)	(258,266)
(6,044)	(5,907)	(6,822)	(4,200)
(306)	(318)	(338)	(345)
\$ 1,392,974	\$ 675,315	\$ 149,035	\$ 558,570
8,415,215	7,739,900	7,590,865	7,032,295
\$ 9,808,189	\$ 8,415,215	\$ 7,739,900	\$ 7,590,865
\$ 261,178	\$ 727,987	\$ 614,227	\$ (125,840)

97.41% 92.04% 92.65% 101.69%

\$ 4,098,600 \$ 3,851,351 \$ 3,542,430 \$ 3,392,918

6.37% 18.90% 17.34% -3.71%

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Fiscal Year			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 442,626	\$ 421,203	\$ 401,349	\$ 357,036
Contributions in relation to the actuarially determined contribution	(442,626)	(421,203)	(401,349)	(357,036)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 5,590,282	\$ 5,311,019	\$ 4,993,558	\$ 4,580,879
Contributions as a percentage of covered employee payroll	7.92%	7.93%	8.04%	7.79%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 334,163	\$ 300,205	\$ 254,860	\$ 235,583
(334,163)	(300,205)	(254,860)	(235,583)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,266,109	\$ 4,042,094	\$ 3,911,628	\$ 3,491,490
7.83%	7.43%	6.52%	6.75%

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CITY OF LAGO VISTA, TEXAS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	23 years (longest amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.5% per year
Salary increases	3.50% to 11.5%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas 'Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generation basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Measurement Year 2021	Measurement Year 2020
A. Total pension liability		
1. Service cost	\$ 26,013	\$ 23,137
2. Interest on Total OPEB Liability	6,406	6,645
3. Changes of benefit terms	-	-
4. Difference between expected and actual experience	(7,961)	11,968
5. Changes of assumptions	9,523	38,398
6. Benefit payments	(4,335)	(1,578)
7. Net changes	\$ 29,646	\$ 78,570
8. Total OPEB Liability - beginning of the year	309,442	230,872
9. Total OPEB Liability - end of the year	\$ 339,088	\$ 309,442
E. Covered-employee payroll	\$ 5,419,371	\$ 5,258,495
F. Total OPEB Liability as a Percentage of Covered Payroll	6.26%	5.88%

Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
\$ 14,899	\$ 16,210	\$ 13,116
7,093	6,388	6,000
-	-	-
(12,980)	(9,763)	-
38,814	(12,846)	14,459
(1,397)	(876)	(820)
<u>\$ 46,429</u>	<u>\$ (887)</u>	<u>\$ 32,755</u>
<u>184,443</u>	<u>185,330</u>	<u>152,575</u>
<u><u>\$ 230,872</u></u>	<u><u>\$ 184,443</u></u>	<u><u>\$ 185,330</u></u>
\$ 4,655,888	\$ 4,380,966	\$ 4,098,600
4.96%	4.21%	4.52%

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	Fiscal Year				
	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 12,143	\$ 11,587	\$ 11,867	\$ 10,994	\$ 9,385
Contributions in relation to the actuarially determined contribution	(12,143)	(11,587)	(11,867)	(10,994)	(9,385)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,590,282	\$ 5,311,019	\$ 4,993,558	\$ 4,580,879	\$ 4,266,109
Contributions as a percentage of covered employee payroll	0.22%	0.22%	0.24%	0.24%	0.22%

CITY OF LAGO VISTA, TEXAS
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Summary of Actuarial Assumptions:

Inflation	2.50%
Salary increases	3.50% to 11.50%; including inflation
Discount rate*	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information:

Notes	*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021. The Actuarial assumptions used in the December 31, 2021 valuation
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CITY OF LAGO VISTA, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Property taxes	\$ 2,676,469	\$ 2,676,469	\$ 2,675,754	\$ (715)
Penalties and interest on taxes	-	-	20,178	20,178
Investment earnings	8,160	8,160	5,903	(2,257)
Total revenues	<u>2,684,629</u>	<u>2,684,629</u>	<u>2,701,835</u>	<u>17,206</u>
EXPENDITURES				
Current:				
Debt service:				
Bond principal	1,531,000	1,531,000	1,531,000	-
Interest - bonds	1,145,629	1,145,629	1,145,629	-
Bank Charges	8,000	8,000	2,650	5,350
Total Expenditures	<u>2,684,629</u>	<u>2,684,629</u>	<u>2,679,279</u>	<u>5,350</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>22,556</u>	<u>22,556</u>
Net Change in Fund Balances	-	-	22,556	22,556
Fund balance - beginning	437,152	437,152	437,152	-
Fund balance - ending	<u>\$ 437,152</u>	<u>\$ 437,152</u>	<u>\$ 459,708</u>	<u>\$ 22,556</u>

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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

To the Honorable Mayor, Members of the City Council and Citizens of
the City of Lago Vista, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lago Vista, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City of Lago Vista, Texas's basic financial statements and have issued our report thereon dated January 20, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Lago Vista, Texas's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Lago Vista, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Lago Vista, Texas's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

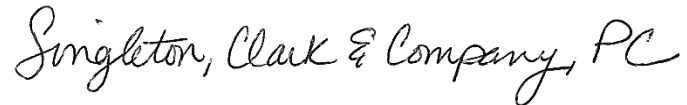
Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Lago Vista, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Singleton, Clark & Company, PC". The script is cursive and fluid, with the letters "S", "C", and "P" being particularly prominent.

Singleton, Clark & Company, PC
Cedar Park, Texas

January 20, 2023

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CITY OF LAGO VISTA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended September 30, 2022.

Prior year financial statement findings as required to be restated with current status:

2021-001 Accounting Procedures

Criteria: Based on our understanding of the City’s prior year and current year accounting procedures, we reduced the City’s prior year material weakness in internal control to a current year significant deficiency in internal control. We reduced the significance of the Finding based on improvements observed in procedures related to revenue recognition, purchasing, credit cards, reimbursements, and the City’s travel policy. However, issues noted in the prior year remain related primarily to the application of generally accepted accounting principles and Governmental Accounting Standards Board (GASB) guidance to the City’s accounting for transactions.

Condition Found: During the audit, we noted accounting procedures and transactions that do not adhere to generally accepted accounting principles and/or GASB guidance. This is not uncommon and is the primary reason for audit adjustments for any auditee. Specifically, the issues noted related to asset/capital outlay recording, debt/lease recording, the capital improvements fund, grant administration, and accounts payable. We also noted issues with the City’s bank reconciliations, expenditure coding, and purchasing policy.

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

2021-001

Accounting Procedures (Continued)

Related to the capital improvements fund (referred to as the Capital Projects Fund in the financial statements), we noted the fund improperly commingles resources from bond issues, grants, and other project resources from governmental and proprietary funds. According to GASB Statement 54, §33, capital projects funds are governmental funds used to account for financial resources restricted for capital outlay but should exclude proprietary fund resources and most grant resources (most grants are required to be recorded in special revenue funds).

For the City's proprietary funds – Utility, Aviation, and the Golf Course – full accrual accounting is required rather than modified accrual accounting which is employed in governmental funds like the General Fund. The difference between full accrual and modified accrual accounting relates to resources. Governmental funds rely primarily, if not exclusively, on tax revenues and so take a 12-14 month perspective. Proprietary funds charge fees to customers and transactions are recorded as they would be in a business. Proprietary assets, debt, and leases are recorded on the balance sheet rather than the income statement as they would be in a governmental fund. The City required audit adjustments related to the recording of assets and debt in its proprietary funds.

Related to grant administration, we noted the City does not record material grants in distinct special revenue funds (or otherwise track grant expenditures separately as a best practice in accordance with GASB Statement 54).

Related to cash, we noted October transactions included on the City's September bank reconciliation. The City required an audit adjustment related to these transactions as they did not affect cash until the next month.

Related to accounts payable, we noted that the City combines accounts payable into a single fund instead of recording accounts payable in separate funds. This relates to the use of a pooled cash fund to assist with the processing of checks through a single disbursing account. An audit adjustment was necessary to record individual accounts payable balances.

Related to expenditures, we noted transactions miscoded related to the perceived ability of a particular fund to bear those expenditures. And, related to purchasing we did not note a specific purchase order policy.

Cause: The cause of these issues is a lack of understanding and/or adherence to generally accepted accounting principles and GASB guidance.

Effect: The effect of this condition is the necessity of significant and numerous audit adjustments. The potential effect of the cash and expenditure/purchasing issues is unauthorized purchases or incorrect recording of transactions.

CITY OF LAGO VISTA, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

DRAFT - FOR DISCUSSION
PURPOSES ONLY

Recommendation: We recommend that the City review the cause of these issues and take steps to modify its procedures/implement auditor recommendations in order to apply/adhere to generally accepted accounting principles/GASB/best practices.

Classification: We noted the city has modified its procedures and is compliant with generally accepted accounting principles, GASB, and/or best practices.

SECTION III – FEDERAL AWARDS FINDING AND QUESTIONED COSTS

Not applicable.



Item Cover Page

CITY COUNCIL AGENDA ITEM REPORT

DATE:	March 16, 2023
SUBMITTED BY:	Roy Jambor, Development Services
SUBJECT:	Discussion, consideration, and possible action regarding Ordinance 23-03-16-03; an Ordinance of the City Council of the City of Lago Vista, Texas pursuant to Vernon's Texas Codes Annotated, Local Government Code, Chapter 102, Section 102.007(b) providing for amendments to Ordinance No. 22-09-15-01, for the fiscal year beginning October 1, 2022, and ending September 30, 2023. The Hotel Occupancy fund currently has \$100,000 budgeted for an electronic information sign. A budget amendment is required as the quote is \$115,000.
BACKGROUND:	The FY 2022-2023 budget adopted by the Lago Vista City Council included \$100,000 from the Hotel Occupancy Tax Revenue Fund to be used to replace the existing marquee sign located on the west side within the right-of-way of the 7300 block of Lohman Ford Road. The budgeted amount was based on a single, two-sided electronic sign cabinet with a display area similar in size to the community event banners that are periodically mounted between the steel posts on the opposite side of the Lohman Ford Road right-of-way by the Public Works Department.
FINDINGS:	<p>Development Services Department determined that a local vendor is a member of the Texas "BuyBoard Purchasing Cooperative." That allowed us to secure the needed services from a local business, while ensuring a competitive price for those services and compliance with all applicable procurement requirements. The manufacturer of the electronic display panel to be used for the project (Vantage LED) has prepared a video simulation of the proposed sign available at the following address: http://renderings.vantageled.com/LagoVista.mp4.</p> <p>While generating a number of design alternatives, it was determined that the existing sign location, preferable for a</p>

number of reasons including sufficient electrical power is nonetheless located near the midpoint of an approximately one hundred twenty (120) degree change in direction of Lohman Ford Road. It was also determined that a two-sided sign cabinet would be less desirable than a pair of separate display cabinets mounted on a “v-shaped” monument sign. Utilizing two display surfaces, each angled optimally for the opposing viewing angles, will allow a driver to safely focus on the longer series of messages without diverting attention from traffic.

FINANCIAL IMPACT:

The “estimate” of \$114,465.40 from the local vendor included in the packet has been confirmed to represent a firm proposal with that amount representing a guaranteed maximum (“not to exceed cost”). Certain costs could potentially be slightly less and if that proves to be the case, that savings would be realized by the City by a reduced final payment. Nonetheless, staff has rounded up the estimate to \$115,000 for the required budget amendment.

An increase not to exceed \$15,000 is required for the expenditures associated with the desired sign.

RECOMMENDATION:

Enact the ordinance to approve the described budget amendment.

ATTACHMENTS:

[Ordinance](#)

ORDINANCE NO. 23-03-16-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS PURSUANT TO VERNON'S TEXAS CODES ANNOTATED, LOCAL GOVERNMENT CODE, CHAPTER 102, SECTION 102.007(b) PROVIDING FOR AMENDMENTS TO ORDINANCE NO. 22-09-15-01, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; AMENDMENTS TO SAID BUDGET BY FUND AS SET FORTH IN EXHIBIT "A" ATTACHED TO THIS ORDINANCE.

WHEREAS, the 2022-2023 Fiscal Year Annual Budget adopted by the Lago Vista City Council included an expenditure for an electronic message display sign to replace the existing marquee sign located on the west side within the right-of-way of the 7300 block of Lohman Ford Road; and

WHEREAS, that budgeted expenditure would also eliminate the need for the current community event banners periodically located within the Lohman Ford Road right-of-way on the east side of the existing street improvements; and

WHEREAS, that expenditure would result in increased traffic safety and more effective notice to the public, while reducing the staff time currently expended to prepare and display the desired information; and

WHEREAS, that original budgeted expenditure was based on an estimate that employed a single, two-sided sign cabinet, and

WHEREAS, during the subsequent design of the sign it was determined that the geometry of the road in that specific location dictated the use of two separate electronic display sign cabinets in order to maximize traffic safety and optimize the viewing angle for each opposite direction; and

WHEREAS, employing a sign with two separate electronic display sign cabinets would increase the required expenditure by an amount not to exceed fifteen thousand dollars (\$15,000.00).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, THAT:

Section 1. Amending Budget. Pursuant to Vernon's Texas Codes Annotated, Local Government Code, Chapter 102, Section 102.007(b) the City Council of the City of Lago Vista, Texas hereby amends the City Budget by Fund for the Fiscal Year beginning October 1, 2022, and ending September 30, 2023 with said amendments being as set forth in Exhibit "A" attached to this ordinance.

Section 2. Savings. Any ordinance or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of said conflict.

Section 3. Severability. If any word, phrase, sentence, paragraph or section is found to be illegal, invalid or unconstitutional, the remaining portion of this ordinance shall remain in full force and effect.

Section 4. Effective Date. This ordinance shall take effect and be in full force immediately upon its final passage and approval.

AND, IT IS SO ORDERED.

PASSED AND APPROVED this 16th day of March 2023.

Ed Tidwell, Mayor

ATTEST:

Lucy Aldrich, City Secretary

On a motion by Councilor _____, seconded by Councilor _____, the above and foregoing ordinance was passed and approved.

EXHIBIT “A”

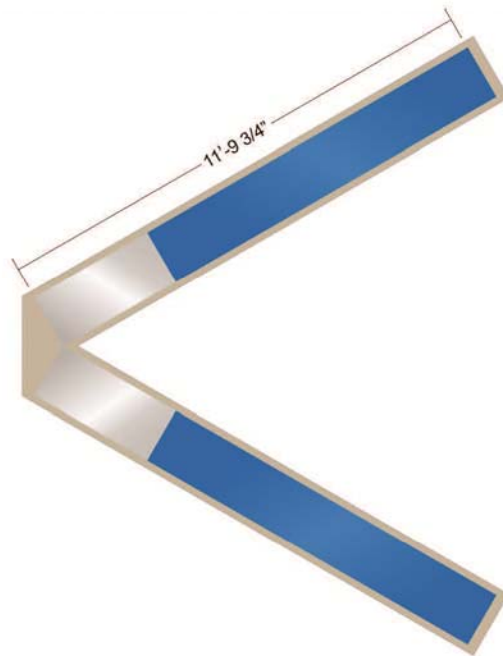
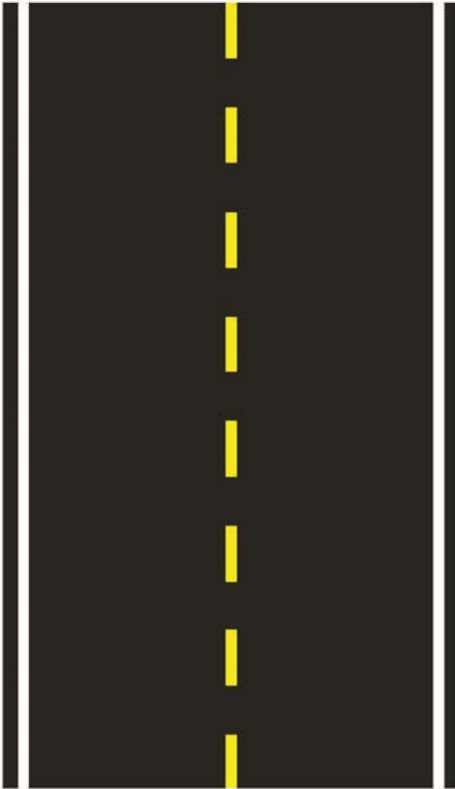
Budget Amendment by Fund: March 16, 2023

HOTEL OCCUPANCY TAX FUND FUND 11						
REVENUES						
Account	Account Name		Current Budget		Amendment	Amended Budget
411-1230	Hotel Occupancy Tax		\$ 303,576			\$ 303,576
411-1410	Bed Tax Interest Income		5,870			5,870
	Total Revenue		\$ 309,445			\$ 309,445
EXPENDITURES						
Account	Account Name		Current Budget		Amendment	Amended Budget
511-8620	Tourism Promotion					
	Song Bird Festival		\$ 6,000			\$ 6,000
	Electronic Information Sign		100,000		15,000	115,000
	Lago Fest		24,000			24,000
	Total Tourism Promotion Budget		\$ 130,000		\$ 15,000	\$ 145,000

A

Top View

Scale: 1:36



A

V-Shaped Illuminated Monument Sign

Scale: 1:36

Fabricate & Install **One (1)** V-Shaped Monument Sign to Specs

"Single Sided Header Cabinets"

- .080" Aluminum Cabinet Faces PTM P1-P2
- Faces Routed & Backed w/ 3/16" #7328 White Acrylic
- .080" Aluminum Sidewalls PTM P1-P2
- .080" Aluminum Cabinet Backs PTM P1-P2
- Illuminated w/ Principle LED RGB Tapout Stiks for SS Cabinet
- 60W Principle LED Power Supplies Contained in Cabinet
- 2" Aluminum Square Tube Cabinet Frame

"Single Sided Electronic Message Centers"

- Two (2) 56 3/4" x 141 3/4" 12MM Full Color Single Sided EMCs
- 2" Steel Angle Frame Frames
- Illuminated w/ Principle Quikmod 2 White LED
- 7" Pole Pocket for 6 5/8" OD Steel Pipe for Each EMC
- Sandstone Wall Built to Specs
- 120V Power Brought to Sign by Others



Night View - NTS



HOTEL OCCUPANCY TAX FUND

Fund 11

Account Number	Account Name	Yr End Actual 09/30/20	Yr End Actual 09/30/21	Adopted Budget 2021-2022	YTD Totals 6/30/2022 2021-2022	Year End Estimate 2021-2022		Base Budget 2022-2023	Supplemental Budget 2022-2023	Total Budget 2022-2023
Revenues										
411-1230	Hotel Occupancy Tax	\$ 136,985	\$ 208,938	\$ 200,000	\$ 160,795	\$ 275,978		\$ 303,576	\$ -	\$ 303,576
411-1410	Bed Tax Interest Income	\$ 6,113	\$ 586	\$ 600	\$ 1,967	\$ 5,336		\$ 5,870	\$ -	\$ 5,870
411-1810	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
411-9100	Transfer from Bed Tax Reserves	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
411-9770	Transfers - Due To/From	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
	Total Revenue	\$ 143,098	\$ 209,524	\$ 200,600	\$ 162,762	\$ 281,314		\$ 309,445	\$ -	\$ 309,445
Expenditures										
511-5100	Books, Publications, Films	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
511-6100	Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
511-8610	Chamber of Commerce	\$ 36,000	\$ 48,000	\$ 48,000	\$ 36,000	\$ 48,000		\$ 48,000	\$ -	\$ 48,000
511-8620	Tourism Promotion	\$ 17,009	\$ -	\$ 100,500	\$ 23,593	\$ 24,000		\$ 30,000	\$ 100,000	\$ 130,000
	Song Bird Festival \$6,000						\$ 6,000			
	Electronic Information Sign \$100,000						\$ 100,000			
	Lago Fest \$24,000						\$ 24,000			
511-9750	Transfer to General Fund	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
	Total Expense	\$ 53,009	\$ 48,000	\$ 148,500	\$ 59,593	\$ 72,000		\$ 78,000	\$ 100,000	\$ 178,000
	Net Total	\$ 90,089	\$ 161,524	\$ 52,100	\$ 103,170	\$ 209,314		\$ 231,445	\$ (100,000)	\$ 131,445

Estimate

Page 1 of 5



Vistago Print

Vistago Print, LLC

6706 Lohman Ford Rd

Lago Vista, TX 78645

ph. (512) 267-7446 x101

fax

email: chad@vistagoprint.com

Estimate:

20 23781

Printed

2/17/2023 10:57:57AM

Description: **Sign Spec 3 - Lago Vista, TX**

Prepared For: Roy Jambor

ph:

Company: COLV

Estimate Date: 2/17/2023 10:57:27AM

email: Roy.Jambor@lagovistatexas.gov

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
1 Engineering		1	1	1	1	\$500.00	\$0.00	\$500.00

Color:

Description: - (1) TX Stamped Engineer Drawing

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
2 Sign Permit		1	1	0	0	\$325.00	\$0.00	\$325.00

Color:

Description: Permit Procurement (If Needed): \$325

Actual City Fee: \$____ TBD - Added at Cost

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
3 Install		1	1	0	0	\$6,800.00	\$0.00	\$6,800.00

Color:

Description: -Electrical Run to Sign Location

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
---------	------	-----	-------	--------	-------	-----------	---------	------------



Vistago Print, LLC
6706 Lohman Ford Rd
Lago Vista, TX 78645
ph. (512) 267-7446 x101
fax
email: chad@vistagoprint.com

Estimate

Page 2 of 5

Estimate: 20 23781

Printed 2/17/2023 10:57:57AM

4	LED Sign	1	2	56.75	141.75	\$67,190.40	\$0.00	\$67,190.40
Color:								



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Estimate

Page 3 of 5

Estimate: 20 23781

Printed 2/17/2023 10:57:57AM

Description: SINGLE SIDED ELECTRONIC MESSAGE CENTERS:
-(2) 56 3/4" x 141.75" 12MM Full Color Single Sided EMCs
-Mounted w/ Approved Fasteners

-FLEX V-Series: Outdoor 12mm RGB 120x300 Double Face
-Lifetime Verizon Data Plan
-Cellular Modem (4G LTE)
-7 Year On-Site Labor Warranty
- Input Voltage 240 Volt AC

PRODUCT SPECIFICATIONS:

FLEX V-Series: Outdoor 12mm RGB 120x300 Double Face
Flex V-Series Full Color Outdoor Display
Display Specifications

Physical Pitch..... 12mm
Physical Matrix (HxW)..... 120 pixels (H) x 300 pixels (W)
Virtual Pitch..... 6mm
Virtual Matrix (HxW)..... 240 pixels (H) x 600 pixels (W)
LEDs Per Pixel..... R1G1B1
Cabinet Dimensions (HxW)..... 4 ft. 8-11/16 in. (H) x 11ft. 9-3/4 in. (W)
Active Display Area (HxW)..... 4 ft. 8-11/16 in. (H) x 11ft. 9-3/4 in. (W)
Estimated Weight per Face..... 641.7 Lbs.
Square Feet per Face..... 55.8
Service Access..... Front Service, Rear Service Available as Custom Order Option

Display Capabilities

Color Capability..... 281 Trillion Colors
Viewing Angle..... 160 Degrees Horizontal
Electrical Specifications

Maximum Load at 120 Volts AC... 13.1Amps per Face
Typical Load at 120 Volts AC..... 3.9 Amps per Face
Maximum Load at 240 Volts AC... 6.5 Amps per Face
Typical Load at 240 Volts AC..... 2 Amps per Face
Suggested Input Voltage..... 120 Volt AC
Single Phase Input Power Only
Warranty Coverage

Parts Warranty Period..... 7 Years

Lifetime Verizon Data Plan
Lifetime Data Package on Verizon Carrier Network.
Plan includes One (1) GB of data transfer per month.
Data plan must be combined with a cellular modem device from Vantage LED.
Please note due to variances in coverage by Verizon Carrier Network and other site-specific conditions, Vantage LED cannot guarantee this product package is suitable for all locations and may result in communications related issues with the display. In the event that Carrier Network coverage or technology supported is not sufficient for

Estimate

Page 4 of 5



Vistago Print

Vistago Print, LLC

6706 Lohman Ford Rd

Lago Vista, TX 78645

ph. (512) 267-7446 x101

fax

email: chad@vistagoprint.com

Estimate:

20 23781

Printed

2/17/2023 10:57:57AM

the equipment or display location, alternate carriers or communications devices may be required, and additional charges may be incurred. The industry standard lifetime of an LED display is defined as approximately 10 years. The lifetime data plan term is for the life of the LED Display it is originally purchased with and is not to exceed the industry standard 10-year lifetime of an LED Display. Data Package subject to the terms and conditions of the Vantage LED Cellular Data Packages Program, available upon request

Cellular Modem (4G LTE)

Cellular Modem for Vantage Data Plans

This product has no data plans associated with it and must be combined with a data plan to be activated.

Includes cellular modem, power supply and external antenna(s)

Please note due to variances in coverage by Carrier Network and other site specific conditions, Vantage LED cannot guarantee that this product package is suitable for all locations and may result in communications related issues.

In the event that Carrier coverage is not sufficient for the final installation, alternate Carriers or Communications may be required and will incur any additional equipment or subscription fees.

ADD: 7 Year On-Site Labor Warranty

Extend Warranty Coverage with 7 Year On-site Labor Plan.

Covers on-site labor costs for repair or replacement of part covered by Limited Parts Warranty.

Terms and Conditions apply and available upon request.

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
5 Masonary		1	1	1	1	\$15,850.00	\$0.00	\$15,850.00

Color: White

Description: SANDSTONE WALLS BUILT TO SPECS

- Dirt Removal
- Pipe Sets - Pending Engineering
- Foundations
- Stone work

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
6 Cabinet Boxes-Illuminated		2	1	27	141.75	\$8,450.00	\$0.00	\$16,900.00

Color: White

Description: "Single Sided Header Cabinets"

- .080" Aluminum Cabinet Faces PTM P1
- Faces Routed & Backed w/ 3/16" #7328 White Acrylic
- .080" Aluminum Sidewalls PTM P1
- .080" Aluminum Cabinet Backs PTM P1
- Illuminated w/ Principle LED RGB Tapout Stiks
- 60W Principle LED Power Supplies Contained in Cabinet
- 2" Aluminum Square Tube Cabinet Frame

Text:

Product	Font	Qty	Sides	Height	Width	Unit Cost	Install	Item Total
---------	------	-----	-------	--------	-------	-----------	---------	------------



Vistago Print, LLC
6706 Lohman Ford Rd
Lago Vista, TX 78645
ph. (512) 267-7446 x101
fax
email: chad@vistagoprint.com

Estimate

Estimate: 20 23781

Printed 2/17/2023 10:57:57AM

7	Install	1	1	0	0	\$6,900.00	\$0.00	\$6,900.00
---	---------	---	---	---	---	------------	--------	------------

Color:

Description: INSTALL:
-Sign Cabinets
-Message Center Display

NOTE: TCS WILL TIE INTO EXISTING DEDICATED POWER IF ACCESSIBLE AND LOCATED AT SIGN LOCATION. TCS NOT RESPONSIBLE FOR RUNNING PRIMARY POWER TO SIGN. ILLUMINATED SIGN CABINET REQUIRES (1) DEDICATED CIRCUIT. MESSAGE CENTER REQUIRES (1) DEDICATED CIRCUIT. (2) DEDICATED CIRCUITS OR MORE ARE REQUIRED FOR SIGN AS DESIGNED

Text:

Notes:

Line Item Total:	\$114,465.40
Tax Exempt Amt:	\$114,465.40
Subtotal:	\$114,465.40
Taxes:	\$0.00
Total:	\$114,465.40

Deposit Required: \$57,232.70

Company: COLV
Lago Vista, TX

Received/Accepted By:

/ /