1. Agenda

    Documents:

    02-11-2016 AGENDA.PDF

2. Meeting Materials

    Documents:

    02-11-2016 COUNCIL PACKET.PDF

Town of Northlake, Texas
Council Agenda
Thursday, February 11, 2016 at 5:30 pm
1400 FM 407 - Northlake Texas

Notice is hereby given of the Town Council Meeting beginning at 5:30 pm in the Northlake Town Hall Chamber Room at 1400 FM 407, Northlake, Texas. The items listed below are placed on the agenda for discussion, consideration and or action

1. Call to Order the Workshop Session
   A. Special Recognition
      Sergeant Dwight Thornton 5 Years Northlake Police Officer
      2015 Officer of the Year Recognition

2. Briefing
   B. FY 15 Annual Audit Presentation
   C. NISD Outdoor Learning Center Water Line Reimbursement
   D. Master Thoroughfare Plan Update
   E. Road Projects
   F. Aero Valley Water Company Update
   G. Debt Capacity

3. Regular Session
   Call to Order - Pledge of Allegiance - Moment of Silence

4. Public Recognition/Citizens' Agenda/Written Communications
   The opportunity for citizens to address the Town Council on any subject (limits three (3) minutes per person), however, the Texas Open Meetings Act prohibits the Town Council from discussing issues which the public has not been given seventy-two (72) hours' notice. Issues raised may be referred to Town Staff for research and possible future action

5. Consent Items
   All items listed below are considered routine by Town Council and will be enacted with one motion. There will be no separate discussion of items unless a Council Member so requests, in which event the item will be removed and considered separately

   H. Meeting Minutes 1-14-16

   I. Resolution of the Town Council of the Town of Northlake, Texas, declaring certain personal property owned by the Town to be surplus property and authorizing the Town Administrator to dispose of such property (Res. No. 16-05)

J. Resolution of the Town of Northlake, Texas, approving an amendment to the Tax Abatement Agreement to promote economic development and stimulate business and commercial activity in the town; providing for required notices (Res. No. 16-06)

6. Regular Items
   K. Acceptance of the Annual Financial Report ending September 30, 2015

   L. Lamar Billboard Meritorious Exception
      i. Public Hearing
      ii. Resolution No. 16-06

   M. An Ordinance adopting the 2016 Master Thoroughfare Plan Update replacing the existing Thoroughfare Plan; providing that this Ordinance shall be cumulative of all ordinances; providing for a severability clause; providing a savings clause and providing an effective date
      i. Public Hearing
      ii. Ordinance 16-0211A

   N. An Ordinance amending the Code of Ordinances, Town of Northlake, Texas; by the amendment of Chapter 5 Business Regulations; amending Article 5.-06 Temporary Vending at Texas Motor Speedway; providing a savings clause; providing a severability clause; providing a penalty clause; and providing an effective date (Ord. No. 16-0211B)

   O. An Ordinance amending the Fee Schedule of the Town of Northlake, Texas, contained in Appendex "A" to Ordinance No. 14-1211A including A3.000 Business Related Fees; providing that this Ordinance shall be cumulative of all ordinances, providing a severability clause; providing a savings clause; and providing an effective date (Ord. No. 16-0211C)

7. Executive Session
   The Town Council may enter into Executive Session during the meeting to seek legal advice from its attorney on any posted agenda item, or to discuss any item that is authorized by the Texas Open Meetings Act to be discussed in closed session including:

   a) In accordance with Texas Government Code, Section 551.071, consultation with attorney regarding pending or contemplated litigation or a settlement offer involving - Town of Northlake vs City of Justin

   Discuss, Consider and Act on appropriate action relative to the Executive Session

8. Adjournment

CERTIFICATE

I hereby certify that the above agenda was posted on the front glass door at the Town Hall 1400 FM 407, Northlake, Texas on Monday, February 8, 2016 by 4:00 pm

Shirley Rogers
Town Secretary

NOTE: The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development Negotiations)

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TOWN OF NORTHLAKE

1. Call to Order-Workshop

A. Special Recognition

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2015 Officer of the Year Recognition

TOWN OF NORTHLAKE

2. Briefing

B. FY 15 Annual Audit Report Presentation

C. Outdoor Learning Center Waterline

D. Master Thoroughfare Plan Update

E. Road Projects

F. Aero Valley Water Company Update

G. Debt Capacity

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Karen Bolyard, Finance Director

CC: Shirley Rogers, Town Secretary
Drew Corn, Town Administrator

Date: February 11, 2016

Re: Presentation of Fiscal Year 2015 Audited Financial Report

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The Town of Northlake's 2015 fiscal year Annual Financial Report will be presented by Mike Vail, partner with the independent audit firm of Vail and Knauth. The auditor's opinion is an unqualified or "clean" opinion. This means that the Town's Financial Statements have been found to fairly represent our financial position.

As of September 30, 2015, the Town's total governmental fund balances were $7,076,771 with $2,395,434 being restricted for specific purposes and $4,681,337 being unassigned. The fiscal year 2015 ending fund balances are as follows:

Governmental Fund Balances as of Sep. 30, 2015

Debt Service	$	34,764
Capital Projects		(13,986)
Court Technology, Security & Child Safety		180,989
Economic Development		592,373
Community Development		571,429
Hotel/Motel Tax		1,029,865
Unrestricted		4,681,337
Total Fund Balance	**$**	**7,076,771**

The Water/Sewer funds unrestricted fund balance increased by $1,865,100 during fiscal year 2015 on Sep. 30, 2015 the unrestricted fund balance was $926,065.

As required by GASB 68, which is a new way in reporting annual pension expenses and liabilities, the Town recorded a prior year expense adjustment of $209,234.

If you have any questions or comments please contact me at 940.242.5706.

Annual Financial Report

and Required Supplementary Information

Town of Northlake, Texas

Fiscal year ended September 30, 2015

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Town of Northlake, Texas

Annual Financial Report

Year ended September 30, 2015

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Town of Northlake, Texas

Annual Financial Report

Year ended September 30, 2015

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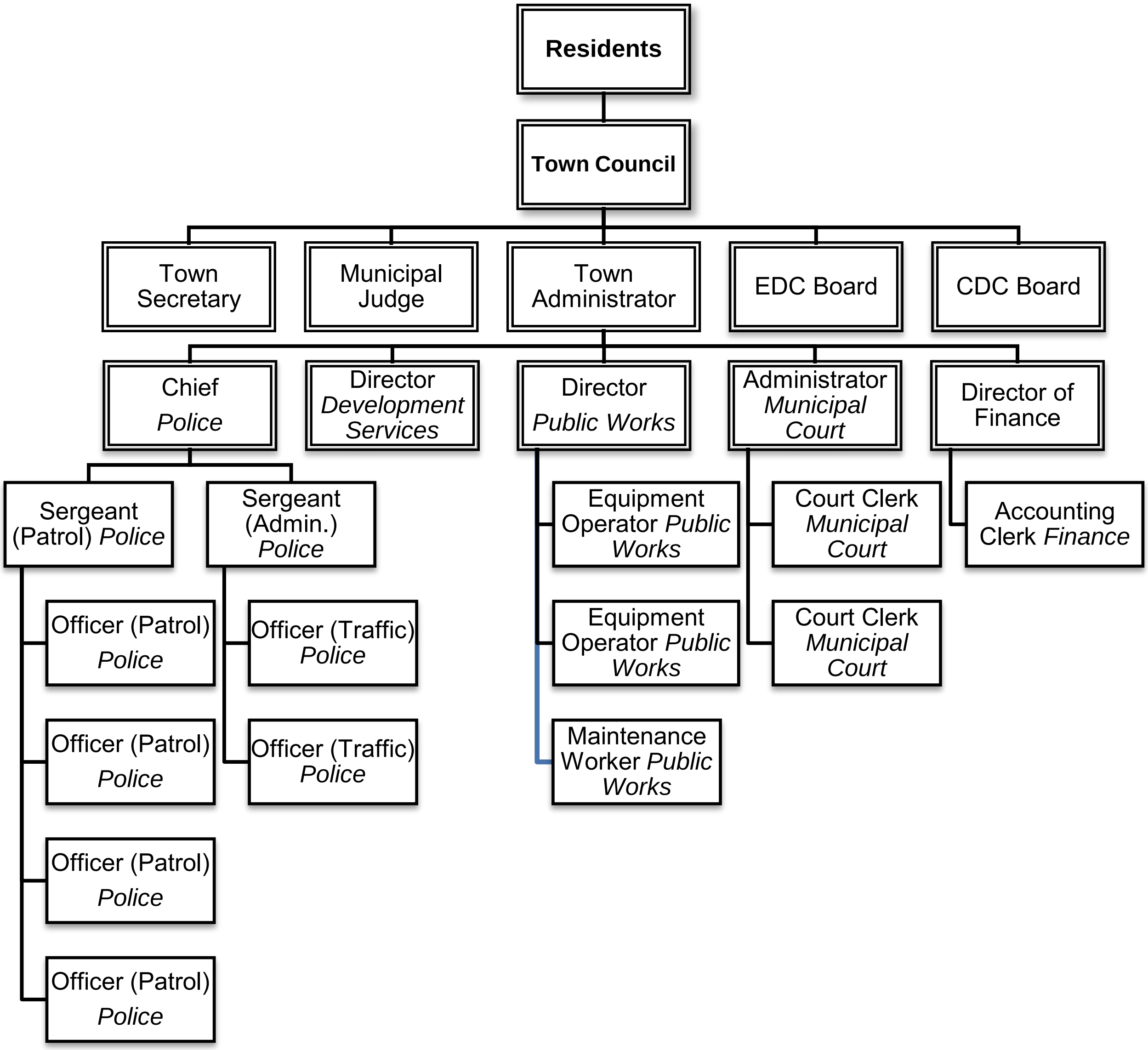
Town of Northlake, Texas
Organizational Chart



List of Elected and Appointed Officials

Town of Northlake, Texas

Town Council
September 30, 2015

Peter Dewing
Mayor

Danny Simpson, Place 5
Mayor Pro Tem

Jean Young, Place 1
Council Member

Mike McBride, Place 2
Council Member

Michael Ganz, Place 3
Council Member

Roger Sessions, Place 4
Council Member

VAIL & KNAUTH, LLP
CERTIFIED PUBLIC ACCOUNTANTS
AUDIT, TAX AND ADVISORY SERVICES

Michael G. Vail, CPA
Chris E. Knauth, CPA
Charles T. Gregg, CPA
Don E. Graves, CPA
Pamela C. Moore, CPA
Courtney N. Cooper, CPA

Members:
American Institute of CPAs
Texas Society of CPAs

Report of Independent Auditors

To the Honorable Mayor and Town Council
Town of Northlake, Texas
1400 FM 407

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town of Northlake, Texas ("The Town") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

1801 Gateway Blvd., Suite 212
Richardson, TX 75080
(972) 234-3333

www.vailknauth.com

323 East Highway 199 – P.O. Box 1859
Springtown, TX 76082
(817) 220-8700

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 12 to the Basic Financial Statements, certain adjustments resulting in $197,804 decrease in governmental activities net position and $11,430 decrease in business-type activities as of September 30, 2014, were discovered by management of the Town of Northlake during the current year. Accordingly, an adjustment has been made to net position as of September 30, 2015, to correct the error.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information on pages 06–13 and 43–49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining schedules on pages 50-51 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2016 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the Town's internal control over financial reporting and compliance.

Vail + Knauth, LLP

Dallas, Texas
February 8, 2016

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Our discussion and analysis of Town of Northlake's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2015. Please read it in conjunction with the Town's financial statements, which begin on page 14.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$9,905,167 (net position). Of this amount, \$5,451,719 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased by \$3,156,001.

- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$7,076,771 (page 16), which is an increase of \$1,139,757 when compared with the prior year. Of these combined balances \$4,681,337 is unassigned in the general fund, the capital project fund had a deficit balance of (\$13,986), \$595,373 is restricted in the economic development fund, \$571,429 is restricted for community development, \$1,029,865 is restricted in the hotel/motel fund, \$34,764 is restricted for debt service, and \$180,989 is restricted for court technology, security, and child safety.

- At the end of the current fiscal year, unassigned fund balance for the general fund was a surplus of \$4,681,337 or 60.3% of total general fund expenditures.

- The Town's total long-term debt increased by \$278,463 from \$6,274,364 to \$6,552,827.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Town of Northlake's basic financial statements. The Town's basic financial statements are comprised of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements present two different view of the Town through the use of government-wide statements, (pages 14 and 15), and fund financial statements, (pages 16 through 22). The Government-wide financial statements provide both short and long-term information about the Town while the fund financial statements focus on the activities of the individual components.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the Town of Northlake's assets and liabilities, with the difference between the two reported as net position. The Town's total net position is segmented for both restricted and unrestricted uses. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Northlake is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the 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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town of Northlake that are principally supported by taxes and inter-governmental revenues (government 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 Town include general government, municipal court, police, public works, economic development and promotional. The business-type activities of the Town include water and sewer activities.

The government-wide financial statements can be found on pages 14 through 15 of this report.

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 of objectives. The Town of Northlake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Town can be divided into two categories; governmental funds and proprietary funds.

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 evaluating 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, the reader 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 Town maintains five individual major governmental funds as well as other non-major 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, Capital Projects, Economic Development, Community Development, and Hotel/Motel Tax funds.

The Town adopts an annual appropriated budget for all of its governmental funds, except for its capital projects fund and some non-major funds. A budgetary comparison statement has been provided for all budgeted governmental funds to demonstrate compliance with its budget. This comparison can be found on pages 45 through 48 in the Required Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 16 through 19 of the report.

Proprietary Funds. The Town maintains two types of proprietary funds. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer activities. The Town uses an internal service fund to account for its equipment purchases and equipment maintenance. Proprietary funds provide the same type of information as the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 29 through 22 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 23 through 42 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for certain Governmental Funds. Required supplementary information can be found on pages 43 through 49 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. As of September, 30 2015, the Town of Northlake's assets exceeded liabilities by $9,905,167. The overall net position of the Town increased by $3,156,001 during fiscal year 2015 with business-type and governmental activities incurring increases in their net positions.

When compared to the prior year, governmental activities net position increased $1,279,471; from $4,641,331 at September 30, 2014 to $5,920,802 at September 30, 2015. The increases are due to the following activities:

- Due to the construction of new homes in the Harvest and Highlands communities assessments increased $338,272 or 1213% from the prior year.

- Because of increases in construction and the collection of permit and fees increased $513,191or 110% over the prior year.

- When compared with the prior year, sales taxes increased by $256,170 or 41% due to an increase in construction sales tax collections and the overall improvement in economic conditions.

- Hotel/Motel taxes increased $94,465 or 66% over the prior year due to the addition of a Holiday Inn Express and improved economic conditions.

Expenditures for governmental programs increased $274,162 or 9% when compared with the prior year. In order to maintain service level, it was necessary for the Town to increase police and public works activities. When compared to the prior year police services increased $208,077 or 25% while public works services increased $139,217 or 36%.

When compared to the prior year, business-type net position increased by $1,865,100; from a net position of $2,119,265 at September 30, 2014 to a net position of $3,984,365 at September 30, 2015. This increase is attributable to the following activities:

- Due to the increase in residential homes water and sewer fees increased $962,784 or 91% from the prior year.
- A developer contribution of a water plant was received by the Town during fiscal year 2015. The valuation of the water plant is $1,337,206 and is recorded under operating grants and contributions in the Statement of Activities.

A portion of the Town's net position, $2,058,014 or 20.5%, reflects its investment in capital assets (e.g., land, buildings, automobiles, equipment, construction in progress, water and sewer system and infrastructure), less any debt used to acquire those assets that is still outstanding.

The Town used these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Northlake's Net Position

	Governmental Activities		Business-type Activities		Total	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Assets:						
Current and Other Assets	$ 8,357,866	$ 6,826,043	$ 1,271,955	$ 1,906,301	$ 9,629,821	$ 8,732,344
Capital Assets	4,439,913	4,503,797	4,042,744	1,027,105	8,482,657	5,530,902
Total Assets	12,797,779	11,329,840	5,314,699	2,933,406	18,112,478	14,263,246
Deferred outflows of resources	90,826	-	9,687	-	100,513	-
	90,826	-	9,687	-	100,513	-
Liabilities:						
Long-term Liabilities Outstanding	5,659,759	553,602	351,921	390,616	6,011,680	944,218
Other Liabilities	1,110,397	5,937,103	988,100	423,525	2,098,497	6,360,628
Total Liabilities	6,770,156	6,490,705	1,340,021	814,141	8,110,177	7,304,846
Deferred inflows of resources	197,647	-	-	-	197,647	-
Net Position:						
Invested in Capital Assets, Net of Related Debt	(1,000,286)	2,472,711	3,058,300	603,580	2,058,014	3,076,291
Restricted for:						
Debt Service	34,764	(28)	-	-	34,764	(28)
Capital Projects	(13,986)	(39,094)	-	-	(13,986)	(39,094)
Court Technology, Security & Child Safety	180,989	163,373			180,989	163,373
Economic Development	592,373	455,140	-	-	592,373	455,140
Community Development	571,429	433,937	-	-	571,429	433,937
Promotional Activities	1,029,865	814,977	-	-	1,029,865	814,977
Unrestricted	4,525,654	538,119	926,065	1,515,685	5,451,719	2,053,804
Total Net Position	$ 5,920,802	$ 4,839,135	$ 3,984,365	$ 2,119,265	$ 9,905,167	$ 6,958,400

The Town's unrestricted total net position of $5,451,719 may be used to meet the Town's ongoing obligations to citizens and creditors.

As of September 30, 2015, the Town is able to report a positive balance in all categories of net position, for the government as a whole, as well as all categories for its separate governmental and business-type activities.

Due to changes for pension reporting and correction of certain errors as of September 30, 2014 the Town recognized $209,234 as a prior period adjustment to net position.

Town of Northlake's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Program Revenues:						
Fees, Fines and Charges for Services	$ 1,652,816	$ 1,158,993	$ 2,016,122	$ 1,053,338	$ 3,668,938	$ 2,212,331
General Revenues:					-	-
Property Taxes	743,419	683,502	-	-	743,419	683,502
PID Assessment	366,158	27,886	-	-	366,158	27,886
Sales Taxes	882,995	626,825	-	-	882,995	626,825
Franchise Taxes	244,696	198,913	-	-	244,696	198,913
Grants	-	-	1,337,206	-	1,337,206	-
Hotel/Motel Taxes	238,013	143,548	-	-	238,013	143,548
Interest on Investment	30,730	5,377	(32,446)	674	(1,716)	6,051
Miscellaneous	176,375	355,425	29,718	8,482	206,093	363,907
	4,335,202	3,200,469	3,350,600	1,062,494	7,685,802	4,262,963
Expenses						
General Government	946,647	1,161,129	-	-	946,647	1,161,129
Municipal Court	268,501	274,826	-	-	268,501	274,826
Police	1,027,335	819,258	-	-	1,027,335	819,258
Public Works	525,722	386,805	-	-	525,722	386,805
Economic Development	101,694	94,047	-	-	101,694	94,047
Promotional	25,219	38,416	-	-	25,219	38,416
Interest on Long-Term Debt	285,614	132,088	-	-	285,614	132,088
Water and Sewer	-	-	1,349,070	1,093,283	1,349,070	1,093,283
Total Expenses	3,180,732	2,906,570	1,349,070	1,093,283	4,529,802	3,999,853
Change in Net Position Before Transfers	1,154,470	293,899	2,001,530	(30,789)	3,156,000	263,110
Transfers	125,000	(765,000)	(125,000)	765,000	-	-
Change in Net Position	1,279,470	(471,101)	1,876,530	734,211	3,156,000	263,110
Net Assets 9/30 Prior Year	4,839,135	5,310,236	2,119,265	1,385,054	6,958,400	6,695,290
Prior Period Adjustment	(197,804)	-	(11,430)	-	(209,234)	-
Net Position 9/30 Current Year	$ 5,920,801	$ 4,839,135	$ 3,984,365	$ 2,119,265	$ 9,905,166	$ 6,958,400

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town of Northlake's governmental funds reported combined ending fund balances of $7,076,771, an increase of $1,139,757 in comparison with the prior year. The unassigned general fund balance at year end is a surplus of $4,681,337. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed as follows:

- to pay for debt service, $34,764
- to pay for economic and community development, $1,163,802
- to pay for promotional activities, $1,029,865
- to pay for court technology, security, and child safety, $180,989
- To pay for capital projects, ($13,986)

The general fund is the chief operating fund of the Town. The Town of Northlake budgeted and planned for an increase in fund balance for fiscal year 2014-2015 of $26,373 for the general fund (page 45).

Proprietary Funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements.

Unrestricted net position of the proprietary funds for business–type activities are $926,065. The water and sewer fund had a increase in net position of $1,865,100.

Unrestricted net position of the Internal Service Funds for Governmental Activities are $115,529 and net position increased during fiscal year 2015 by $149,091.

General Fund Budgetary Highlights

The Town of Northlake ended fiscal year 2014-2015 with a positive revenue budget variance of $430,310. The increase in unanticipated revenue was created by a robust demand for residential homes and an earlier than anticipated start on commercial building projects. The result of this unanticipated activity created an increase in building permits and fees of $259,148, an increase in the collection of construction sales tax of $57,100, and $42,496 increase in franchise fees. The Town had a positive expenditure budget variance of $51,445.

Details regarding budgetary variances can be found on page 45.

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to $8,482,657 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, automobiles, equipment, infrastructure, water and sewer system and construction in progress. The total increase in the Town's investment in capital assets for the current fiscal year was $2,951,755. This was comprised of a decrease in capital assets for governmental activities of ($63,884) and was offset by an increase in capital assets for business-type activities of $3,015,639 (i.e., water and sewer services).

Major capital asset events during the current fiscal year included the following:

- Purchase of a backhoe
- Purchase of two police vehicles including video equipment and Toughbook vehicle computers
- Purchase of radio read meters for new homes and commercial development (ongoing project)
- Developer contribution of a water plant

Town of Northlake's Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Land	$ 2,770,951	$ 2,754,654	$ 88,167	$ 15,986	$ 2,859,118	$ 2,770,640
Construction in Progress	-	-	588,040.00	-	588,040	-
Buildings and Improveme	179,897	164,182	28,594	29,768	208,491	193,950
Automobiles	361,295	273,775	-	-	361,295	273,775
Eqipment	66,309	112,611	1,910	3,220	68,219	115,831
Infrastructure	1,061,461	1,198,575	-	-	1,061,461	1,198,575
Water and Dewer System	-	-	3,336,033	978,131	3,336,033	978,131
Total	$ 4,439,913	$ 4,503,797	$ 4,042,744	$ 1,027,105	$ 8,482,657	$ 5,530,902

Additional information on the Town's capital assets can be found in Note 4 of this report.

Long-term Debt. At the end of the current fiscal year, the Town had total debt of $6,552,827 of which $5,970,000 are Certificates of Obligation.

Town of Northlake's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Capital Leases	$ -	$ 2,645	$ -	$ -	$ -	$ 2,645
Note Payable	3,444	16,719	579,383	-	582,827	16,719
Certificates of Obligation	5,565,000	5,835,000	405,000	420,000	5,970,000	6,255,000
Total	$ 5,568,444	$ 5,854,364	$ 984,383	$ 420,000	$ 6,552,827	$ 6,274,364

During the fiscal year, the Town retired $309,516 in debt and increased debt by $588,404 for water system improvements. Regularly scheduled annual principal and interest payments were made in a timely manner.

Additional information on the Town's long-term debt can be found in Note 5 of this report on page 33.

Economic Factors and Next Year's Budgets and Rates

The Town of Northlake does not plan on increasing any property tax rates during the fiscal year 2015-2016. Overall, general fund revenues are expected to be higher in the fiscal year 2015-2016. Sales tax revenue and permit fees are expected to increase slightly over fiscal year 2014-2015. Expenses for the general fund are expected to increase. This is due to the Town's staffing of new positions, increase in retirement costs, and increase development related expenditures. Water and sewer fund revenues are expected to be higher than fiscal year 2014-2015 due to additional customers.

Request for Information

The financial report is designed to provide out citizens, customers, investors and creditors with a general overview of the Town's finances. If you have questions about this report or need additional information, contact the Town Secretary: Attn: Town Secretary at 1400 FM 407, Northlake, Texas 76247, phone: (940) 648-3290 or email townsecretary@town.northlake.tx.us.

BASIC FINANCIAL STATEMENTS

Town of Northlake, Texas
Statement of Net Position
September 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 7,250,635	$ 731,117	$ 7,981,752
Receivables (net of allowance for uncollectibles)	509,356	211,063	720,419
Prepaid expense	9,742	41,775	51,517
Loan receivable	579,383	-	579,383
Other assets	8,750	288,000	296,750
Capital Assets (net of accumulated depreciation):			
Land	2,770,951	88,167	2,859,118
Construction in progress	-	588,040	588,040
Buildings and improvements	179,897	28,594	208,491
Automobiles	361,295	-	361,295
Equipment	66,309	1,910	68,219
Infrastructure	1,061,461	-	1,061,461
Water and sewer system	-	3,336,033	3,336,033
Total assets	12,797,779	5,314,699	18,112,478
Deferred outflows of resources			
Deferred outflows of resources	90,826	9,687	100,513
Total deferred outflows of resources	90,826	9,687	100,513
Liabilities			
Accounts payable	799,293	236,793	1,036,086
Accrued liabilities	201,557	95,119	296,676
Net pension liabilities	109,547	20,009	129,556
Noncurrent liabilities			
Due within one year	323,583	156,786	480,369
Due in more than one year	5,336,176	831,314	6,167,490
Total liabilities	6,770,156	1,340,021	8,110,177
Deferred inflows of resources			
Deferred inflows of resources	197,647	-	197,647
Total deferred inflows of resources	197,647	-	197,647
Net Position			
Invested in capital assets, net of related debt	(1,000,286)	3,058,300	2,058,014
Restricted for:			
Debt service	34,764	-	34,764
Capital projects	(13,986)	-	(13,986)
Court Technology, Security & Child Safety	180,989	-	180,989
Economic development	592,373	-	592,373
Community development	571,429	-	571,429
Promotional activities	1,029,865	-	1,029,865
Unrestricted	4,525,654	926,065	5,451,719
Total net position	$ 5,920,802	$ 3,984,365	$ 9,905,167

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Activities
Year Ended September 30, 2015

Program Activities	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	$ 946,647	$ 980,848	$ -	$ -	$ 34,201	$ -	$ 34,201
Municipal court	268,501	671,968	-	-	403,467	-	403,467
Police	1,027,335	-	-	-	(1,027,335)	-	(1,027,335)
Public works	525,722	-	-	-	(525,722)	-	(525,722)
Economic development	101,694	-	-	-	(101,694)	-	(101,694)
Promotional	25,219	-	-	-	(25,219)	-	(25,219)
Interest on long-term debt	285,614	-	-	-	(285,614)	-	(285,614)
Total governmental activities	3,180,732	1,652,816	-	-	(1,527,916)	-	(1,527,916)
Business-type activities:							
Water and sewer	1,349,070	2,016,122	-	1,337,206	-	2,004,258	2,004,258
Total business-type activities	1,349,070	2,016,122	-	1,337,206	-	2,004,258	2,004,258
Total primary government	$ 4,529,802	$ 3,668,938	$ -	$ 1,337,206	(1,527,916)	2,004,258	476,342
General revenues:							
Taxes							
Property taxes					743,419	-	743,419
Sales taxes					882,995	-	882,995
Franchise taxes					244,696	-	244,696
Hotel/Motel taxes					238,013	-	238,013
Interest					30,730	(32,446)	(1,716)
Assessment					366,158	-	366,158
Miscellaneous					176,376	29,718	206,094
Transfers					125,000	(125,000)	-
Total general revenues and transfers					2,807,387	(127,728)	2,679,659
Change in net position					1,279,471	1,876,530	3,156,001
Net position - beginning					4,839,135	2,119,265	6,958,400
Prior period adjustment					(197,804)	(11,430)	(209,234)
Net position - ending					$ 5,920,802	$ 3,984,365	$ 9,905,167

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Balance Sheet - Governmental Funds
September 30, 2015

	General Fund	Capital Projects Fund	Economic Development Corporation 4A	Community Development Corporation 4B	Hotel/Motel Tax Fund	Non Major Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 5,391,576	$ 25,108	547,779	$ 526,785	$ 430,616	$ 222,984	$ 7,144,848
Receivables:							
Property taxes, net of allowance	32,278	-	-	-	-	12,590	44,868
Sales taxes	125,528	-	62,764	62,764	-	-	251,056
Franchise taxes	74,866	-	-	-	-	-	74,866
Hotel/Motel taxes	-	-	-	-	24,511	-	24,511
Municipal court receivable, net	64,221	-	-	-	-	-	64,221
Other accounts receivable	49,834	-	-	-	-	-	49,834
Loan receivable	-	-	-	-	579,383	-	579,383
Other assets	-	-	-	-	-	8,750	8,750
Total assets	$ 5,738,303	$ 25,108	$ 610,543	$ 589,549	$ 1,034,510	$ 244,324	$ 8,242,337
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	716,999	39,094	17,476	17,426	779	7,519	799,293
Accrued liabilities	54,223	-	694	694	3,866	-	59,477
Deferred revenue	285,744	-	-	-	-	21,052	306,796
Due to other funds	-	-	-	-	-	-	-
Total liabilities	1,056,966	39,094	18,170	18,120	4,645	28,571	1,165,566
Fund balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted for							
Debt service	-	-	-	-	-	34,764	34,764
Court technology and security	-	-	-	-	-	180,989	180,989
Economic development	-	-	592,373	-	-	-	592,373
Community development	-	-	-	571,429	-	-	571,429
Promotional activities	-	-	-	-	1,029,865	-	1,029,865
Capital projects	-	(13,986)	-	-	-	-	(13,986)
Unassigned	4,681,337	-	-	-	-	-	4,681,337
Total fund balance	4,681,337	(13,986)	592,373	571,429	1,029,865	215,753	7,076,771
Total liabilities and fund balance	$ 5,738,303	$ 25,108	$ 610,543	$ 589,549	$ 1,034,510	$ 244,324	$ 8,242,337

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2015

Total fund balances - governmental funds	$ 7,076,771
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	4,220,353
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements.	109,149
Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements.	90,826
Interest payable on long term debt does not require current financial resources; therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(142,080)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.	(5,769,306)
Internal service funds are used by management to charge the costs of equipment to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	335,089
Net position of governmental activities	$ 5,920,802

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended September 30, 2015

	General Fund	Capital Projects Fund	Economic Development Corporation 4A	Community Development Corporation 4B	Hotel/Motel Tax Fund	Non Major Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
Property	$ 531,191	$ -	$ -	$ -	$ -	$ 225,187	$ 756,378
Sales and beverage	457,100	-	212,948	212,947	-	-	882,995
Franchise	244,696	-	-	-	-	-	244,696
Hotel/Motel	-	-	-	-	238,013	-	238,013
Building permits, plant and other fees	980,848	-	-	-	-	-	980,848
Municipal court	671,968	-	-	-	-	-	671,968
Interest income	5,791	108	648	602	21,696	378	29,223
Assessment	366,158	-	-	-	-	-	366,158
Miscellaneous	136,324	-	350	350	-	41,382	178,406
Total revenues	3,394,076	108	213,946	213,899	259,709	266,947	4,348,685
Expenditures							
Current:							
General government	916,529	-	-	-	-	300	916,829
Municipal court	238,845	-	-	-	-	20,061	258,906
Police	945,708	-	-	-	22,432	3,966	972,106
Public works	324,131	-	-	-	-	-	324,131
Economic development	-	-	50,298	49,992	-	-	100,290
Promotional	-	-	1,415	1,415	22,389	-	25,219
Capital outlay	111,609	-	-	-	-	-	111,609
Debt service							
Principal	148,275	-	-	-	-	135,000	283,275
Interest and fiscal charges	136,351	-	-	-	-	80,212	216,563
Total expenditures	2,821,448	-	51,713	51,407	44,821	239,539	3,208,928
Excess (deficiency) of revenues over expenditures	572,628	108	162,233	162,492	214,888	27,408	1,139,757
Other financing sources (uses)							
Transfers in	175,000	25,000	-	-	-	25,000	225,000
Transfers out	(175,000)	-	(25,000)	(25,000)	0	-	(225,000)
Total other financing sources (uses)	-	25,000	(25,000)	(25,000)	-	25,000	-
Net change in fund balances	572,628	25,108	137,233	137,492	214,888	52,408	1,139,757
Fund balances - beginning	4,108,709	(39,094)	455,140	433,937	814,977	163,345	5,937,014
Prior period adjustment	-	-	-	-	-	-	-
Fund balances - ending	$ 4,681,337	$ (13,986)	$ 592,373	$ 571,429	$ 1,029,865	$ 215,753	$ 7,076,771

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year ended September 30, 2015

Net changes in fund balances - total governmental funds	$ 1,139,757
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	108,042
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(304,818)
The issuance of long-term debt (e.g. bonds) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the 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.	283,275
Current year changes in long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(8,576)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(69,051)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(12,959)
Certain expenses in the government-wide statement of activities that do not require current financial resources are not reported as expenditures in the governmental funds.	(5,290)
Internal service funds are used by management to charge the costs of equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	149,091
Change in net position of governmental activities	$ 1,279,471

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Net Position
Proprietary Funds
September 30, 2015

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer	Equipment
Assets		
Current assets:		
Deposits and investments	$ 875,457	$ 105,787
Accounts receivable, net	211,063	-
Prepaid expense	41,775	9,742
Deferred outflow of resources	9,687	-
Total current assets	1,137,982	115,529
Non-current assets:		
Other assets	288,000	-
Property, plant and equipment:		
Land	88,167	-
Buildings and improvements	35,211	-
Automobiles	42,214	346,839
Water and sewer system	3,709,176	-
Construction in progress	588,040	
Equipment	4,925	3,568
	4,467,733	350,407
Less accumulated depreciation	424,989	130,847
Net property, plant and equipment	4,042,744	219,560
Total Assets	5,468,726	335,089
Liabilities		
Current liabilities:		
Cash overdraft	144,340	-
Accounts payable	236,793	-
Accrued liabilities	95,119	-
Net pension liabilities	20,009	-
Total current liabilities	496,261	-
Noncurrent liabilities:		
Note payable	984,444	-
Compensated absences	3,656	-
Total Liabilities	1,484,361	-
Net position		
Net investment in capital assets	3,058,300	219,560
Equipment	-	-
Unrestricted	926,065	115,529
Total Net Position	$ 3,984,365	$ 335,089

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year ended September 30, 2015

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer	Equipment
Operating revenues:		
Water and sewer service	$ 2,016,122	$ -
Equipment service revenue	-	82,837
Total operating revenues	2,016,122	82,837
Operating expenses:		
Operating expenses	1,260,979	3,496
Depreciation	88,091	56,757
Total operating expenses	1,349,070	60,253
Operating income (loss)	667,052	22,584
Nonoperating revenues (expenses):		
Interest income (expense)	(32,446)	1,507
Developer contribution	1,337,206	-
Miscellaneous revenue (expense)	29,718	-
Total nonoperating revenues	1,334,478	1,507
Income (loss) before transfers	2,001,530	24,091
Transfers in	-	125,000
Transfers out	(125,000)	-
Change in net position	1,876,530	149,091
Net position - beginning	2,119,265	185,998
Prior period adjustment	(11,430)	-
Net position - ending	$ 3,984,365	$ 335,089

The accompanying notes are an integral part of these financial statements.

Town of Northlake, Texas
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2015

	Business Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water and Sewer	Equipment
Operating Activities		
Cash received from customers	$ 1,951,016	$ 82,837
Cash payments to suppliers for goods and services	(1,218,226)	(13,607)
Net cash provided by operating activities	732,790	69,230
Noncapital Financing Activities		
Transfers from other funds	-	125,000
Transfers to other funds	(125,000)	-
Net cash used in noncapital financing activities	(125,000)	125,000
Capital and Related Financing Activities		
Proceed from issuance of long-term debt	588,040	(189,649)
Proceed from gift and contributions	1,366,924	-
Payments on note	(57,625)	(2,645)
Net cash used in capital and related financing activities	1,897,339	(192,294)
Investing Activities		
Capital expenditures	(3,103,730)	-
Interest received	1,714	1,507
Net cash provided by investing activities	(3,102,016)	1,507
Net increase in cash and cash equivalents	(596,887)	3,443
Cash and cash equivalents - beginning	1,472,344	102,344
Cash and cash equivalents - ending	$ 875,457	$ 105,787
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	$ 667,052	$ 22,584
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	88,091	56,757
Change in assets and liabilities:		
Accounts receivable	(65,106)	-
Overdraft	(113,408)	-
Other assets	(51,462)	(9,742)
Net pension liability	8,579	-
Accounts payable and accrued liabilites	199,044	(369)
Net cash provided by (used in) operating activities	$ 732,790	$ 69,230

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards,* the Town has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the Town are described below.

A. Financial Reporting Entity

The basic financial statements of the Town include the primary government organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

The Northlake Economic Development Corporation 4A (the 4A Corporation) and the Northlake Community Development Corporation 4B (the 4B Corporation) are component units of the Town and are included in the basic financial statements as major special revenue funds using a blended presentation.

The 4A Corporation was formed to promote the public welfare and economic development for the areas within the Town of Northlake as authorized by the State under the Texas Development Corporation Act of 1979 and is governed by Section 4A of the act. The 4A Corporation receives funding from a one-half cent sales tax.

1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity – Continued

The 4B Corporation was formed to promote economic development with the Town and the State of Texas in order to eliminate unemployment and the public welfare of, for and on behalf of the Town by undertaking, developing, implanting, providing and financing projects under the Development Corporation Act of 1979 as defined in Section 4B of the Act. The 4B Corporation receives funding from a one-half cent sales tax.

B. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Town. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid though other funds are paid from the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of governmental capital assets including but not limited to right-of-way, roads, road drainage, and traffic lights.

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Economic Development Corporation 4A Fund

The Economic Development Corporation 4A is used to account for the funds received from a one-half cent sales tax to be used for economic development.

Community Development Corporation 4B Fund

The Community Development Corporation 4B is used to account for the funds received from a one-half cent sales tax to be used for community development.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is used to account for Hotel/Motel tax receipts to be used for promotional purposes.

Other Non Major Funds

The Other Non Major Funds are used to account for debt service and special revenue funds created by the Town, which do not meet the requirements to be presented as a major fund of the Town.

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net position. The Town has presented the following major proprietary funds.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Town and others. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Internal Service Fund

Internal service funds are used to account for the financing of goods or service provided by one department to other departments of the Town on a cost reimbursement basis. The equipment fund accounts for the accumulation and allocation of costs associated with major equipment purchases and maintenance of the equipment. The internal service fund is presented as a proprietary fund in the funds financial statements. Since transactions of the internal service fund predominately involves providing services to the General Fund and other funds that comprise governmental activities of the Town, the financial balances are included in the government activities column of the government-wide statements.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and municipal court revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Use of Restricted/Unrestricted Net Position

When an expense in incurred for purposes for which both restricted and unrestricted net position are available, the Town’s policy is to apply restricted net position first.

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus/Basis of Accounting (continued)

Taxes

Property taxes are levied for appropriation for the fiscal year beginning on October 1, are due October 1, attached as an enforceable lien on property as of January 1, and become delinquent on February 1. Property taxes are accrued based on the period for which they are levied and available. Delinquent taxes estimated not to be available are treated as deferred revenue in the governmental fund financial statements. Property taxes for towns, including those applicable to debt service, are limited by the Texas Constitution to $2.50 per $100 of assessed valuation. The Town's current tax rate is $0.295 per $100 of assessed valuation and assessed valuation is approximately 100% of estimated value.

Cash and Cash Equivalents

Cash and investments are considered to be cash on hand and demand and time deposits, as well as short-term investments in State investment pools.

For purposes of the statement of cash flows (proprietary fund types), the Town considers cash deposits and highly liquid investments (including restricted assets) maturing in three months or less when purchased, to be cash equivalents.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Inventories and Prepaid Items

Cash Inventories are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of expendable supplies held for consumption. Inventories are capitalized under the consumption method, whereby expenditures are capitalized as inventory until used.

Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus/Basis of Accounting (continued)

contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment, in accordance with standards prescribed by GASB.

Assets capitalized, not including infrastructure assets, have an original cost of $1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	30 Years
Automobiles	3 Years
Equipment	3 - 10 Years
Infrastructure	5 - 40 Years
Water and sewer system	30 - 50 years

Compensated Absences

Town employees are granted vacation days in varying amounts. The maximum vacation allowed to be carried over is 320 hours per calendar year (January through December) for all employees. Any hours over 320 at the end of a year shall be deleted from the employee's accruals. Pay in lieu of taking vacation is not permitted except upon termination. Accrued vacation is paid upon termination after working for the town for at least 12-months. Sick leave is accrued at the rate of eight (8) hours per month for regular full-time employees and on a pro rata basis for regular part-time employees for each month of continuous service. Sick leave may be accumulated up to a maximum of 90 days (720 hours). No cash payment is made for unused sick days. Compensated absences are paid out of the General Fund and various funds based upon the employees' positions.

Net Position

Net position represents the difference between assets and liabilities. Net investments in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling of legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

2. Deposits and Investments

A. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools that purchase a combination of shorter term investments with an average maturity of less than 90 days, thus reducing the interest rate risk. The Town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town has no specific limitations with respect to this metric.

As of September 30, 2015, the Town had the following investments:

Investment Type	Weighted Average Amount	Maturity
Logic	$ 4,522,435	37 days
Wells Fargo	$ 2,626,670	0 days

As of September 30, 2015, the Town did not invest in any securities that are highly sensitive to interest rate fluctuations.

B. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of September 30, 2015
Logic	$ 4,522,435	AAA	AAA
Wells Fargo	$ 2,626,670	AAA	AAA

C. Concentration of Credit Risk

The investment policy of the Town contains no limitation on the amount that can be invested in any one issuer. As of September 30, 2015, other than external investment pools, the Town did not have 5% or more of its investments with one issuer.

2. Deposits and Investments (continued)

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possessions of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2015, the carrying amount of the Town's cash on hand and deposits were $7,935,658 and the bank balance was $7,716,439. The bank balance was fully covered by federal depository insurance and collateral pledged.

For purposes of the statement of cash flows, the Town considers all highly liquid investments with maturities at the date of purchase of three months or less to be cash equivalents.

E. Investment in State Investment Pools

The Town is a voluntary participant in an investment pool, specifically LOGIC.

LOGIC is a public funds investment pool managed by First Southwest Asset Management, Inc. and JPMorgan Chase. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the Town is not issued securities, but rather it owns an individual beneficial interest in the assets of the related investment pools. LOGIC operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. LOGIC uses amortized cost rather than market value to report new assets to compute share prices. Accordingly, the fair value of the position in LOGIC is the same as the value of LOGIC shares.

3. Accounts Receivable

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible amounts as of September 30, 2015, including the applicable allowances for uncollectible accounts, are presented below:

	General Fund		Debt Service Fund	Enterprise Fund Water and Sewer
	Property Tax Receivable	Municipal Court Receivable	Property Tax Receivable	Accounts Receivable
Gross receivables	$ 43,831	$ 216,126	$ 14,887	$ 215,414
Less allowance for uncollectibles	(11,553)	(151,905)	(2,297)	(4,351)
Net receivables	$ 32,278	$ 64,221	$ 12,590	$ 211,063

4. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance September 30, 2014	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2015
Governmental activities				
Capital assets not being depreciated				
Land	2,754,654	$ 16,297	$ -	2,770,951
Construction in progress	-	-	-	-
Total capital assets not being depreciated	2,754,654	16,297	-	2,770,951
Capital assets being depreciated				
Buildings and improvements	290,726	40,824	(18,400)	313,150
Automobiles	790,060	186,082	(100,297)	875,845
Equipment	305,634	-	(67,557)	238,077
Infrastructure	3,250,922	54,488	-	3,305,410
Total capital assets being depreciated	4,637,342	281,394	(186,254)	4,732,482
Less accumulated depreciation				
Buildings and improvements	126,544	21,542	(18,400)	129,686
Automobiles	516,285	102,129	(100,297)	518,117
Equipment	193,023	46,302	(67,557)	171,768
Infrastructure	2,052,347	191,602	-	2,243,949
Total accumulated depreciation	2,888,199	361,575	(186,254)	3,063,520
Total capital assets being depreciated, net	1,749,143	(80,181)	-	1,668,962
Governmental activities capital assets, net	$ 4,503,797	$ (63,884)	$ -	$ 4,439,913

4. Capital Assets (continued)

	Balance September 30, 2014	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2015
Business-type activities				
Capital assets not being depreciated				
Land	$ 15,986	$ 72,181	$ -	$ 88,167
Construction in progress	-	588,040	-	588,040
Total capital assets not being depreciated	15,986	660,221	-	676,207
Capital assets being depreciated				
Buildings and improvements	35,211	-	-	35,211
Equipment	6,446	-	(1,521)	4,925
Automobiles	42,214	-	-	42,214
Water and sewer system	1,294,186	2,443,510	(28,520)	3,709,176
Total capital assets being depreciated	1,378,057	2,443,510	(30,041)	3,791,526
Less accumulated depreciation				
Buildings and improvements	5,443	1,174	-	6,617
Equipment	3,226	1,309	(1,521)	3,014
Automobiles	42,214	-	-	42,214
Water and sewer system	316,056	85,608	(28,520)	373,144
Total accumulated depreciation	366,939	88,091	(30,041)	424,989
Total capital assets being depreciated, net	1,011,118	2,355,419	-	3,366,537
Business-type capital assets, net	$ 1,027,104	$ 3,015,640	$ -	$ 4,042,744

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities	
General Government	$ 14,415
Municipal Court	9,595
Police	97,488
Public Works	240,077
Total Governmental Depreciation Expense	$ 361,575

Business-type activities	
Water and sewer	83,851
Water & Sewer Capital Projects	$ 4,240
Total Business-type depreciation expense	$ 88,091

5. Long-term Debt

Amounts payable at September 30, 2015 are comprised of the following individual issues:

	Governmental Activities	Business-type Activities
Capital leases	$ -	$ -
Certificates of Obligation		
$4,170,000 Series 2014A Combination Tax and Revenue Certificates of Obligation, due in annual installments of $160,000 to $285,000 through August 15, 2034, with interest at 2%	4,035,000	-
Certificates of Obligation		
$420,000 Series 2014B Combination Tax and Revenue Certificates of Obligation, due in annual installments of $100,000 to $190,000 through August 15, 2034, with interest at 3%	-	405,000
Certificates of Obligation		
$1,900,000 Series 2005 Combination Tax and Revenue certificates of Obligation, due in annual installments of $105,000 to $190,000 through April 15, 2025, with interest at 4.97%	1,455,000	-
Certificates of Obligation		
$245,000 Series 210 Limited Tax Note due in annual installments of $35,000 to $40,000 through February 15, 2017, with interest at 4.97%	75,000	-
Note Payable		
$60,000 note payable due in 60 monthly installments of $1160 through January 2016 with interest at 5.985%	3,444	-
Note Payable		
$588,050 note payable due in annual installments of $8,657 to $294,553 through September 1, 2018, with interest at 3.5%	$ -	579,383

5. Long-term Debt (continued)

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2015:

	Beginning of Year	Increase	Decrease	End of Year	Within One Year
Governmental Activities					
Capital Leases	2,645	-	2,645	-	-
Certificates of Obligation	5,835,000	-	270,000	5,565,000	300,000
Note Payable	16,719	-	13,275	3,444	2,804
Compensated Absences	82,739	53,771	45,195	91,315	20,779
Total governmental activiites	5,937,103	53,771	331,115	5,659,759	323,583
Business-type Activiities					
Capital Leases	-	-	-	-	-
Certificates of Obligation	420,000	-	14,939	405,061	15,000
Note Payable	-	588,040	8,657	579,383	139,905
Compensated Absences	3,525	8,025	7,894	3,656	1,881
Total business-type activities	423,525	596,065	31,490	988,100	156,786

The Town's increase in debt is due to the issuance of certificates of obligation for the creation of "The Town of Northlake Public Improvement District #2". The debt proceeds will be utilized for development reimbursements and for water infrastructure improvements.

Annual Requirements to Retire Debt Obligations

The annual aggregate maturities for each bond type for the fiscal years subsequent to September 30, 2015, are as follows:

Certificates of Obligations	**Governmental Activities**		**Business Activities**		
	Principal	Interest	Principal	Interest	Total
2016	300,000	189,253	15,000	11,181	515,434
2017	315,000	179,610	15,000	10,881	520,491
2018	290,000	170,153	20,000	10,581	490,734
2019	305,000	160,789	20,000	10,181	495,970
2020	320,000	150,828	20,000	9,781	500,609
2021-2025	1,820,000	580,768	100,000	42,556	2,543,324
2026-2030	1,135,000	301,438	115,000	28,456	1,579,894
2031-2035	1,080,000	95,269	100,000	8,781	1,284,050
	5,565,000	1,828,106	405,000	132,400	7,930,506

5. Long-term Debt (continued)

Notes Payable	Governmental Activities		Business Activities		
	Principal	Interest	Principal	Interest	Total
2016	3,444	34	139,905	20,616	164,000
2017	-	-	144,926	15,595	160,521
2018			294,553	10,453	305,006
	3,444	34	579,383	46,664	629,526

Capital Lease Obligations	Governmental Activities		Business Activities		
	Principal	Interest	Principal	Interest	Total
2016	-	-	-	-	-
	-	-	-	-	-

6. Upper Trinity Regional Water District (District) Treated Water System Additional Participating Customer Contract

On December 2, 2010, the Town entered into a regional treated water supply contract (as an additional participating customer) in order to provide treated water service to the Town residents in the future. The Town entered into a long term contractual obligation with the Upper Trinity Regional Water District for the purpose of providing funds for the construction and maintenance of a transmission water pipeline that will provide water to participating towns and cities (participating customers). The Town is required to pay the cost of any extension from the water system to the mutually agreed point of delivery for service. The Town will own and operate water pumping, storage and distribution and render retail service within the Town's service area.

Each participating customer is required to make payments to Upper Trinity Regional Water District equivalent to their portion of the regional treated water system project (currently projected at 30% of the total obligation for Northlake) to cover the Town's portion of the cost of the obligation. The Town will be responsible to pay an annual payment for its share of the total amount of money required for the District to pay all operation and maintenance expenses of the System (the project or regional treated water system), and to pay the capital (bond service) component of the annual requirement including debt service on its bonds. Initially, payment for demand shall be based on the minimum demand under a take or pay for the initial demand, plus any future increases in demand requested or experienced by the Town.

The agreement requires the use of a water year of June 1 of each calendar year through May 31 of the next following calendar year and requires that approximately sixty days after the end of each annual payment period, the Town shall furnish in writing to the District service information for the water year.

The Town paid a $288,000 security deposit to the Upper Trinity Regional Water District upon execution of the agreement. The payment represents an estimate of two years of the Town's portion of the annual debt service requirements. The security deposit can be returned to the Town as early as three years from the start of the agreement if certain conditions are met. There are several fees and charges associated with the water contract such as equity fee, subscription fee, and volume charges. In addition, the Town financed the payment of a $60,000 equity fee over 60 months (see Footnote 5 – Note Payable).

7. Fund Balances

In accordance with GASBS No. 54, the Town classifies its fund equity into five categories:

- Nonspendable fund balance includes amounts that are not in a spendable form or are required to be maintained intact.
- Restricted fund balance includes amounts that are constrained to specific purposes by their providers or by enabling legislations.
- Committed fund balance includes amounts which are constrained to specific purposes by the government itself, using its highest level of decision-making. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance includes amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates.
- Unassigned fund balance includes amounts that are available for any purpose. Unassigned fund balances are only reported in the general fund.

The Town's highest level of decision-making authority is governed by the Town Council. Passage of a resolution would be required to establish, modify, or rescind a fund balance commitment. The Town Council has the authority to assign amounts to specific purposes. The Town considers restricted amounts spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Expenditures incurred for purposes for which amounts in any of the unrestricted fund balance classifications could he used are classified using the highest level of spending constraint available at the time of the expenditure.

8. Interfund Transfers and Balances

All interfund transfers between the various funds are approved supplements to the operations of those funds.

Transfer to	Transfer from	Amount
General Fund	Water and Sewer Fund	$ 125,000
General Fund	4A Fund	25,000
General Fund	4B Fund	25,000
		$ 175,000
Debt Service Fund	General Fund	$ 25,000
Capital Projects Fund	General Fund	25,000
Equipment Services Fund	General Fund	125,000
		$ 175,000

Due to/from are primarily related to short term loans to cover temporary cash shortages. There were no such arrangements at September 30, 2015.

9. Employee Retirement System

Plan Description

The Town provides pension benefits for all of its eligible full-time employees through a nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS), an agent multiple employer public employee retirement system. 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). The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. TMRS's defined benefit plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. All eligible employees of the Town are required to participate in TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes finance statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the system. This report may be obtained from TMRS' website at www.tmrs.com.

Benefits Provided

TMRS provides retirement, disability, and death benefits. The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Plan provisions for the Town were as follows:

	Plan Year 2015	Plan Year 2014
Deposit rate:	7%	7%
Matching ratio (Town to Employee):	2 to1	2 to1
A member is vested after	5 yrs	5 yrs
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity to increase (to retirees)	0% of CPI	0% of CPI

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 payment 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.

At December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

	2013	2014
Inactive employees or beneficiaries currently receiving benefits	4	4
Inactive employees entitled to but not yet receiving benefits	17	17
Active employees	19	20

9. Employee Retirement System (continued)

Contributions

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. Both the Town and the employees make contributions monthly.

The Town needs to know its contribution rate in advance for budgetary purposes; therefore, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. the December 31, 2014 valuation will determine the contribution rate beginning January 1, 2016).

During the fiscal year employees were required to contribute 7% of their annual gross earnings while the Town was expected to contribute 9.03% of the gross earning. However, due to changes in the TMRS system plan the Town chose a phased in contribution rate of 7.75% of gross wages.

During TMRS's December 31, 2013 actuarial valuation it was determined that changes needed to be made in post-retirement mortality assumptions, actuarial cost method, and amortization policy. TMRS realized that these changes would cause some municipalities a significant increase in required annual contributions; therefore, any city that experienced an increase of 0.50% or more were given the option to phase in 0.50% or more per year until the full retirement rate could be achieved. During the 2015 calendar year the Town's required contribution rate was 9.03% with a minimum phase in rate of 7.51%. The Town elected to contribute 7.75% during the 2015 calendar year.

During the 2014 calendar year the Town contributed the required rate of 6.45%. The Town opted to accept a phase in rate of 7.75% during its' 2015 fiscal year; thereby creating a shortfall of $13,529 in contributions. This shortfall was paid in full by the December 31, 2015 TMRS calendar year end.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2014 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

9. Employee Retirement System (continued)

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period of January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 321, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return (Arithmetic)**
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	**100%**	

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

9. Employee Retirement System (continued)

Changes in the net pension liability for the Town are summarized in the following table:

	Changes in the Net Pension Liability		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balance at 12/31/2013	$ 1,280,161	$ 1,202,597	$ 77,564
Changes for the year:			
Service cost	169,257	-	169,257
Interest	94,776	-	94,776
Change of benefit terms	-	-	-
Difference between expected and actual experience	14,773	-	14,773
changes of assumptions	-	-	-
Contributions-employer	-	75,574	(75,574)
Contributions-employee	-	83,179	(83,179)
Net investment income	-	68,838	(68,838)
Benefit payments, including refunds of emplyee contributions	(21,688)	(21,688)	-
Administrative expense	-	(718)	718
Other changes	-	(59)	59
Net changes	$ 257,118	$ 205,126	$ 51,992
Balance at 12/31/2014	**$ 1,537,279**	**$ 1,407,723**	**$ 129,556**

The following table presents the net pension liability of the Town, calculated using the discount rate of 7.0% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Disount Rate

	1% Decrease 6.00%	**Current Single Rate Assumption 7.00%**	**1% Increase 8.00%**
Town's net pension liability	$ 424,275	$ 129,556	$ (105,443)

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report that may be obtained on the internet at www.tmrs.com

For the fiscal year ended September 30, 2015, the Town recognized pension expense of $103,403 and the calculation of the expense is summarized in the following table:

Schedule of Pension Expense

Total service cost	$ 169,257
Interest on the total pension liability	94,776
Current period benefit changes	-
Employee contributions (reduction of expense)	(83,179)
Projected earnings on plan investments (reduction of expense)	(84,182)
Administrative expense	718
Other changes in fiduciary net position	59
Recognition of current year outflow (inflow) of resources - liabilities	2,885
Recognition of current year outflow (inflow) of resources - assets	3,069
Amortization of prior year outflows (inflows) of resources - liabilites	-
Amortization of prior year outflows (inflows) of resources - assets	-
Total pension expense	**$ 103,403**

9. Employee Retirement System (continued)

At September 30, 2015 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources	2014 Recognized in Current Pension Expense	Deferred (Inflow)/Outflow infuture expense
Differences between expected and actual economic experience	$ 14,773	$ -	$ 2,885	$ 11,888
Changes in actuarial assumptions	-	-	-	-
Difference between projected and actual investment earnings	-	15,344	3,069	12,275
Contributions subsequent to the measurement date	101,679	-	-	-
Total	**$ 116,452**	**$ 15,344**	**$ 5,954**	**$ 24,163**

$101,679 reported in the above schedule as "Contributions subsequent to the measurement date" will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. The remaining amount of $24,163 will be recognized in pension expense as follows:

Year ended Dec. 31st	Amount
2015	$ 5,954
2016	5,954
2017	5,954
2018	5,953
2019	348
2020	
Thereafter	
Total	**$ 24,163**

10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for with the Town carries commercial insurance.

The Town had no significant changes in insurance coverage from the year ended September 30, 2015. Settlement amounts have not exceeded insurance coverage for the year ended September 30, 2015 or any of the three preceding years.

11. Contingent Liabilities

The Town's Attorney (general legal counsel) expresses the opinion that there does not now exist any material pending or threatened litigation, claim or assessment, or an unasserted claim and/or assessment, which individually or collectively represent a potential loss exposure to the Town of Northlake, Texas.

12. Prior Period Adjustments

The accompanying financial statements reflect adjustments resulting from a restatement of beginning fund balance/net position as of September 30, 2015 as follows:

Decrease in net position of Enterprise Fund of $11,430 to record deferred outflows of resources and net pension liability as of September 30, 2014 due to implementation of GASB 68.

Decrease in Governmental Activities in the Government-wide statement of net position of $13,431 to record deferred outflows of resources and net pension liability as of September 30, 2014 due to implementation of GASB 68.

Decrease in Governmental Activities in the Government-wide statement of net position of $184,337 to increase deferred inflows of resources as of September 30, 2014.

The combined effect of these prior period adjustments on the government-wide financial statements is to decrease governmental activities net position by $197,804 from $4,839,135 to $4,641,331 and decrease business-type activities net position by $11,430 from $2,119,265 to $2,107,835.

12. Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through February 8, 2016, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Northlake, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Rations
September 30, 2015

		2014
Total pension liability		
Service cost	$	169,257
Interest		94,776
Change of benefit terms		-
Difference between expected and actual experience		14,773
changes of assumptions		-
Benefit payments, including refunds of emplyee contributions		(21,688)
Net Change in Total Pension Liability		**257,118**
Total Pension Liability - Beginning		1,280,161
Total Pension Liability - Ending (a)	**$**	**1,537,279**
Plan Fiduciary Net Position		
Contributions-employer	$	75,574
Contributions-employee		83,179
Net investment income		68,838
Benefit payments, including refunds of emplyee contributions		(21,688)
Administrative expense		(718)
Other changes		(59)
Net Change in Plan Fiduciary Net Position		**205,126**
Plan Fiduciary Net Position - Beginning		1,202,597
Plan Fiduciary Net Position - Ending (b)	**$**	**1,407,723**
Net Pension Liability - Ending (a) - (b)	**$**	**129,556**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		91.57%
Covered Employee Payroll	$	1,188,275
Net Pension Liability as a Percentage of Covered Employee Payroll		10.90%

Town of Northlake, Texas
Required Supplementary Information
Schedule of Contributions
September 30, 2015

	2014
Actuarially Determined Contribution	$ 112,401
Contributions in relation to the actuarially determined contribution	100,291
Contribution deficiency (excess)	12,111
Covered employee payroll	1,341,854
Contributions as a percentage of covered employee payroll	7%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year.

Town of Northlake, Texas
Budgetary Comparison Schedule - General Fund
September 30, 2015

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues				
Taxes				
Property	$ 496,200	$ 520,000	$ 531,191	$ 11,191
Sales and beverage	375,000	400,000	457,100	57,100
Franchise	177,200	202,200	244,696	42,496
Building permits, plat and other fees	474,850	721,700	980,848	259,148
Municipal court	650,300	650,000	671,968	21,968
Interest income	3,655	3,655	5,791	2,136
Assessment	366,151	366,151	366,158	7
Miscellaneous	73,260	100,060	136,324	36,264
Total revenues	2,616,616	2,963,766	3,394,076	430,310
Expenditures				
Current				
General government	866,971	866,971	916,529	(49,558)
Municipal court	278,332	278,332	238,845	39,487
Police	971,069	979,069	945,708	33,361
Public works	332,421	360,421	324,131	36,290
Capital outlay	4,400	117,400	111,609	5,791
Debt service				
Principal	139,000	135,000	148,275	(13,275)
Interest and fiscal charges	135,731	135,700	136,351	(651)
Total expenditures	2,763,399	2,872,893	2,821,448	51,445
Excess (deficiency) of revenues over expenditures	(146,783)	90,873	572,628	481,755
Other financing sources (uses):				
Transfers in	175,000	175,000	175,000	-
Transfers out	(64,500)	(239,500)	(175,000)	(64,500)
Total other financing sources (uses)	110,500	(64,500)	-	(64,500)
Net change in fund balances	(36,283)	26,373	572,628	546,255
Fund balance, beginning of year	4,108,709	4,108,709	4,108,709	-
Fund balance, end of year	$ 4,072,426	$ 4,135,082	$ 4,681,337	$ 546,255

Town of Northlake, Texas
Budgetary Comparison Schedule - Economic Development Corporation 4A
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Sales taxes	$ 137,500	$ 200,000	$ 212,948	$ 12,948
Interest income	650	650	648	(2)
Miscellaneous	-	-	350	350
Total revenues	138,150	200,650	213,946	13,296
Expenditures				
Promotional	-	-	1,415	(1,415)
Economic development	68,463	68,463	50,298	18,165
Total expenditures	68,463	68,463	51,713	16,750
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	(25,000)	(25,000)	(25,000)	-
Net change in fund balances	44,687	107,187	137,233	30,046
Fund balance, beginning of year	455,140	455,140	455,140	-
Fund balance, end of year	$ 499,827	$ 562,327	$ 592,373	$ 30,046

Town of Northlake, Texas
Budgetary Comparison Schedule - Community Development Corporation 4B
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Sales taxes	137,500	200,000	212,947	12,947
Interest income	650	650	602	(48)
Miscellaneous	-	-	350	350
Total revenues	138,150	200,650	213,899	13,249
Expenditures				
Promotional	-	-	1,415	(1,415)
Economic development	68,413	68,413	49,992	18,421
Total expenditures	68,413	68,413	51,407	17,006
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	(25,000)	(25,000)	(25,000)	-
Net change in fund balances	44,737	107,237	137,492	30,255
Fund balance, beginning of year	433,937	433,937	433,937	-
Fund balance, end of year	$ 478,674	$ 541,174	$ 571,429	$ 30,255

Town of Northlake, Texas
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
venues				
Hotel/Motel tax	$ 120,000	$ 180,000	$ 238,013	$ 58,013
Interest income	1,300	20,581	21,696	1,115
Total revenues	121,300	200,581	259,709	59,128
penditures				
Police	20,000	20,000	22,432	(2,432)
Promotional	32,576	32,576	22,389	10,187
Total expenditures	52,576	52,576	44,821	7,755
her financing sources (uses)				
Transfers out	(588,040)	(588,040)	-	(588,040)
Total other financing sources (uses)	(588,040)	(588,040)	-	(588,040)
Net change in fund balances	(519,316)	(440,035)	214,888	654,923
nd balance, beginning of year	814,977	814,977	814,977	-
nd balance, end of year	$ 295,661	$ 374,942	$ 1,029,865	$ 654,923

1. Stewardship, Compliance and Accountability

Budgetary Information

The Town Council adopts an annual operating budget, which can be amended by the Council throughout the year. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Town Council, budgetary transfers between departments can be made. The budget amounts on the budgetary comparison schedules reflect the final budget authorization.

COMBINING SCHEDULES

Town of Northlake, Texas
Combining Balance Sheet – Non-Major Governmental Funds
September 30, 2015

	Debt Service Fund	Special Revenue Fund	Total Non Major Governmental Funds
Assets			
Cash and cash equivalents	$ 35,026	$ 187,958	$ 222,984
Receivables			
Property taxes, net of allowance	12,590	-	12,590
Other	-	8,750	8,750
Total assets and other debits	$ 47,616	$ 196,708	$ 244,324
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ 7,519	7,519
Deferred revenue	12,852	8,200	21,052
Due to other governmental funds	-	-	-
Total liabilities	12,852	15,719	28,571
Fund balances:			
Restricted for			
Debt service	34,764	-	34,764
Equipment	-	-	-
Police and child safety activities	-		-
Court technology and security	-	180,989	180,989
Total fund balances	34,764	180,989	215,753
Total liabilities and fund balances	$ 47,616	$ 196,708	$ 244,324

Town of Northlake, Texas
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Non Major Governmental Funds
September 30, 2015

	Debt Service Fund	Special Revenue Fund	Total Non Major Governmental Funds
Revenues			
Taxes			
Property	$ 225,187	$ -	$ 225,187
Interest income	117	261	378
Miscellaneous	-	41,382	41,382
Total revenues	225,304	41,643	266,947
Expenditures			
Current			
General government	300	-	300
Municipal court	-	20,061	20,061
Police	-	3,966	3,966
Debt service			
Principal	135,000	-	135,000
Interest and fiscal charges	80,212	-	80,212
Total expenditures	215,512	24,027	239,539
Excess of revenues over expenditures	9,792	17,616	27,408
Other financing sources			
Transfers in	25,000	-	25,000
Transfers out	-	-	-
Total other financing sources	25,000	-	25,000
Net change in fund balances	34,792	17,616	52,408
Fund balances - beginning	(28)	163,373	163,345
Fund balances - ending	$ 34,764	$ 180,989	$ 215,753

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VAIL & KNAUTH, LLP
CERTIFIED PUBLIC ACCOUNTANTS
AUDIT, TAX AND ADVISORY SERVICES

Michael G. Vail, CPA
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Members:
American Institute of CPAs
Texas Society of CPAs

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 and Town Council
Town of Northlake, Texas
1400 FM 407

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Northlake, Texas (The "Town"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 8, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the 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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 determination of financial statement amounts. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Vail + Knauth, LLP

Richardson, Texas

February 8, 2016

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Nathan Reddin, Development Director

Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Northwest ISD Outdoor Learning Center Water Line Reimbursement

---

In 2010, The Northwest Independent School District purchased from DKM Properties the former site of Texas Lil's Dude Ranch. Over the past few years, the district has been preparing the property for the construction of the Outdoor Learning Center. Most recently council approved the site plan and final plat at their October 8, 2015 council meeting.

In order to get the necessary fire flows to the site, a twelve inch (12") water line will need to be installed from FM 407 to the site. This size line is much more than the center's water needs. Had the Outdoor Learning Center opened at a later date, the water line would most likely be completed as part of The Highlands development. However, the center is planned to open this coming school year.

The proposal to accomplish the water line project is as follows. The District will construct the 12" water line. The Town will reimburse the District for a proportion of the costs. The total estimated cost of the water line is $750,000 and the Town will reimburse a portion of that amount. The Town will use future impact fees to reimburse the District over a five-year period.

The projected impact fee collections from known developments in the northern service area are: $739,420 for 220 lots in The Highlands; $181,494 for 54 lots in Prairie View Farms; and $504,150 for 150 lots in Stardust Ranch for a total of $1,425,064. The current uses of impact fee revenue of the Town is the repayment of the Hotel Fund loan in the amount of $652,349 over five years; and the current and next five years of debt service for the Town's portion of the 20" water line to North Ridge Estates is $200,223. Over the next five years, the Town's impact fee fund will have $572,492 in available funds to reimburse the school district.

Given council direction, Town staff will begin working with District staff to develop a reimbursement agreement. The District board is scheduled to be briefed on February 22nd and both Council and Board may consider the agreement at their respective March meetings.

Please contact me at 940.242.5701 if you have any questions or comments.

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Master Thoroughfare Plan Adoption

Funds were originally provided in the FY 2015 Adopted Budget for an update of the Town's Master Thoroughfare Plan (MTP) and the study of a Road Impact Fee. On December 11, 2014, council was briefed on Halff and Associates approach for conducting the update and study. After many meetings with Town staff and coordination with Denton County and Texas Department of Transportation officials, Halff presented the final draft of the MTP Update to council at their November 12, 2015 meeting.

As a reminder, the MTP shows the major thoroughfares in the Town in terms of their general location, the number of lanes and whether the road is divided or undivided. The MTP will in a sense reserve the location of the road from encroachment from certain types of development such as gas wells. Finally, the MTP will inform potential developers of the alignment of the Town's road system and anticipated right-of-way dedication requirements.

After Council has had a two-month period to review the final draft for comments, questions and input, Halff has prepared the final document for council consideration.

Please contact me at 940.242.5701 with any questions or comments.

MASTER THOROUGHFARE PLAN

Master Thoroughfare Plan Update
Northlake, Texas

February 2016

Prepared for

Town of Northlake

STATE OF TEXAS
S. P. BOOTH
94903
LICENSED
PROFESSIONAL ENGINEER

02/06/2016

AVO 30659

HALFF

1201 North Bowser Road
Richardson, Texas 75081
Firm Registration No. 312

MASTER THOROUGHFARE PLAN

The Master Thoroughfare Plan (MTP) identifies both existing major roadways and streets that serve the community and provides a general location of all future major thoroughfares. The attached MTP is an update to the 2004 Master Thoroughfare Plan.

REGIONAL TRANSPORTATION SYSTEM

The major transportation facilities serving the area of southwest Denton County are Interstate Highway 35W and State Highway 114. Interstate Highway 35W connects the cities of Hillsboro, Fort Worth, and Denton and all areas in between. It is part of the Interstate Highway 35 corridor, which is a major national roadway extending from northern United States to the southern border at Laredo, Texas. It is a major international trade route and, as a result, has high volumes of truck traffic. State Highway 114 connects southern Denton County and northern Tarrant County to DFW International Airport and Dallas. Other major transportation routes, state facilities within the Town of Northlake, include FM 1171, FM 407, and FM 156.

TRAFFIC VOLUMES

Information on both current and projected traffic volumes is useful for economic development purposes as well as for establishing a sound roadway maintenance or improvement program. Existing traffic volumes are often collected in the course of preparing traffic impact studies and some municipalities collect traffic data on major roadways on an annual basis.

In addition to traffic volumes collected by local municipalities, the Texas Department of Transportation (TxDOT) collects Annual Average Daily Traffic (AADT) volume information for most TxDOT roadways throughout the State. Generally, these volume counts are taken near major intersections and are taken in the same location each year. This provides information for calculating historical growth rates on major corridors. The data is available on the internet at the TxDOT Statewide Planning Map located at the following URL: http://www.txdot.gov/apps/statewide_mapping/StatewidePlanningMap.html

Future traffic volume projections can be derived from the North Central Texas Council of Governments (NCTCOG) 2035 Traffic Volume Projections. However, in a review of the NCTCOG model, it was noted that the model's projected growth for residential population in Northlake was substantially less than what is currently being constructed. This is not uncommon for rural areas with minimal historical growth rates. Therefore, it is anticipated that NCTCOG projections for growth are less than actual, but still provide insight to future regional travel patterns.

THOROUGHFARE CLASSIFICATIONS AND STANDARDS

The following section describes the general functional classifications of streets that are defined in the Master Thoroughfare Plan. Each type of street is grouped into classes according to the character of service they are intended to provide. Each also function differently, with varying rights-of-way widths, number of vehicular lanes, and vehicular lane widths. A description of each classification and typical dimensions follows:

Local Streets

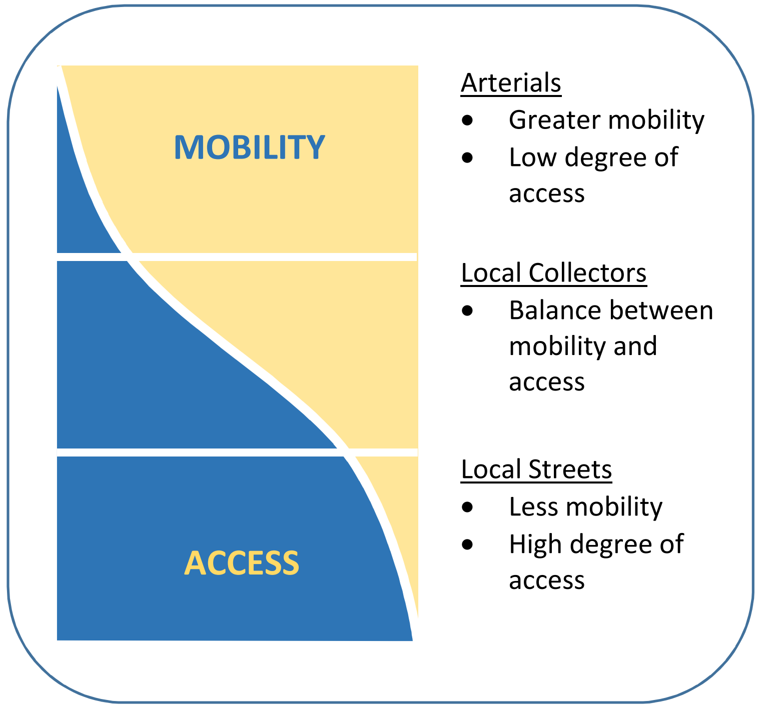


Figure 1 – Street Functional Classification

Local streets generally make up the majority of the streets in a community, provide access to properties, (typically residential or local destinations) and prioritize accessibility over mobility. The actual cross-section of local streets varies from community to community and is dependent upon street construction practices, adjacent land uses, parking, landscaping, and other considerations. In Northlake, local streets will typically have a right-of-way width of 50 feet for urban cross-sections (with curb) and 60 feet for rural cross-sections (no curb).

Recommended pavement width for a local street is 30 feet (31 feet from back to back of curb) for an urban section. For a rural section, the pavement width will be 24 feet with no curb. This pavement width is adequate for common residential densities, which have an average generation rate of approximately 10 vehicle trips per weekday per dwelling unit.

Local Collector Streets

Local collector streets (collectors) provide the transition from arterials to local streets. Collector roads typically connect residential areas, schools, and local shopping centers, and move traffic over shorter distances, balancing mobility and accessibility. As such, local land access should be more carefully regulated along a collector street. Numerous driveway cuts increase the number of potential conflict points and create safety issues, including increased congestion and number of traffic accidents. Parking on local collector streets should be discouraged and there should be limited residential access.

From a design standpoint, the cross-section of a collector street should not be narrower than any of the local streets entering it. Additionally, the design of a collector street should include consideration for the right-of-way width and number of lanes which provide for continuity of the overall system. Right-of-way width for local collectors is 60 feet for urban and 70 feet for rural cross-sections. Recommended pavement width for both rural and urban cross-sections is 36 feet (with the urban cross-section being 37 feet total from back to back of curb).

Arterial Streets

Arterials move large volumes of traffic between major destinations. With some degree of access control they prioritize mobility over accessibility in order to provide the highest level of service at the greatest speed for the longest uninterrupted distance. Arterial streets are divided into two classes, primary arterials and minor arterials.

Primary arterial thoroughfares are multi-lane facilities and are often constructed and maintained by the Texas Department of Transportation (TxDOT). Primary arterials serve both traffic from the local municipality and through traffic from adjacent cities. Primary arterial streets in Northlake include FM 1171, FM 407 and FM 156. The ultimate (future) cross-section of a primary arterial is a divided six-lane facility with a raised median separating the opposing travel lanes. Right-of-way width for primary arterials is 120 feet for urban cross-sections and 140 feet for rural cross-sections. Pavement width will vary as needed to accommodate six 12-foot travel lanes and raised medians/curbs (urban cross-sections) and/or shoulders (rural cross-sections).

Minor arterial streets provide for traffic movement from neighborhoods to commercial areas and other major traffic generators (e.g., schools and municipal buildings) and also may serve as routes for through traffic from adjacent cities. These roadways may be undivided or divided and have between two and four lanes of travel. Right-of-way widths for minor arterials varies from 60 feet to 100 feet depending on the desired cross-section (number of lanes and/or urban versus rural). Pavement widths vary from 40 feet (without median) to two 27-foot paved sections with a raised median for urban cross-sections. For rural cross-sections, the pavement width vary from 64 feet (without median) to two 32.5-foot paved sections with a median. Examples of minor arterial streets include Cleveland-Gibbs Road, Robson Ranch Road, and Florance Road.

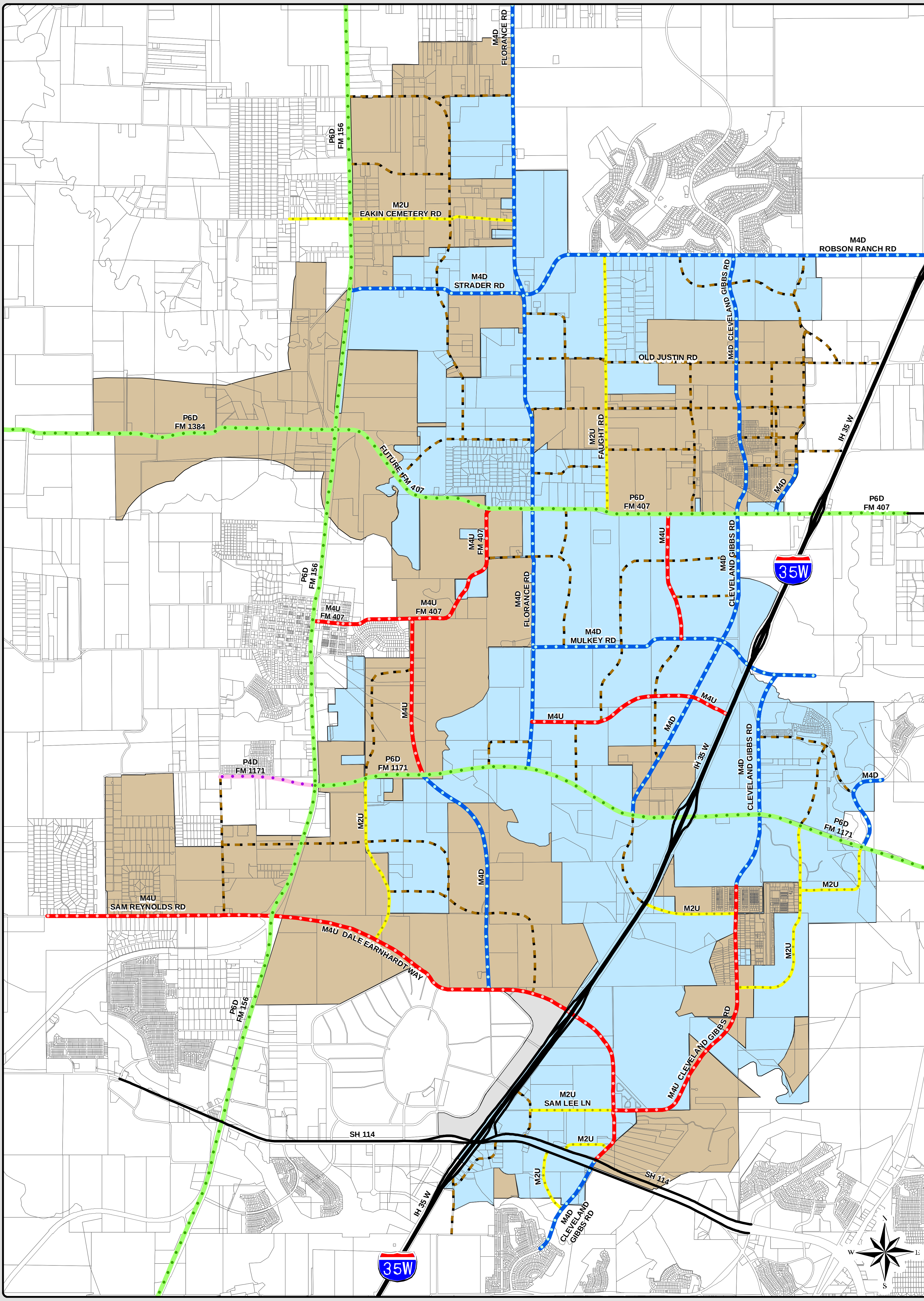
Expressways/Freeways

Expressways/freeways provide for expeditious movement of traffic between areas and across cities, with an intent of moving large volumes of traffic at relatively high speeds, with as few delays and interruptions as possible. One of the ways this occurs is through the limitation of direct access to adjacent properties. Interstate Highway 35W and State Highway 114 are the only freeways within the Town of Northlake.

STREET DESIGN STANDARDS AND CROSS-SECTIONS

The Master Thoroughfare Plan (MTP) is designed to provide for the future travel needs of the community by ensuring the orderly development of the street system. It is also designed to ensure that adequate rights-of-way are preserved with general alignments and sufficient width to allow for the efficient expansion and improvement over time.

In cases where new alignments are proposed, the MTP provides guidance as to the general alignment of the proposed street. The actual alignment will be refined over time as design and engineering plans and specifications are prepared. The MTP also provides guidance as to the functional classification of streets. These functional classifications are then subject to design standards which provide specifications on right-of-way and pavement widths, traffic capacity, number of lanes (including turn lanes), and the design of sidewalks or trails (see Table II-1, Street and Arterial Classifications and Dimensions, in the Town of Northlake Engineering Design Manual).



Map Features

Thoroughfare Type

- M2U
- M4D
- M4U
- P4D
- P6D
- Collector Road
- Major Roads

- Town of Northlake Incorporated Area
- Town of Northlake Extraterritorial Jurisdiction
- Intergovernmental Agreement Area

NORTHLAKE
TEXAS

DENTON COUNTY, TEXAS
THOROUGHFARE PLAN

0 2,000 4,000
Scale in Feet

HALFF

Last Updated: 11/5/2015

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Eric Tamayo, Public Works Director

Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Potential Road Capital Improvements Program

In October 2007, over half of the roads in Northlake were gravel and due to inadequate funding were minimally maintained. Over the years through materials and equipment provided by the Council, Public Works crews have been able to increase the frequency and effectiveness of gravel road maintenance. The Town also has the equipment to repair asphalt roads and recently contracted for a larger repair of Florance Road.

During the same time period, Denton County has taken over maintenance of Faught Road and applied an asphalt overlay in the last few years. In addition, the county has chip-sealed Strader Road and Holder Lane, paved Florance north of Strader with asphalt, and paved Robson Ranch Road extension with concrete. The County continues to maintain Old Justin Road from eastern Town limits to Faught Road.

Finally through development agreements, Cleveland-Gibbs has been extended north of FM 407 and upgraded north of FM 1171 with concrete sections.

Although much has been accomplished, there are many more needs of the Town's road system. Staff has begun a working list of road improvement needs as starting point for council discussions. The Master Thoroughfare Plan update process has highlighted many of the areas the Town can focus.

<u>Florance Road (1,000 feet north of FM 407 to Strader Road)</u>

Description - asphalt resurfacing with lime stabilization
Estimated Cost - $500,000

<u>Cleveland-Gibbs Road (from TXDOT maintenance north of FM 1171 to current concrete section resuming to TXDOT maintenance at I35W resuming to FM 407)</u>

Description – convert gravel surface to concrete section
Estimated Cost - $3,500,000

<u>Cleveland-Gibbs Road (from future Dale Earnhardt Way to future bridge over Denton Creek resuming after future bridge to FM 1171)</u>

Description – convert gravel and asphalt sections to concrete section
Estimate Cost - $5,000,000

Cleveland-Gibbs Road (bridge over flood plain at Denton Creek)

Description – concrete pillar bridge spanning Denton Creek

Estimated Cost - $10,000,000

In addition to the above needs, the Town has negotiated improvements to other thoroughfares in the Town to be funded by developers. Some examples are as follows.

Cleveland-Gibbs Road (from Homestead Way to Robson Ranch Road)

Florance Road (from Mulkey Road to FM 407)

Dale Earnhardt Way (from SH 114 to I35W)

Finally, the Town anticipates that FM 407 improvements and future route to FM 156 and future FM 1171 from I35W to FM 156 will be funded by a partnership with the Town, County and TXDOT.

Please contact me at 940.242.5701 if you have any questions.

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Northlake, TX 76247
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Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Eric Tamayo, Public Works Director

Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Aero Valley Water Service Options

On June 10, 2010, Northlake Town Council memorialized a 2005 agreement with Shawn Horvath, operator of the Aero Valley Water Service, whereby he could temporarily serve water to customers within the Town of Northlake's Certificate of Convenience and Necessity (CCN). The agreement also gives the Town the first right of refusal to purchase Aero Valley Water Service if it becomes available for purchase. At the time, Mr. Horvath provided the Town with a list of customers that total approximately 50 and a price tag of $50,000.

Going back some ten years, the operator had been cited by the Texas Commission on Environmental Quality (TCEQ) for numerous violations and has compiled penalties of approximately $17,000 according to TCEQ. The system has a number of operational deficiencies including improper storage of treatment chemicals, intermittent pressure, inconsistent reporting, and absence of meters.

In October 2013, Northlake was approached by the TCEQ to assume the Aero Valley CCN. After much discussion, it was determined that Northlake would not immediately take over the system. The primary reason was that TCEQ would not agree to give Northlake a grace period on correcting the violations perpetrated by Horvath and Horvath demanded payment for the system.

In the interim, the Texas Public Utility Commission was made the overseer of CCNs. TCEQ is still be responsible for regulating the operations of water systems. The TCEQ and PUC then approached Northlake on taking over the system. Accelerating the situation was Horvath's departure for employment in Nevada.

After negotiations, the Town became temporary manager of the system on behalf of the TCEQ; the TCEQ would be the official owner of the system. Because of the convoluted administrative rules only an individual can become a temporary manager not a municipality so Eric Tamayo became temporary manager. Ironically, TCEQ continued to cite the Town for violations committed by Horvath.

Anticipating the potential takeover of the Aero Valley water system, the Town conducted an engineering study of the system to understand the operational deficiencies of the system and alternatives to bring the system up to standards. The best long term solution to the system would be to replace all the system lines with eight inch (8”) service lines, install water meters to each customer, construct a water main from FM 1171 to the area, and retire the existing well, storage tank and pressure tank. The total cost of this solution would exceed $2,000,000.

The Town has paid approximately $8,000 for patchwork repairs and upgrades. The TCEQ has made numerous suggestions to upgrade the system at substantially more costs. The actual number of customers directly tied to the system is only 23 to date. According to TCEQ regulations, the Town can charge $58.67 per month for the service; inadequate to support the debt service necessary to finance the proposed solution.

Staff seeks input from the Town Council on how to proceed. The options include continuing as temporary manager, assume the system, or walk away.

Please contact me at 940.242.5701 if you have any comments or questions.

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Overview of Debt Capacity of the Town of Northlake

From earlier presentations, the needs of the Town are many and those discussed only scratch the service. As with any business operation, the Town must invest in its infrastructure. Unfortunately, the Town has had the least ability to invest is in infrastructure due to the highest capital cost. The reason for this deficiency was primarily due to the lack of adequate revenues to support increased debt. However, the Town has been able in the past to issue modest debt to affect improvements.

On March 10, 2005, the Town of Northlake issued $1,900,000 in certificates of obligations for street improvements and related professional services. The term of the debt was twenty years with a maturity date of April 15, 2025. On or after April 15, 2016, the Town is eligible to make prepayments on any outstanding principal amounts. The current estimated total outstanding interest is $437,608.50 and principal is $1,455,000 for a total obligation of $1,892,608.50.

On October 14, 2010, the Town of Northlake issued $245,000 in tax notes for the purchase of a road grader. The term of the debt was seven years with a maturity date of February 15, 2017. The tax notes are not eligible for prepayment. The current estimated total outstanding interest for the notes is $2,603.75 and principal is $75,000 for a total obligation of $77,603.75

With the imminent payoff of the tax notes and the ability to refinance the C.O.s, the Town has the ability to restructure its debt. In addition, with the multiple developments occurring throughout the Town, property tax base is now available to support greater debt service. Including only the known residential developments in Town such as Canyon Falls, The Highlands, Prairie View Farms and Stardust Ranch; and the known commercial developments such as Northport 35, Alliance Northport, Speedway Town Centre and Chadwick Farms; and discounting any abatements, reimbursements and increments, the Town could conservatively support $5,000,000 in new issuance.

A presentation to Council will review debt capacity assumptions and projections, discuss various scenarios for the use of debt, explore various financing option whether refunding existing debt or layering new debt and finally seek council direction on how to move forward.

Please contact me at 940.242.5701 if you have any questions or comments.

TOWN OF NORTHLAKE

3. Regular Session

TOWN OF NORTHLAKE

4. Public Recognition/Citizens' Agenda/Written

Communications

TOWN OF NORTHLAKE

5. Consent Items

I. Meeting Minutes 1-14-16

J. Resolution of the Town Council of the Town of Northlake, Texas, declaring certain personal property owned by the Town to be surplus property and authorizing the Town Administrator to dispose of such property (Res. No. 16-05)

K. Resolution of the Town of Northlake, Texas, approving an amendment to the Tax Abatement Agreement to promote economic development and stimulate business and commercial activity in the town; providing for required notices (Res. No. 16-06)

Town of Northlake, Texas
Council Meeting Minutes
Thursday, January 14, 2016
1400 FM 407 - Northlake Texas

1. Mayor Peter Dewing called the workshop session to order at 5:30 pm and stated a quorum was present

Council Present:	Peter Dewing, Jean Young, Mike McBride, Michael Ganz, Roger Sessions
	Danny Simpson-Absent
Staff Present:	Drew Corn, Town Administrator; Nathan Reddin, Development Director; Robert Crawford, Chief of Police; Karen Bolyard, Finance Director; and Shirley Rogers, Town Secretary
Consultants Present:	Ashley Dierker, Legal Counsel; Ben McGahey, PE; Leroy Grawunder, Legal Counsel; and Andy Messer, Legal Counsel

2. Briefing
   A. Northlake Resident Survey 2016 briefed by Drew Corn

   B. FY 16 Quarterly Investment Report given by Karen Bolyard

   C. FY 16 1st Quarter Budget Report given by Karen Bolyard

3. Regular Session
   Mayor Dewing called the regular session to order at 5:47 pm

   Mayor Dewing led the council and audience in the Pledge of Allegiance and a Moment of Silence

4. Public Recognition/Citizens' Agenda/Written Communications – None received

5. Consent Items
   Councilmember Ganz moved to approve the consent items. 2nd by Councilmember Young
   Vote: approved unanimous

   D. Meeting Minutes 12-10-15

   E. Interlocal Cooperation Contract DPS, Reprographics & Distribution Services between the Town of Northlake, Texas and Texas Department of Public Safety for supplies used by the Police Department

F. Ordinance NO. 16-0114A amending Code of Ordinances No. 14-1211A, Chapter11 Traffic & Vehicles 11.03.043 Speed Limits on specific streets concerning the authority of municipality to alter speed limits for vehicles on Faught Road from 30 MPH to 35 MPH within the corporate limits of the Town of Northlake, Texas as set out in the ordinance and providing a penalty not to exceed $200.00 for the violation of said ordinance

6. Regular Items

G. Councilmember McBride moved to approve the Final Plat of Stardust Ranch Phase 1, a phase of the proposed Stardust Ranch development consisting of 20 single-family residential lots on 72.472 acres of land in the J.E. Anderson Survey, Abstract No. 22, and zoned Rural Residential (RR) and Rural Estates Planned Development (RE-PD) conditioned on Town approval of the final Public Infrastructure Improvement Construction Plans and drainage study prior to recording of the final plat with Denton County Clerk. Case # FP-15-017. 2nd by Councilmember Ganz

Vote: approved unanimous

H. Councilmember Ganz moved to approve the Final Plat of Canyon Falls Amenity Center, one HOA amenity lot on a 6.519-acre tract of land out of the W. Love Survey, Abstract No. 728, located at 6950 Canyon Falls Drive, and zoned Mixed-Use Planned Development (MPD). Case # FP-15-020. 2nd by Councilmember McBride

Vote: approved unanimous

I. Councilmember Young moved to approve a Site Plan for Canyon Falls Amenity Center, a proposed community amenity center to include a 6,870 square-foot lifestyle building, swimming pool, playground, and related facilities on 6.519 acres of land situated in the W. Love Survey, Abstract No. 728, to be platted as Lot 1, Block A, Canyon Falls Amenity Center, located at 6950 Canyon Falls Drive, and zoned Mixed-Use Planned Development (MPD). Case # SP-15-005. 2nd by Councilmember Ganz

Vote: approved unanimous

J. An Ordinance of the Town of Northlake, Texas designating a certain area as a Reinvestment Zone for Commercial/Industrial Tax Abatement pursuant to Chapter 312 of the Texas Tax Code in the Town of Northlake, to be known as Reinvestment Zone 3, Town of Northlake, Texas; establishing the boundaries thereof; providing a savings clause and effective date

   i. Mayor Dewing opened the Public Hearing at 5:57 pm to hear comments for or against

      No one came forward for or against

      Mayor Dewing closed the Public Hearing at 5:58 pm

   ii. Councilmember Ganz moved to approve Ordinance No. 16-0114B. 2nd by Councilmember Young

Vote: approved unanimous

K. Councilmember McBride moved to approve Resolution No. 16-01 of the Town of Northlake, Texas approving a business personal property Tax Abatement Agreement between the Town of Northlake, Texas, and Wesco Aircraft Hardware Corp to promote economic development and stimulate business and commercial activity in the Town; providing for required notices; and providing for an effective date. 2nd by Councilmember Young

Vote: approved unanimous

L. Councilmember Young moved to approve Resolution No. 16-02 of the Town Council of the Town of Northlake, Texas, authorizing and calling a General Municipal Election to be held on Saturday, May 7, 2016 for the purpose of electing three (3) council members to Places 1, 2, & 3; authorizing the notice of election; authorizing a joint election with other Denton County Political Subdivisions; authorizing the Town Administrator to enter into a contract with Denton County, Texas for election services and providing an effective date. 2nd by Councilmember Ganz

Vote: approved unanimous

M. Councilmember McBride moved to approve Ordinance No. 16-0114C of the Town Council of the Town of Northlake, Texas, approving and adopting a revised Budget for the Town for the Fiscal Year October 1, 2015 through September 30, 2016; providing that expenditures for said Fiscal Year shall be made in accordance with said Budget for an additional person in Finance Dept. 2nd by Councilmember Young

Vote: approved unanimous

7. Chairman Dewing convened into Tax Increment Reinvestment Zone No. 1 Board of Directors Meeting at 6:02. Mayor Dewing reconvened into Regular Session at 6:19 pm

N. Councilmember McBride moved to approve Ordinance No. 16-0114D of the Town of Northlake, Texas approving a Project and Financing Plan for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and providing an effective date. 2nd by Councilmember Ganz

Vote: approved unanimous

O. Councilmember McBride moved to approve Resolution No. 16-03 of the Town of Northlake, Texas approving a Project Funding Agreement for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; providing an effective date. 2nd by Councilmember Ganz

Vote: approved unanimous

P. Councilmember McBride moved to approve Resolution No. 16-04 of the Town of Northlake Texas approving Bylaws of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and providing an effective date. 2nd by Councilmember Ganz

Vote: approved unanimous

8. Executive Session
Councilmember Ganz moved to convene into closed session at 6:20 pm to seek legal advice from its attorney on any posted agenda item, or to discuss any item that is authorized by the Texas Open Meetings Act to be discussed in closed session including. 2nd by Councilmember Sessions

Vote: approved unanimous

a) In accordance with Texas Government Code, Section 551.071, consultation with attorney regarding pending or contemplated litigation or a settlement offer involving - Town of Northlake vs City of Justin

Councilmember Sessions moved to reconvene into open session at 6:57 pm. 2nd by Councilmember Ganz
Vote: approved unanimous

Mayor Dewing stated no action was taken as a result of the closed session

9. Councilmember Ganz moved to adjourn the meeting at 6:58 pm. 2nd by Councilmember Sessions
Vote: approved unanimous

Passed and approved on this the 11th of February, 2016

Town of Northlake, Texas

____
Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

NORTHLAKE TEXAS

RESOLUTION NO. 16-05

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, DECLARING CERTAIN PERSONAL PROPERTY OWNED BY THE TOWN TO BE SURPLUS PROPERTY AND AUTHORIZING THE TOWN ADMINISTRATOR TO DISPOSE OF SUCH PROPERTY

WHEREAS, The Town Council of the Town of Northlake, Texas, has determined that certain personal property owned by the Town in the form of certain equipment is no longer needed; has been replaced by other equipment; and is no longer necessary for the Town's current or foreseeable needs; and

WHEREAS, such surplus property, while no longer being of value or benefit to the Town, may be of benefit or value to some other person or entity; and

WHEREAS, the Texas Government Code authorizes the Town to dispose of surplus property;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. The Town Council hereby finds and determines that the property identified on the attached Exhibit "A", which is hereby incorporated and made part of this Resolution as if set forth fully at length is no longer necessary for the operations of the Town of Northlake and is hereby declared to be surplus property in accordance with the Texas Government Code.

SECTION 2. The Town Administrator is hereby directed to take all reasonable steps to dispose of such items of surplus property and the proceeds there from shall be deposited to the General Fund or appropriate fund.

PASSED AND APPROVED THIS THE 11TH DAY OF FEBRUARY, 2016

TOWN OF NORTHLAKE, TEXAS

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

Exhibit 'A'

Town of Northlake Surplus Inventory

Quantity	Item Description
1	Big Tex Utility Trailer 2012
1	Holiday Travel Camper 1972
1	Black Maxey Trailer 1999
1	Gray Utility Trailer 2001

Asset Description	**Serial #**
Dell Optiplex 360 Mini Tower	js0f4j1
Dell Optiplex 360 Mini Tower	js0f5j1
Dell Optiplex 360 Mini Tower	js0d5j1
Dell Optiplex 360 Mini Tower	b81fkn1
Dell Optiplex 390 Mini Tower	90pn7v1
Dell Optiplex 380 Desktop	9wbg0r1
Dell Optiplex 330 Mini Tower	JYCWSF1
Dell E2209wc Monitor	cn-0f180g-64180-942-0L4L
Dell Monitor 1704 fpt	cn-0y429971618-5a6-arcu
Dell Monitor e1713sc	cn-0jwrmg-64180-3-a5-3h5u
Dell 8 Port Switch	7cg5vs1

Dell Laptop Battary	kr-0nt394-71274-885-7cdc
Omni 1000 LCD UPS	9506cy00m535700296
Omni VS1500 UPS	9517AY00M510700060
Omni 1000 LCD UPS	9506cy00M535700295
Dell Rack Server	GF1MGC1
Targus Laptop Bag	
Dell Latitude D530 Laptop	32MVSF1
Compaq Presario V5000 Laptop	CNDG2843GB
Qty 5 Dell PowerVault 320GB Media for RD1000	
Qty 14 Dell Keyboard - USB	
Box - Miscellaneous Mice and computer cables	
High Rely External Hard Drive w/6 HDD Cartridges	
Dell 8 Port Switch	CKFCSB1
Box - Miscellaneous Power Strips & Cables	
Dell Docking Station	CN-0HD062-48643-6AD-1331
Dell Replacement Keyboard for Laptop 84F50	5931017

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Nathan Reddin, Development Director

Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Revision to Property Tax Abatement Agreement with Wesco Aircraft Part Corporation

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On December 14, 2016, Northlake Town Council held a public hearing for the creation of Reinvestment Zone No. 3. After the public hearing, council adopted an ordinance creating the zone. The zone is 65.296 acres at the southwest corner of Sam Lee Lane and Cleveland-Gibbs Road and is available to any tenant in the Northport 35 business park.

At the same meeting, council granted a tax abatement to Wesco Aircraft Parts, a tenant within the zone. The property tax abatement is a 75% abatement on business personal property for ten years. The tax abatement will be in lieu of a 75% property tax reimbursement. In the agreement approved by council, Wesco was erroneously represented as the real property owner. In fact, Stream is and will remain the owner of the building. Wesco will be the leaseholder and will make leasehold improvements to the building. The agreement has been revised to correct this error.

Please contact me at 940.242.5701 if you have any questions or comments.

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 16- 06

A RESOLUTION OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING A MODIFICATION TO THE TAX ABATEMENT AGREEMENT ENTERED INTO ON JANUARY 14, 2016 BETWEEN THE TOWN OF NORTHLAKE AND WESCO AIRCRAFT HARDWARE CORP TO PROMOTE ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE TOWN; PROVIDING FOR REQUIRED NOTICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 312 of the Texas Tax Code authorizes municipalities to enter into tax abatement agreements pursuant to the requirements of the Property Redevelopment and Tax Abatement Act, V.T.C.A. Tax Code, Chapter 312 (the "Act") ; and

WHEREAS, on January 14, 2016, the Town Council approved Ordinance No. 16-0114A establishing the Town of Northlake's Reinvestment Zone No. 3 ("Reinvestment Zone"), in accordance with the Act to promote development and redevelopment in Northlake; and

WHEREAS, the Town Council on January 14, 2016 pursuant to Resolution No. 16-01 approved the execution of the Business Personal Property Tax Abatement Agreement with Wesco Aircraft Hardware Corp ("Wesco") concerning property located within Reinvestment Zone No. 3 (the "Agreement"); and

WHEREAS, the Town Council and Wesco desire to modify the Agreement pursuant to Texas Tax Code, Section 312.208 to clarify that the certain Property located within the Reinvestment Zone as set forth in the Agreement is leased by Wesco (the "Modification"); and

WHEREAS, the Town Council and Wesco agree that all portions of the Agreement that are not specifically modified by the Modification shall remain in full force and effect; and

WHEREAS, upon full review and consideration of the Modification and all matters attendant and related thereto, the Town Council is of the opinion that the Agreement as modified meets the terms and conditions of the guidelines and criteria established by the Town's Incentives Policy and will promote local economic development in the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, THAT:

Section 1.

The preambles previously written are true and correct.

Section 2.

The Modification, attached as Exhibit A, having been reviewed by the Town Council of Northlake and found to be acceptable and in the best interest of the Town and its citizens and businesses, is hereby approved.

Section 3.

The Town Administrator, upon approval as to form by the Town Attorney is hereby authorized to execute the Modification attached as Exhibit A on behalf of the Town.

Section 4.

At least seven (7) days prior to the execution of the Modification, notice of the Town's intention to enter into the Modification shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real and tangible business personal property that is the subject of the Agreement. The notice shall include a copy of the proposed Modification.

Section 5.

The approval and execution of the Modification by the Town is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

Section 6.

This resolution shall become effective immediately from and after its passage.

PASSED AND APPROVED this the 11th day of February, 2016

Town of Northlake, Texas

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

EXHIBIT A

Modification to Tax Abatement Agreement between the Town of Northlake, Texas and Wesco Aircraft Hardware Corp

FIRST AMENDMENT TO BUSINESS PERSONAL PROPERTY TAX ABATEMENT AGREEMENT WITH WESCO AIRCRAFT HARDWARE CORP

This FIRST AMENDMENT TO BUSINESS PERSONAL PROPERTY TAX ABATEMENT AGREEMENT (the "Amendment") is entered into by and between the Town of Northlake, a type A general-law municipality of Denton County, Texas (the "Town"), acting by and through its duly authorized officers, and Wesco Aircraft Hardware Corp, a California corporation qualified to do business in the state of Texas ("Wesco").

W I T N E S S E T H:

WHEREAS, on January 14, 2016, the Town Council approved Ordinance No. 16-0114A establishing the Town of Northlake's Reinvestment Zone No. 3 ("Reinvestment Zone"), in accordance with the Property Redevelopment and Tax Abatement Act, as amended, (V.T.C.A. Tax Code, Chapter 312) to promote development and redevelopment in Northlake; and

WHEREAS, the Town Council on January 14, 2016 pursuant to Resolution No. 16-01 approved the execution of the Business Personal Property Tax Abatement Agreement with Wesco (the "Agreement"); and

WHEREAS, the Town Council and Wesco desire to modify the Agreement pursuant to Texas Tax Code, Section 312.208 to clarify that the certain Property located within the Reinvestment Zone as set forth in the Agreement is leased by Wesco; and

WHEREAS, the Town Council and Wesco agree that all portions of the Agreement that are not specifically modified by this Amendment shall remain in full force and effect; and

WHEREAS, notice of the Town's intention to modify the Agreement was delivered pursuant to Texas Tax Code, Section 312.2041, to the respective presiding officers of the governing bodies of the taxing units that include within their boundaries property which is the subject of this Agreement.

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1.

The Town and Wesco agree that, except to the extent amended herein, the provisions and terms contained in the Agreement remain in full force and effect and shall continue to be applicable throughout the term of the Agreement. If there is a conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

SECTION 2.

Section 1.A. of the Agreement shall be modified to read as follows:

A. Ownership of Property: Wesco represents that it is the owner of a leasehold interest in that certain tract of real property located in the Town of Northlake, Denton County, Texas, and located in the Reinvestment Zone, more particularly described in the metes and bounds description attached herein as **Exhibit A**, which is made a part of this instrument for all purposes (hereinafter referred to as the "Property"). The Property is located entirely within the town limits of the Town and within Town of Northlake Reinvestment Zone No. 3. The Property is further shown on the map attached hereto as **Exhibit B** and made a part hereof.

SECTION 3.

This Amendment shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this Amendment shall lie in Denton County, Texas.

SECTION 4.

In the event any provision of this Amendment shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the agreement shall remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

EXECUTED and effective as of the 11th day of February, 2016 by the Town, signing by and through its Town Administrator, duly authorized to execute same; and by Owner, acting through its duly authorized official.

APPROVED AS TO FORM: ASHLEY D. DIERKER, TAYLOR, OLSON, ADKINS, SRALLA & ELAM, L.L.P. Town Attorney	TOWN OF NORTHLAKE DREW CORN Town Administrator
BY________________________________ Town Attorney	BY____________________________ Drew Corn Town Administrator

ATTEST:

BY________________________________
Shirley Rogers, Town Secretary

Date:________________________________

WESCO AIRCRAFT HARDWARE CORP
A California Corporation

BY: ________________________________
David J. Castagnola, President and CEO

Date: ________________________________

Exhibit A

Metes and bounds description of the Property

DESCRIPTION, of a 65.926 acre tract of land situated in the E.F. Springer Survey, Abstract No. 1165 and the L. Medlin Survey, Abstract No. 830, Denton County, Texas; said tract being a part of that tract of land described as Tract B in Warranty Deed to SH114/IH35W Ventures, Ltd. recorded in Volume 4604, Page 2327 of the Deed Records of Denton County, Texas; being a part of that tract of land described in Exhibit "A-2" as "Tract 2" in Special Warranty Deed to Northport Commercial, Ltd. recorded in Document No. 2004-67694 of the Official Records of Denton County, Texas; and being a part of that tract of land described in Special Warranty Deed to Northport Industrial, Ltd. recorded in Document No. 2004-67695 of the Official Records of Denton County, Texas; said 65.926 acre tract being more particularly described as follows:

BEGINNING, at an "+" cut in concrete found for corner; said point being the southwest corner of Lot 11, Block 4, Northport Addition, an addition to the Town of Northlake recorded in Cabinet Y, Page 515 of the Plat Records of Denton County, Texas; said point being in the north right-of-way line of Northport Drive (a 60-foot wide right-of-way);

THENCE, North 00 degrees, 32 minutes, 51 seconds East, departing the said north line of Northport Drive and with the said east line of Lot 11, a distance of 1,444.08 feet to a 1/2-inch iron rod found for corner in the north line of said Northport Industrial tract; said point being in said Sam Lee Lane (a variable width right-of-way at this point);

THENCE, South 89 degrees, 22 minutes, 20 seconds East, along said Sam Lee Lane (no record of dedication found), a distance of 1,269.06 feet to a 1/2-inch iron rod found at the most northerly northwest corner of said “Tract 2” and the northeast corner of said Northport Industrial, Ltd. tract;

THENCE, South 89 degrees, 22 minutes, 20 seconds East, continuing along said Sam Lee Lane, a distance of 935.17 feet to a 1/2-inch iron rod found at the intersection of Sam Lee Lane with Cleveland Gibbs Road (no record of dedication found); said point being the northeast corner of said "Tract 2" and the northwest corner of that tract of land described in Special Warranty Deed to Lipscomb, Ltd. recorded In Document No. 02-75040 of said Official Records;

THENCE, South 03 degrees, 02 minutes, 23 seconds East, departing said Sam Lee Lane, with the east line of said "Tract 2" and along said Cleveland Gibbs Road, a distance of 555.09 feet to a 1/2-inch iron rod found for corner; said point being the most northerly southwest corner of that tract of land described in Warranty Deed to Terry & Joan Benton recorded in Document No. 2010-32203 of said Official Records;

THENCE, South 49 degrees, 49 minutes, 19 seconds West, continuing with the southeast line of said "Tract 2" and along said Cleveland Gibbs Road, a distance of 1,702.90 feet to a PK nail in asphalt found for corner;

THENCE, southwesterly with the said southeast line of said "Tract 2" and along the west occupied line of Cleveland Gibbs Road the following three (3) calls:

North 79 degrees, 00 minutes, 41 seconds west, a distance of 28.08 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found for corner;

South 48 degrees, 59 minutes, 39 seconds west, a distance of 485.59 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found for corner;

South 45 degrees, 27 minutes, 30 seconds West, a distance of 123.00 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found for corner in the said southwest line of said "Tract 2" and the northeast line of State Highway 114 (a variable width right-of-way);

THENCE, North 88 degrees, 45 minutes, 54 seconds West, with the said southwest line of said "Tract 2" and the said northeast line of State Highway 114, a distance of 6.94 feet to a point for corner at the beginning of a non-tangent curve to the right;

THENCE, departing the said southwest line of said "Tract 2" and the said northeast line of State Highway 114, with said curve to the right having a central angle of 18 degrees, 14 minutes, 48 seconds, a radius of 590.00 feet, a chord bearing and distance of North 40 degrees, 22 minutes, 56 seconds East, 187.10 feet, an arc distance of 187.89 feet to a point for corner at the end of said curve;

THENCE, North 49 degrees, 30 minutes, 20 seconds east, a distance of 395.08 feet to a point for corner;

THENCE, North 04 degrees, 37 minutes, 13 seconds east, a distance of 35.43 feet to a point for corner;

THENCE, North 40 degrees, 15 minutes, 54 seconds west, a distance of 84.34 feet to a point for corner at the beginning of a tangent curve to the left;

THENCE, with said curve to the left, having a central angle of 49 degrees, 11 minutes, 15 seconds, a radius of 190.00 feet, a chord bearing and distance of North 64 degrees, 51 minutes, 32 seconds West, 158.15 feet, an arc distance of 163.11 feet to a point for corner at the end of said curve;

THENCE, North 89 degrees, 27 minutes, 09 seconds West, a distance of 530.04 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found for corner in the south line of said Northport Drive;

THENCE, North 00 degrees, 32 minutes, 51 seconds East, a distance of 60.00 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found for corner in the said north line of Northport Drive;

THENCE, North 89 degrees, 27 minutes, 09 seconds West, with the north line of said Northport Drive, a distance of 155.02 feet to the POINT OF BEGINNING;

CONTAINING: 2,871,740 square feet or 65.926 acres of land, more or less.

SAVE & EXCEPT TRACT (4.996 ACRES)
DESCRIPTION, of a 4.996 acre tract of land situated in the L. Medlin Survey, Abstract No. 830, Denton County, Texas; said tract being a part of that tract of land described as Tract B in

Warranty Deed to SH114/IH35W Ventures, Ltd. recorded in Volume 4604, Page 2327 of the Deed Records of Denton County, Texas; being a part of that tract of land described in Exhibit "A-2" as "Tract 2" in Special Warranty Deed to Northport Commercial, Ltd. recorded in Document No. 2004-67694 of the Official Records of Denton County, Texas; and being a part of that tract of land described in Special Warranty Deed to Northport Industrial, Ltd. recorded in Document No. 2004-67695 of the Official Records of Denton County, Texas; said 5.000 acre tract being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod found in Sam Lee Lane (no record of dedication found) and in Cleveland Gibbs Road (no record of dedication found); said point being the northeast corner of said "Tract 2" and the northwest corner of that tract of land described in Special Warranty Deed to Lipscomb, Ltd. recorded In Document No. 02-75040 of said Official Records;

THENCE, South 03 degrees, 02 minutes, 23 seconds East, departing the said Sam Lee Lane, with the east line of said "Tract 2" and along said Cleveland Gibbs Road, a distance of 555.09 feet to a 1/2-inch iron rod found; said point being the most northerly southwest corner of that tract of land described in Warranty Deed to Terry & Joan Benton recorded in Document No. 2010-32203 of said Official Records;

THENCE, South 49 degrees, 49 minutes, 19 seconds West, continuing with the southeast line of said "Tract 2" and along said Cleveland Gibbs Road, a distance of 1,422.93 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found;

THENCE, Due West, departing the said east line of "Tract 2" and Cleveland Gibbs Road, a distance of 14.26 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap found in a west line of said “Tract 2”, said point being the most easterly southeast corner of said Northport Industrial, Ltd. tract;

THENCE, North 14 degrees, 17 minutes, 07 seconds East, departing the said west line of “Tract 2” and the said east line of said Northport Industrial, Ltd. tract, a distance of 225.47 feet to the beginning of a non-tangent curve to the right and the POINT OF BEGINNING;

THENCE, in a southerly direction, with said curve to the right, having a central angle of 35 degrees, 25 minutes, 30 seconds, a radius of 510.22 feet, a chord bearing and distance of South 31 degrees, 47 minutes, 07 seconds West, 310.46 feet, an arc distance of 315.46 feet to a point corner at the end of said curve;

THENCE, South 49 degrees, 30 minutes, 20 seconds West, a distance of 98.68 feet to a point corner;

THENCE, North 85 degrees, 22 minutes, 47 seconds West, a distance of 35.28 feet to a point corner;

THENCE, North 40 degrees, 15 minutes, 54 seconds West, a distance of 84.11 feet to a point corner at the beginning of a tangent curve to the left;

THENCE, in a westerly direction, with said curve to the left, having a central angle of 49 degrees, 11 minutes, 15 seconds, a radius of 250.00 feet, a chord bearing and distance of North 64 degrees, 51 minutes, 32 seconds West, 208.09 feet, an arc distance of 214.62 feet to a point corner at the end of said curve;

THENCE, North 89 degrees, 27 minutes, 09 seconds West, a distance of 150.72 feet to a point corner;

THENCE, North 00 degrees, 32 minutes, 57 seconds East, a distance of 327.47 feet to a point corner;

THENCE, South 89 degrees, 27 minutes, 03 seconds East, a distance of 415.81 feet to a point corner at the beginning of a non-tangent curve to the right;

THENCE, in a southerly direction, with said curve to the right, having a central angle of 17 degrees, 59 minutes, 16 seconds, a radius of 140.00 feet, a chord bearing and distance of South 28 degrees, 52 minutes, 39 seconds East, 43.77 feet, an arc distance of 43.95 feet to a point corner at the beginning of a reverse curve to the left;

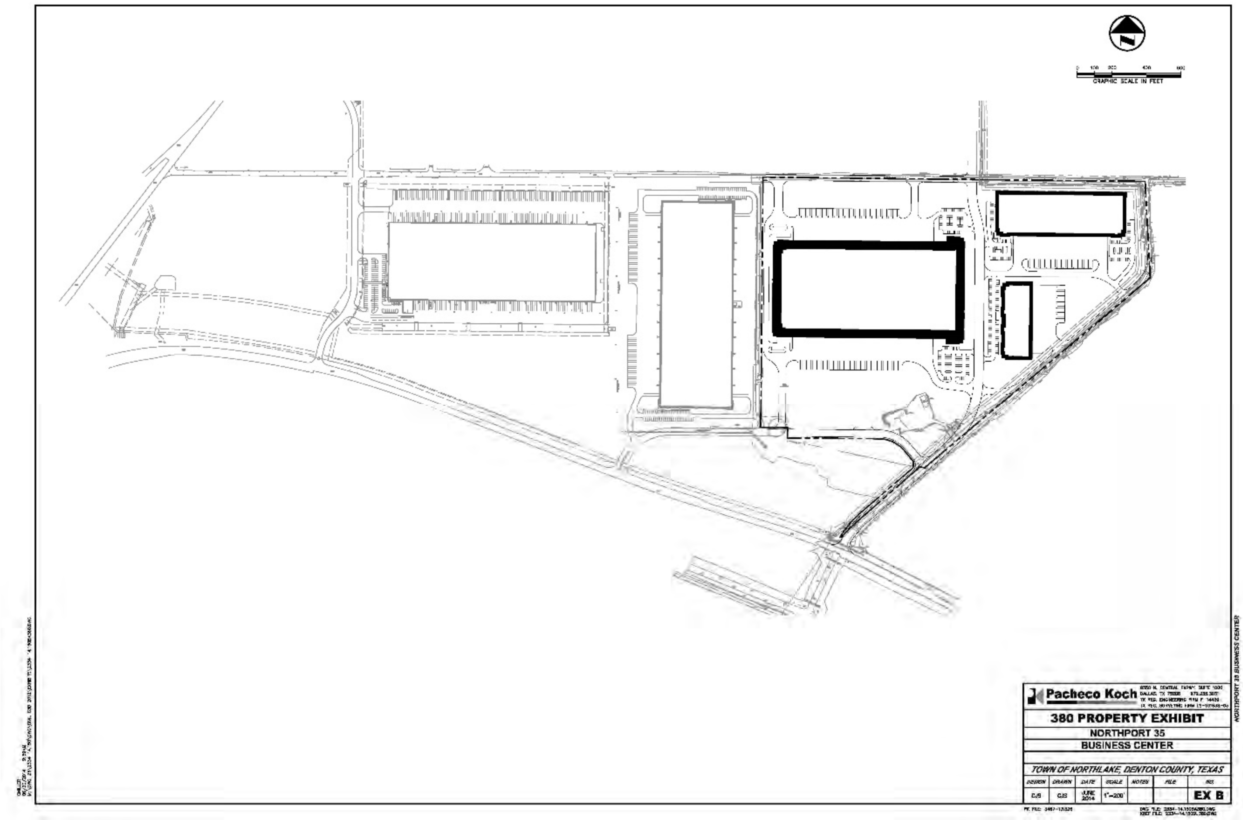
THENCE, in an easterly direction, with said curve to the left, having a central angle of 62 degrees, 46 minutes, 38 seconds, a radius of 100.00 feet, a chord bearing and distance of South 51 degrees, 16 minutes, 21 seconds East, 104.17 feet, an arc distance of 109.57 feet to a point corner;

THENCE, South 82 degrees, 39 minutes, 40 seconds East, a distance of 112.23 feet to a point corner;

THENCE, South 45 degrees, 01 minutes, 41 seconds East, a distance of 48.85 feet to the POINT OF BEGINNING.

CONTAINING: 217,628 square feet or 4.996 acres of land, more or less.

Exhibit B
Map



TOWN OF NORTHLAKE

6. Regular Items

K. Acceptance of the Annual Financial Report ending September 30, 2015

L. Lamar Billboard Meritorious Exception
   i. Public Hearing
   ii. Resolution No. 16-06

M. An Ordinance adopting the 2016 Master Thoroughfare Plan Update replacing the existing Thoroughfare Plan; providing that this Ordinance shall be cumulative of all ordinances; providing for a severability clause; providing a savings clause and providing an effective date
   i. Public Hearing
   ii. Ordinance 16-0211A

N. An Ordinance amending the Code of Ordinances, Town of Northlake, Texas; by the amendment of Chapter 5 Business Regulations; amending Article 5.-06 Temporary Vending at Texas Motor Speedway; providing a savings clause; providing a severability clause; providing a penalty clause; and providing an effective date (Ord. No. 16-0211B)

O. An Ordinance amending the Fee Schedule of the Town of Northlake, Texas, contained in Appendex "A" to Ordinance No. 14-1211A including A3.000 Business Related Fees; providing that this Ordinance shall be cumulative of all ordinances, providing a severability clause; providing a savings clause; and providing an effective date (Ord. No. 16-0211C)

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

CC: Drew Corn, Town Administrator
Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Meritorious Exception for Lamar Outdoor Advertising Billboard

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Purpose: Conduct a public hearing and consider a request for a meritorious exception to the billboard and off-premise sign requirements of Article 11 of the Unified Development Code (UDC) to add a third face with a digital sign on the billboard structure at 18511 IH 35W, the northeast corner of IH 35W and SH 114, on a 0.0931-acre tract of land out of the Lewis Medlin Survey, Abstract No. 830.

Public Hearing Information: Northlake's Unified Development Code (UDC) requires that "prior to consideration of an application for a meritorious exception, the Town Council shall hold a public hearing, with notice given according to the procedure for a zoning change." The public hearing is scheduled to be held at this meeting.

Notice of the public hearing was published in the Denton Record Chronicle on January 27, 2016 (15 days prior to the public hearing), and a notice was mailed on January 11, 2016 (at least 30 days prior to the public hearing) to all property owners within 200 feet of the subject property. Staff has received no responses from the notifications as of the writing of this memo. Any responses received prior to the public hearing will be presented at the Town Council meeting.

Applicant: Lamar Outdoor Advertising

Owner: Town of Northlake

Existing Conditions: A billboard structure is located on the 0.0931-acre tract of land purchased by the Town of Northlake from TxDOT when the property was designated as surplus right-of-way.

Zoning/Existing Land Uses Adjacent to site:
North: Commercial / Valero gas station/convenience store
South: Commercial / TxDOT right-of-way and Shell gas station/convenience store and Subway opposite SH 114
East: Commercial / TxDOT right-of-way
West: Commercial / TxDOT right-of-way and Texas Motor Speedway opposite IH 35W

Background: Lamar Advertising constructed a billboard structure at the northeast corner of IH 35W and SH 114 following approval of a meritorious exception to allow such a sign to be constructed on the 0.0931-acre tract owned by the Town of Northlake and leased to Lamar Advertising. The property was acquired from TxDOT when it was designated as surplus property for the purpose of providing a location for a new billboard to replace a nearby Lamar billboard that was removed during a highway construction project and to serve as an entry feature and economic development tool for the Town. The meritorious exception was approved by the Town Council on December 11, 2014. All exhibits associated with the meritorious exception showed a two-sided billboard structure with a north facing sign and a south facing sign, and both faces were built to accommodate a digital sign. The north face is digital while the south face remains static with the ability to upgrade to digital once advertising rates and revenue make the upgrade feasible. This request is to amend the original meritorious exception to allow a third face with a digital sign on the east side with visibility from westbound SH 114 traffic.

Analysis: The UDC provides for the consideration of a meritorious exception in Sec. 11.17 of Article 11, Signs, stating "It is not the intention of these criteria to discourage innovation. It is entirely conceivable that signage proposals could be made that, while clearly nonconforming to this UDC [or in this case the planned development] and thus not allowable under these criteria, have obvious merit in not only being appropriate to the particular site or location, but also in making a positive contribution to the visual environment." It also outlines the following factors for the Town Council to consider in determining the extent of any exceptions granted:

1. The extent to which the application meets other specific standards of this section; and,

2. The extent to which the application meets the spirit and intent of this chapter through the use of materials, colors, and design to create a sign of exceptional quality and appearance; and,

3. The positive or negative impact of the proposed project on surrounding property use and property values, in comparison to the expected impact of a project which could be built in conformance with standards of this ordinance; and,

4. The extent to which the proposed project accomplishes Town goals as stated in the Comprehensive Plan or other approved document.

5. A meritorious exception shall not be granted to serve as a convenience to the applicant, or for reasons related to economic hardship.

Upon considering the above factors, the Town Council may approve a meritorious exception to allow the alteration of the existing billboard as proposed in the request which is incorporated in the attached resolution as Exhibit A.

Attachments:

- Resolution No. 16-06
- Public Hearing Information – Notice & Contact List

OFFICIAL NOTIFICATION

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Northlake Town Council will hold a public hearing on Thursday, February 11, 2016, at a meeting to begin at 5:30 pm at Northlake Town Hall, 1400 FM 407, Northlake, Texas. The purpose of the hearing is to hear comments for or against a request for a meritorious exception to the billboard and off-premise sign requirements of Article 11 of the Unified Development Code (UDC) for the purpose of adding a third face with a digital sign on the east side of the existing sign structure at the northeast corner of IH 35W and SH 114 on a 0.0931-acre tract of land out of the Lewis Medlin Survey, Abstract No. 830. The Town of Northlake is the property owner. Lamar Outdoor Advertising is the applicant. Case # VR-15-003.

ABOUT THIS REQUEST

A summary of the request is provided on the following page/s. If you would like more information or have any questions about this request, please contact Nathan Reddin, Development Director, at 940-242-5703 or nreddin@town.northlake.tx.us. You may also visit Northlake Town Hall between the hours of 8:00 am to 4:00 am, Monday – Friday.

PUBLIC HEARING PROCESS

The public hearing process is designed to provide opportunities for citizen involvement and comment. The public hearing is held before the Town Council. During the public hearing, interested persons are asked to sign in and speak before the Town Council to provide comments for or against the request before the Town Council. Prior to the public hearing, Northlake landowners within two hundred (200) feet of the subject property are notified of the request by mailing of this notice a minimum of thirty (30) days prior to the date of the public hearing. Notifications are also published in the Denton Record-Chronicle a minimum of fifteen (15) days prior to the date of the public hearing.

WRITTEN RESPONSE PROCESS

You may also make your opinion known on this request by returning the enclosed Notification Response Form. Please return this form with your comments prior to the date of the public hearing. *This in no way prohibits you from attending and participating in the public hearing.* The Council is informed of the percent of responses in support and in opposition of the request.

ABOUT THIS REQUEST

A summary of this request and the meritorious exception process is on the following page. Details on the request are provided in the enclosed documents submitted by the applicant.

- Letter - Meritorious Exception request
- Exhibit – Additional Digital Display

BACKGROUND

Lamar Advertising constructed a billboard structure at the northeast corner of IH 35W and SH 114 following approval of a meritorious exception to allow such a sign to be constructed on the 0.0931-acre tract owned by the Town of Northlake and leased to Lamar Advertising. The property was acquired from TxDOT when it was designated as surplus property for the purpose of providing a location for a new billboard to replace a nearby Lamar billboard that was removed during a highway construction project and to serve as an entry feature and economic development tool for the Town. The meritorious exception was approved by the Town Council on December 11, 2014. All exhibits associated with the meritorious exception showed a two-sided billboard structure with a north facing sign and a south facing sign, and both faces were built to accommodate a digital sign. The north face is digital while the south face remains static with the ability to upgrade to digital once advertising rates and revenue make the upgrade feasible. This request is to amend the original meritorious exception to allow a third face with a digital sign on the east side with visibility from westbound SH 114 traffic.

ABOUT MERITORIOUS EXCEPTIONS

Sec. 11.17, Meritorious Exceptions, of the UDC states "It is not the intention of [the sign restrictions] to discourage innovation. It is entirely conceivable that signage proposals could be made that, while clearly nonconforming to the [applicable requirements] and thus not allowable under [the sign restrictions], have obvious merit in not only being appropriate to the particular site or location, but also in making a positive contribution to the visual environment." This section also outlines the following factors for the Town Council to consider in determining the extent of any exception granted:

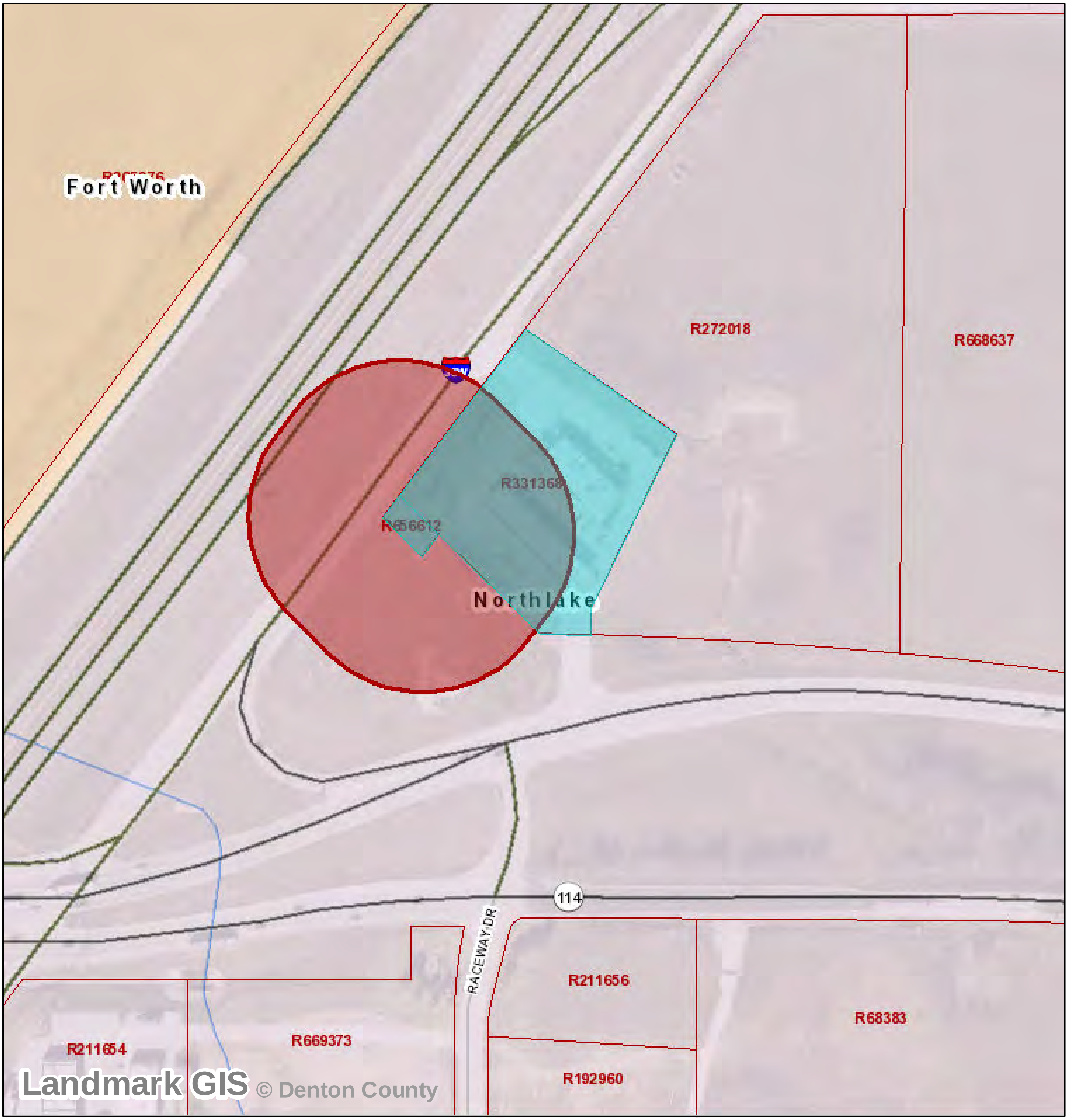
1. The extent to which the application meets other specific standards of this section; and,

2. The extent to which the application meets the spirit and intent of this chapter through the use of materials, colors, and design to create a sign of exceptional quality and appearance; and,

3. The positive or negative impact of the proposed project on surrounding property use and property values, in comparison to the expected impact of a project which could be built in conformance with standards of this ordinance; and,

4. The extent to which the proposed project accomplishes Town goals as stated in the Comprehensive Plan or other approved document; and,

5. A meritorious exception shall not be granted to serve as a convenience to the applicant, or for reasons related to economic hardship.



200 Foot Buffer Map

DENTON COUNTY Technology Services Geographic Information Systems

0 115 230 460 Feet

http://www.dentoncounty.com

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.

Denton County does not guarantee the correctness or accuracy of any features on this product and assumes no responsibility in connection therewith. This product may be revised at any time without notification to any user.

N

200 Foot Notification List for Public Hearing

Case Name: Lamar Advertising Billboard
Case Type: Meritorious Exception
Case Number: VR-15-003
Public Hearing Date: February 11, 2016

PROPERTY ID	OWNER NAME	OWNER ADDRESS	CITY	STATE	ZIP	LEGAL DESCRIPTION
APPLICANT	LAMAR OUTDOOR ADVERTISING ATTN: MARK ISLER	625 109TH ST	ARLINGTON	TX	76011	
OWNER	TOWN OF NORTHLAKE	1400 FM 407	NORTHLAKE	TX	76247	
331368	BIG DIAMOND INC	1 VALERO WAY BID D STE 200	SAN ANTONIO	TX	78249	NORTHPORT ADDN BLK 5 LT 7

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 16-07

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING AND AUTHORIZING A MERITORIOUS EXCEPTION TO ADD A THIRD FACE WITH A DIGITAL SIGN ON THE BILLBOARD STRUCTURE AT 18511 IH 35W

WHEREAS, Lamar Outdoor Advertising constructed a billboard sign structure at 18511 IH 35W following Town Council approval of a meritorious exception on December 11, 2014; and

WHEREAS, the meritorious exception request approved by the Town Council showed a two-sided billboard structure with a north facing sign and a south facing sign; and

WHEREAS, Lamar Outdoor Advertising proposes to add a third face with a digital sign on the east side of the structure with visibility from westbound SH 114 traffic; and

WHEREAS, Article 11 of the Northlake Unified Development Code generally prohibits billboards and similar off-premise signs except as otherwise allowed in the Article; and

WHEREAS, Article 11 of the Northlake Unified Development Code provides a process for the Town Council to consider requests for meritorious exceptions; and

WHEREAS, Lamar Outdoor Advertising submitted a request for a meritorious exception as provided in Exhibit "A"; and

WHEREAS, following a public hearing, with notice given according to the procedure for a zoning change, the Town Council considered the request for a meritorious exception; and

WHEREAS, the Town Council grants the request for a meritorious exception, having considered the following factors:

1. The extent to which the application meets other specific standards of the [Town's sign regulations]; and
2. The extent to which the application meets the spirit and intent of [Town's sign regulations] through the use of materials, colors, and design to create a sign of exceptional quality and appearance; and
3. The positive or negative impact of the proposed project on surrounding property use and property values, in comparison to the expected impact of a project which could be built in conformance with standards of [Unified Development Code]; and
4. The extent to which the proposed project accomplishes Town goals as stated in the Comprehensive Plan or other approved document; and

5. A meritorious exception shall not be granted to serve as a convenience to the applicant, or for reasons related to economic hardship.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. All of the above premises are true and correct legislative and factual findings of the Town Council, and they are hereby approved, ratified and incorporated into the body of this resolution as if copied in their entirety.

SECTION 2. That the Town Council hereby finds and determines, in accordance with the authority granted to the Town Council by Article 11, Sec. 11.17 of the Northlake Unified Development Code to approve a meritorious exception at the Subject Property, that the replacement of the existing static billboard at the Subject Property with a digital billboard is hereby approved, only as depicted in Exhibit "A," which is expressly incorporated herein by reference and made a part of this Resolution as if set forth fully at length herein.

SECTION 3. Nothing contained in this Resolution shall constitute or be construed to be an approval of billboards or any other off-premise signs at any location within the jurisdiction of the Town of Northlake, including, without limitation, any facility or structure to be constructed at the Subject Property, other than the digital billboard proposed to be constructed at the Subject Property as set forth in Exhibit "A".

PASSED AND APPROVED THIS THE 11TH DAY OF FEBRUARY, 2016

TOWN OF NORTHLAKE, TEXAS

____

PETER DEWING, Mayor

ATTEST:

____

SHIRLEY ROGERS, Town Secretary

EXHIBIT “A”

11/19/2015

Nathan Reddin
DEVELOPMENT DIRECTOR
1400 FM 407
Northlake, TX 76247

RE: Meritorious Exception

Dear Mr. Corn:

It was a pleasure meeting with you to discuss the opportunity we have for the Town of Northlake. I do appreciate the time you have afforded me. As we discussed, we believe it is time to move forward with the 3rd Face overall and 2nd Digital Billboard Display for the northeast corner of I-35W at SH 114. This letter sets forth Lamar's request for a meritorious exception for the Digital Billboard Display under the Unified Development Code.

Section 11.17 of the Northlake Unified Development Code states that it is not the intention of the Town to discourage innovation in advertising and signage, but to allow signage proposals that "have obvious merit in not only being appropriate to the particular site or location, but also in making a positive contribution to the visual environment." Although new off-premise billboards are not currently allowed by the Town, the proposed Digital Billboard Display is reflective of the Town's aesthetics as a whole, is compatible with its surroundings, and accomplishes Town goals as stated in the Comprehensive Plan.

One of the stated Guiding Principles of the Town is to have a prosperous economy by concentrating "economic development opportunities, especially those that will serve the regional population, along freeway corridors." The Digital Billboard Display will advance this principle as a catalyst for economic development for the Town of Northlake. The Town of Northlake will be compensated with rental payments as well as use of the digital display itself. Moreover, the display can be utilized to promote events in the Town, news, public service announcements or spotlight local business. All of these will raise the awareness of Northlake and ultimately drive economic development in Northlake.

Furthermore, the additional Digital Billboard Display is consistent with the Town's Land Use Concept Plan under which industrial and commercial uses are primarily located along the northeast corner of the intersection of I35-W and SH 114. As such, the proposed location for Digital Billboard Display is consistent other commercial activity in this area. In addition, the

Phone: 817-640-7555 625 109th Arlington, Texas 76011 Fax: 817-640-7561
misler@lamar.com

project should have no impact on adjacent properties or commercial and industrial activities on these properties.

Finally, the proposed Digital Billboard Display will meet the requirements specified in Section 11.18(20) of the Unified Development Code regarding Electronic Variable Message Signs. Also, the proposed Digital Billboard will be of exceptional quality and appearance in its use of the latest digital sign technology and construction.

For these reasons, Lamar requests that the Town of Northlake grant a meritorious exception under the Unified Development Code for the proposed Digital Billboard. I encourage you to take the time needed to fully understand the positive attribute of having the additional Digital Billboard Display in the Town of Northlake. Please do not hesitate to contact me should you have any questions or need further information.

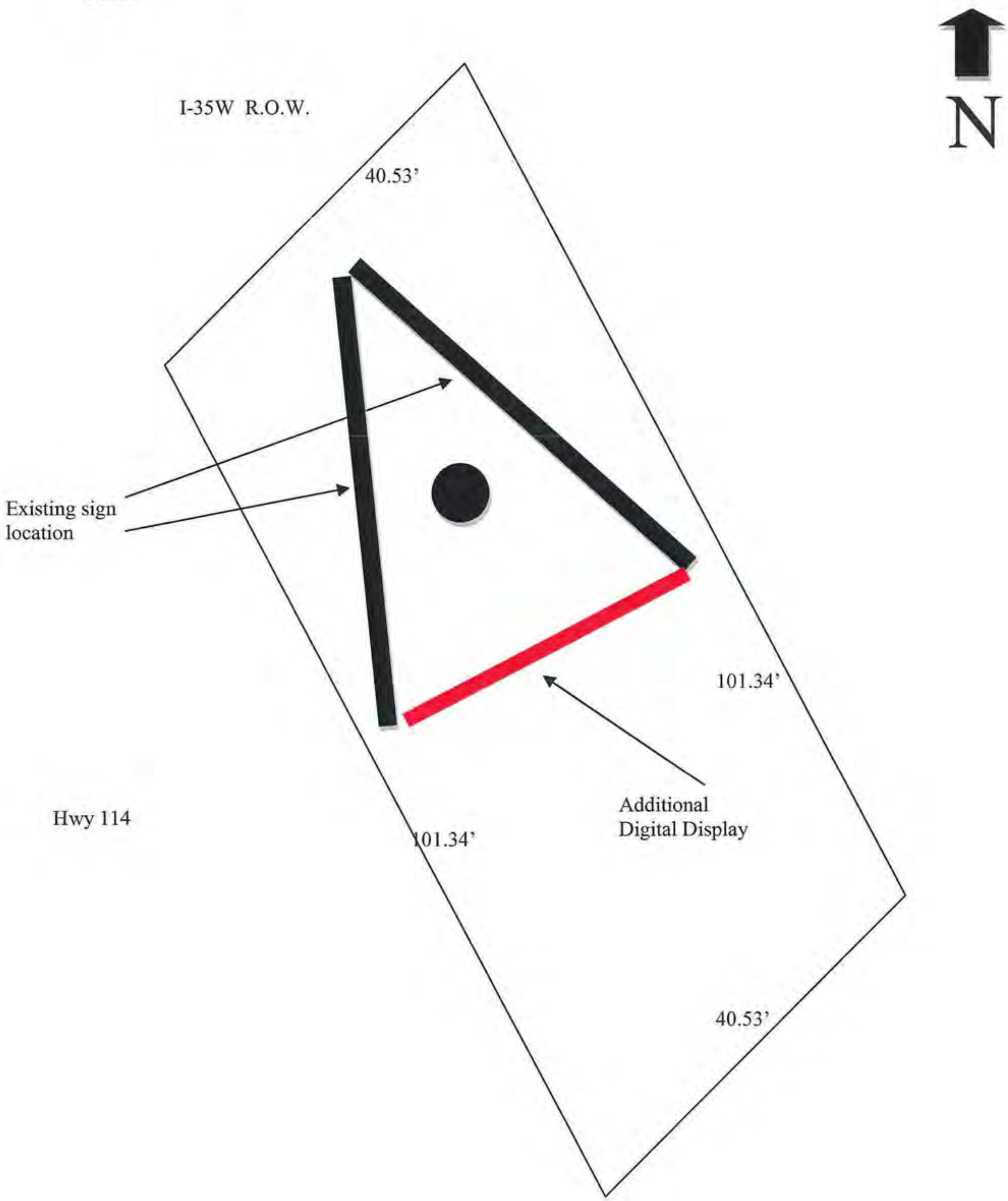
Best Regards,

Mark Isler
Lamar Real Estate-Dallas

Phone: 817-640-7555 625 109th Arlington, Texas 76011 Fax: 817-640-7561
misler@lamar.com

LAMAR

4054 Sq. Ft
(0.0931 ACRES)
Parcel



Phone: 817-640-7555
625 109th Arlington, Texas 76011
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1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Shirley Rogers, Town Secretary

Date: February 11, 2016

Re: Master Thoroughfare Plan Adoption

Funds were originally provided in the FY 2015 Adopted Budget for an update of the Town's Master Thoroughfare Plan (MTP) and the study of a Road Impact Fee. On December 11, 2014, council was briefed on Halff and Associates approach for conducting the update and study. After many meetings with Town staff and coordination with Denton County and Texas Department of Transportation officials, Halff presented the final draft of the MTP Update to council at their November 12, 2015 meeting.

As a reminder, the MTP shows the major thoroughfares in the Town in terms of their general location, the number of lanes and whether the road is divided or undivided. The MTP will in a sense reserve the location of the road from encroachment from certain types of development such as gas wells. Finally, the MTP will inform potential developers of the alignment of the Town's road system and anticipated right-of-way dedication requirements.

After Council has had a two-month period to review the final draft for comments, questions and input, Halff has prepared the final document for council consideration.

Please contact me at 940.242.5701 with any questions or comments.

TOWN OF NORTHLAKE, TEXAS

ORDINANCE NO. 16-0211A

AN ORDINANCE ADOPTING THE 2016 MASTER THOROUGHFARE PLAN UPDATE REPLACING THE EXISTING THOROUGHFARE PLAN; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Northlake, Texas, adopted a Comprehensive Land Use Plan, known generally as the Northlake Strategic Master Plan, in 2002 which included a Thoroughfare Plan; and

WHEREAS, the Thoroughfare Plan portion of the Northlake Strategic Master Plan was last amended on November 11, 2004 with Ordinance No. 04-1111B; and

WHEREAS, the Town of Northlake, Texas, adopted a Comprehensive Land Use Plan update, known generally as the Northlake Vision and Comprehensive Plan, in 2009 to encourage and coordinate future physical development within its jurisdiction; and

WHEREAS, amendments and revisions to the Thoroughfare Plan are necessary to reflect new thoroughfare alignments and to serve future land uses proposed in the 2009 Northlake Vision and Comprehensive Plan; and

WHEREAS, the Master Thoroughfare Plan is a long-range plan that identifies the location and type of roadway facilities needed to meet projected long-term growth within the area; and

WHEREAS, the Master Thoroughfare Plan enables the Town of Northlake to preserve future corridors for transportation system development as the need arises; and

WHEREAS, on February 11, 2016, a public hearing was held before the Town Council, at which the public was given the opportunity to give testimony and present written evidence; and

WHEREAS, the Town Council finds that adoption of the Master Thoroughfare Plan Update as described herein is in the best interest of the health, safety, and general welfare of the citizens of the Town of Northlake, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1. The Town Council hereby approves and adopts the 2016 Master Thoroughfare Plan Update, attached hereto as Exhibit "A," and hereby incorporated herein by reference as if set forth fully at length herein.

SECTION 2. The 2016 Master Thoroughfare Plan Update approved and adopted herein hereby replaces all previous versions of the Town's Master Thoroughfare Plan.

SECTION 3. This Ordinance shall be and is hereby declared to be cumulative of all other ordinances of the Town of Northlake, and this Ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby superseded.

SECTION 4. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. If any section, subsection, paragraph, sentence, phrase or clause of this ordinance shall be declared invalid for any reason whatsoever, such decision shall not affect the remaining portions of this ordinance, which shall remain in full force and effect; and to this end the provisions of this ordinance are hereby declared to be severable.

SECTION 6. This Ordinance shall be effective immediately upon passage by the Town Council.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, ON THIS THE 11TH DAY OF FEBRUARY, 2016

Town of Northlake, Texas

____
Peter Dewing, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

EXHIBIT “A”

MASTER THOROUGHFARE PLAN

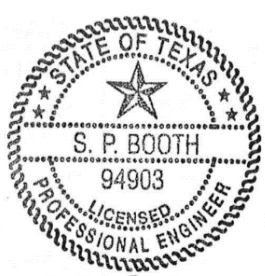
MASTER THOROUGHFARE PLAN

Master Thoroughfare Plan Update
Northlake, Texas

February 2016

Prepared for

Town of Northlake



S. P. Booth 02/06/2016

AVO 30659

HALFF
1201 North Bowser Road
Richardson, Texas 75081
Firm Registration No. 312

MASTER THOROUGHFARE PLAN

The Master Thoroughfare Plan (MTP) identifies both existing major roadways and streets that serve the community and provides a general location of all future major thoroughfares. The attached MTP is an update to the 2004 Master Thoroughfare Plan.

REGIONAL TRANSPORTATION SYSTEM

The major transportation facilities serving the area of southwest Denton County are Interstate Highway 35W and State Highway 114. Interstate Highway 35W connects the cities of Hillsboro, Fort Worth, and Denton and all areas in between. It is part of the Interstate Highway 35 corridor, which is a major national roadway extending from northern United States to the southern border at Laredo, Texas. It is a major international trade route and, as a result, has high volumes of truck traffic. State Highway 114 connects southern Denton County and northern Tarrant County to DFW International Airport and Dallas. Other major transportation routes, state facilities within the Town of Northlake, include FM 1171, FM 407, and FM 156.

TRAFFIC VOLUMES

Information on both current and projected traffic volumes is useful for economic development purposes as well as for establishing a sound roadway maintenance or improvement program. Existing traffic volumes are often collected in the course of preparing traffic impact studies and some municipalities collect traffic data on major roadways on an annual basis.

In addition to traffic volumes collected by local municipalities, the Texas Department of Transportation (TxDOT) collects Annual Average Daily Traffic (AADT) volume information for most TxDOT roadways throughout the State. Generally, these volume counts are taken near major intersections and are taken in the same location each year. This provides information for calculating historical growth rates on major corridors. The data is available on the internet at the TxDOT Statewide Planning Map located at the following URL: http://www.txdot.gov/apps/statewide_mapping/StatewidePlanningMap.html

Future traffic volume projections can be derived from the North Central Texas Council of Governments (NCTCOG) 2035 Traffic Volume Projections. However, in a review of the NCTCOG model, it was noted that the model's projected growth for residential population in Northlake was substantially less than what is currently being constructed. This is not uncommon for rural areas with minimal historical growth rates. Therefore, it is anticipated that NCTCOG projections for growth are less than actual, but still provide insight to future regional travel patterns.

THOROUGHFARE CLASSIFICATIONS AND STANDARDS

The following section describes the general functional classifications of streets that are defined in the Master Thoroughfare Plan. Each type of street is grouped into classes according to the character of service they are intended to provide. Each also function differently, with varying rights-of-way widths, number of vehicular lanes, and vehicular lane widths. A description of each classification and typical dimensions follows:

Local Streets

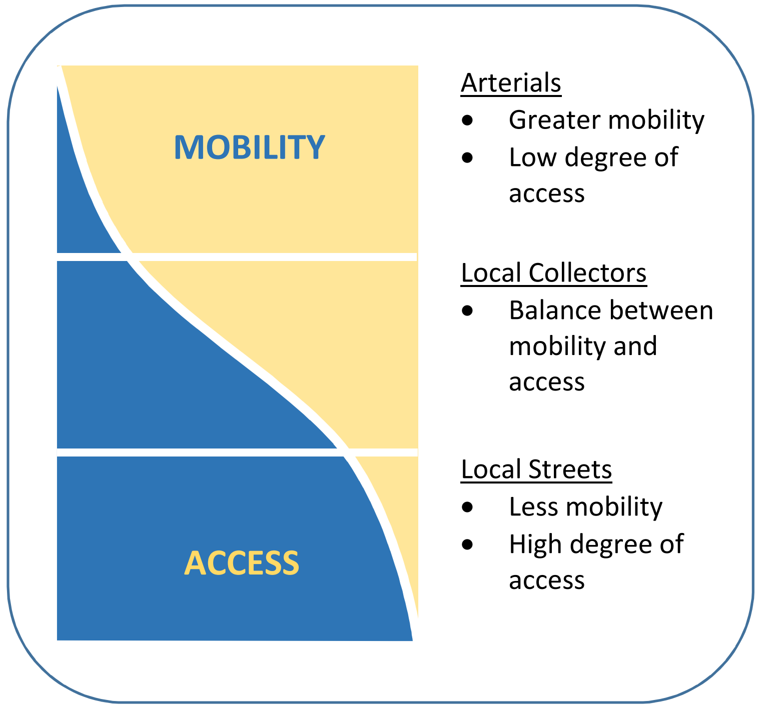


Figure 1 – Street Functional Classification

Local streets generally make up the majority of the streets in a community, provide access to properties, (typically residential or local destinations) and prioritize accessibility over mobility. The actual cross-section of local streets varies from community to community and is dependent upon street construction practices, adjacent land uses, parking, landscaping, and other considerations. In Northlake, local streets will typically have a right-of-way width of 50 feet for urban cross-sections (with curb) and 60 feet for rural cross-sections (no curb).

Recommended pavement width for a local street is 30 feet (31 feet from back to back of curb) for an urban section. For a rural section, the pavement width will be 24 feet with no curb. This pavement width is adequate for common residential densities, which have an average generation rate of approximately 10 vehicle trips per weekday per dwelling unit.

Local Collector Streets

Local collector streets (collectors) provide the transition from arterials to local streets. Collector roads typically connect residential areas, schools, and local shopping centers, and move traffic over shorter distances, balancing mobility and accessibility. As such, local land access should be more carefully regulated along a collector street. Numerous driveway cuts increase the number of potential conflict points and create safety issues, including increased congestion and number of traffic accidents. Parking on local collector streets should be discouraged and there should be limited residential access.

From a design standpoint, the cross-section of a collector street should not be narrower than any of the local streets entering it. Additionally, the design of a collector street should include consideration for the right-of-way width and number of lanes which provide for continuity of the overall system. Right-of-way width for local collectors is 60 feet for urban and 70 feet for rural cross-sections. Recommended pavement width for both rural and urban cross-sections is 36 feet (with the urban cross-section being 37 feet total from back to back of curb).

Arterial Streets

Arterials move large volumes of traffic between major destinations. With some degree of access control they prioritize mobility over accessibility in order to provide the highest level of service at the greatest speed for the longest uninterrupted distance. Arterial streets are divided into two classes, primary arterials and minor arterials.

Primary arterial thoroughfares are multi-lane facilities and are often constructed and maintained by the Texas Department of Transportation (TxDOT). Primary arterials serve both traffic from the local municipality and through traffic from adjacent cities. Primary arterial streets in Northlake include FM 1171, FM 407 and FM 156. The ultimate (future) cross-section of a primary arterial is a divided six-lane facility with a raised median separating the opposing travel lanes. Right-of-way width for primary arterials is 120 feet for urban cross-sections and 140 feet for rural cross-sections. Pavement width will vary as needed to accommodate six 12-foot travel lanes and raised medians/curbs (urban cross-sections) and/or shoulders (rural cross-sections).

Minor arterial streets provide for traffic movement from neighborhoods to commercial areas and other major traffic generators (e.g., schools and municipal buildings) and also may serve as routes for through traffic from adjacent cities. These roadways may be undivided or divided and have between two and four lanes of travel. Right-of-way widths for minor arterials varies from 60 feet to 100 feet depending on the desired cross-section (number of lanes and/or urban versus rural). Pavement widths vary from 40 feet (without median) to two 27-foot paved sections with a raised median for urban cross-sections. For rural cross-sections, the pavement width vary from 64 feet (without median) to two 32.5-foot paved sections with a median. Examples of minor arterial streets include Cleveland-Gibbs Road, Robson Ranch Road, and Florance Road.

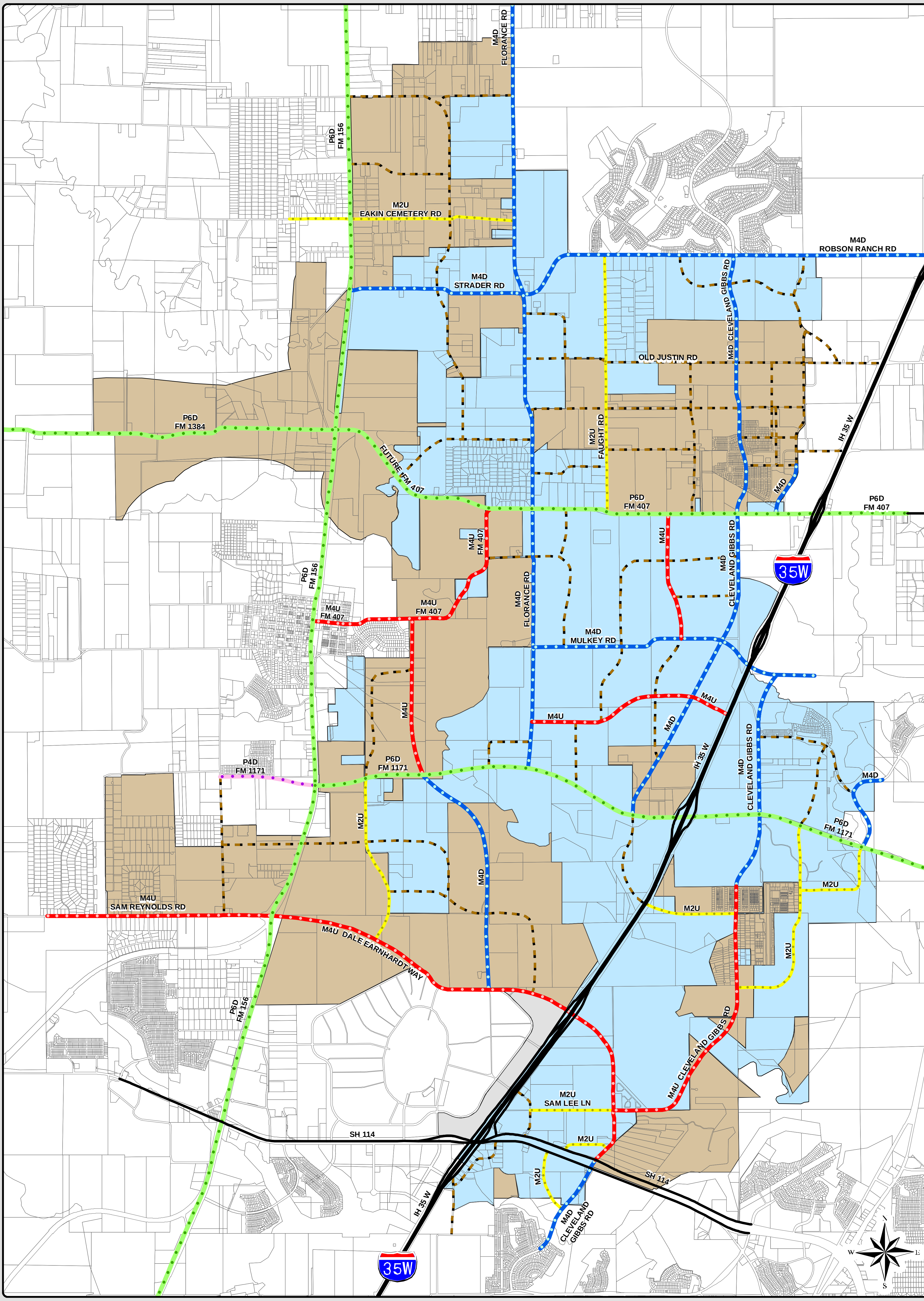
Expressways/Freeways

Expressways/freeways provide for expeditious movement of traffic between areas and across cities, with an intent of moving large volumes of traffic at relatively high speeds, with as few delays and interruptions as possible. One of the ways this occurs is through the limitation of direct access to adjacent properties. Interstate Highway 35W and State Highway 114 are the only freeways within the Town of Northlake.

STREET DESIGN STANDARDS AND CROSS-SECTIONS

The Master Thoroughfare Plan (MTP) is designed to provide for the future travel needs of the community by ensuring the orderly development of the street system. It is also designed to ensure that adequate rights-of-way are preserved with general alignments and sufficient width to allow for the efficient expansion and improvement over time.

In cases where new alignments are proposed, the MTP provides guidance as to the general alignment of the proposed street. The actual alignment will be refined over time as design and engineering plans and specifications are prepared. The MTP also provides guidance as to the functional classification of streets. These functional classifications are then subject to design standards which provide specifications on right-of-way and pavement widths, traffic capacity, number of lanes (including turn lanes), and the design of sidewalks or trails (see Table II-1, Street and Arterial Classifications and Dimensions, in the Town of Northlake Engineering Design Manual).



Map Features

Thoroughfare Type

- M2U
- M4D
- M4U
- P4D
- P6D
- Collector Road
- Major Roads
- Town of Northlake Incorporated Area
- Town of Northlake Extraterritorial Jurisdiction
- Intergovernmental Agreement Area

NORTHLAKE
TEXAS

DENTON COUNTY, TEXAS
THOROUGHFARE PLAN

0 2,000 4,000
Scale in Feet

HALFF

Last Updated: 11/5/2015

ORDINANCE NO. 16-0211B

AN ORDINANCE AMENDING CODE OF ORDINANCES, TOWN OF NORTHLAKE, TEXAS; BY THE AMENDMENT OF CHAPTER 5 BUSINESS REGULATIONS; AMENDING ARTICLE 5.06 TEMPORARY VENDING AT TEXAS MOTOR SPEEDWAY; PROVIDING THAT THIS ORDINANCE IS CUMULATIVE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Northlake has determined that the health and safety of the citizens of Northlake and the public at large would best be protected by regulation of temporary vending; and

WHEREAS, the Town Council of the Town of Northlake heretofore adopted regulations for temporary vending in Chapter 5 Business Regulations, Article 5.06 Temporary Vending at Texas Motor Speedway, of the Code of Ordinances, Town of Northlake, Texas; and

WHEREAS, the Town of Northlake has reviewed the temporary vending regulations and the Town Council hereby finds and determines that an amendment to the temporary vending regulations as set out herein is in the best interest of the Town of Northlake to promote the health and safety of the citizens of Northlake and the public at large.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1

Chapter 5, Business Regulations, Article 5.06, Temporary Vending at Texas Motor Speedway, is amended to read as follows:

"ARTICLE 5.06 TEMPORARY VENDING

Sec. 5.06.001 Definitions

Improved property. Any platted lot upon which a structure has been constructed following site plan approval and for which a certificate of occupancy has been issued for its use.

Owner. The owner, lessee, licensee or legal occupant of real property.

Temporary vending. Sale of food or merchandise or the provision of services other than within an enclosed building which has been certified for occupancy by the town building official for such sales or services in conformity with the Code of Ordinances of the town.

Temporary vendor. The person, firm, corporation, or other entity who is the seller of food or merchandise or the provider of services.

Sec. 5.06.002 Penalty

Any person who violates any provision of this article shall be guilty of a misdemeanor and shall, upon conviction, be fined in accordance with the general penalty provision found in section 1.01.009 of this code. This remedy shall be cumulative of the remedies available to the town pursuant to other laws, ordinances, rules, regulations, and orders of the town, the county, the state and the United States.

Sec. 5.06.003 General restrictions

Temporary vending shall not be allowed except as permitted under this article. Temporary vendors shall not conduct temporary vending except as follows:

(1) Between the hours of 6:00 a.m. and 11:00 p.m.

(2) For a period not to exceed 10 consecutive days.

(3) Not less than 20 feet from the improved portion of a public road or highway.

(4) On land for which an owner has first acquired a permit under this article.

(5) For sales of food or merchandise or provision of services in compliance with zoning for the site.

Sec. 5.06.004 Property owner's permit; site plan

(a) An owner may not permit or allow temporary vending on the owner's land except when an owner's permit therefor has been issued by the town.

(b) An owner's temporary vending permit, valid for one (1) year, may be issued to an owner under the following conditions:

(1) The owner's land is an improved property as defined in section 5.06.001.

(2) The owner's land is not zoned for, occupied or used as a residence, either single-family or multifamily.

(3) The owner has applied for a permit not less than three (3) days prior to beginning temporary vending.

(4) The application lists no more than four (4) separate 10 day periods during the calendar year in which temporary vending may occur.

(5) The owner attaches to his application a site plan showing the location of any proposed vending on the property with:

(A) No vending locations shown within or blocking access to a fire lane or parking space as identified on the approved site plan for the site;

(B) A minimum of 10 parking spaces for each vendor.

(6) The owner pays a permit fee, as provided for in the fee schedule found in appendix A of this code, for each tract of land to be used for vending.

Sec. 5.06.005 Vendor's permit; responsibilities of property owner and vendors

(a) Temporary vending shall be unlawful except when the vendor has secured the permission of the owner of a property for which a temporary vending permit has been issued and all sales and services comply with the terms and conditions of the permit and this article as follows:

(1) A temporary vendor shall complete a vendor information form to be provided to the Town by the owner upon request showing the following:

(A) Name, address, telephone number and email address of the vendor.

(B) Current Texas Sales and Use Tax identification number if conducting taxable sales.

(C) Exact kinds of merchandise or services to be sold or performed.

(D) Kind of booth, structure, or conveyance to be used, which must:

(i) Have a minimum of 100 square foot area;

(ii) Be either a motor home, trailer, temporary booth or consist of physical partitions; and

(iii) Be covered with a roof or awning.

(iv) Meet all applicable fire code requirements.

(E) Location of the vending booth, structure or conveyance on the site.

(2) A separate health permit shall be issued for any temporary vendors selling food or beverages.

(3) Vendors shall comply with any and all emergency orders of the building official or police department relative to traffic safety, including removal of any and all of the vendor's structures or merchandise.

(b) A person having an owner's temporary vending permit shall:

(1) Not permit the erection or placement of a temporary vendor's booth or structure on the approved site more than one day before the vending dates listed on the permit application; and

(2) Remove all booths, structures, partitions or other sales sites on the approved site not more than one day after the vending dates listed on the permit application; and

(3) Have located on-site a minimum of one (1) 39-gallon or larger trash receptacle for each vendor.

(4) Provide unrestricted access to the vendor and vendor's employees and customers public restrooms on site at all times vendor is on property.

(5) Ensure compliance with any and all emergency orders of the building official or police department relative to traffic safety, including removal of any and all of the vendor's structures or merchandise."

SECTION 2

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the Town of Northlake, and this ordinance shall not operate to repeal or affect the Code of Ordinances of the Town of Northlake or any other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such Code of Ordinances or any other ordinances are hereby repealed.

SECTION 3

It is hereby declared to be the intention of the Northlake Town Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court or competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this ordinance, since same would have been enacted by the Town Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4

Any person, firm, association of persons, corporation or other organization violating the provisions of this ordinance shall be deemed to be guilty of a misdemeanor and, upon conviction, shall be fined an amount not to exceed $500.00. This remedy shall be cumulative of the remedies available to the Town pursuant to other laws, ordinances, rules, regulations, and orders of the Town, Denton County, the State of Texas and the United States.

SECTION 5

The Town Secretary is hereby directed to publish the caption, penalty clause, and effective date of this Ordinance as required by Section 52.011 of the Local Government Code.

SECTION 6

All rights and remedies of the Town of Northlake are expressly saved as to any and all violations of the provisions of the ordinances amended herein, which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 7

This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the laws of the State of Texas.

PASSED AND APPROVED on this the 11th day of February 2016.

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

ORDINANCE NO. 16-0211C

AN ORDINANCE AMENDING THE FEE SCHEDULE OF THE TOWN OF NORTHLAKE, CONTAINED IN APPENDEX “A” TO ORDINANCE NO. 14-1211A INCLUDING A3.000 BUSINESS RELATED FEES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE:

WHEREAS, the Town is a Type A general law municipality existing by and pursuant to the laws of the State of Texas; and

WHEREAS, the Town has previously established and promulgated the Town of Northlake’s Fee Schedule to include various fees to include, without limitation, Building and Construction Fees; Temporary Vending Fees; Business Related Fees; Cost Recovery Fee Schedule; Development Application Fees; Public Works/Engineering Fees; Health Related Fees; Overweight Vehicle Permit Fees; Miscellaneous Fees; Fire and Public Safety Related Fees; Animal Control Fees; and Municipal Court Fees; and

WHEREAS, the Town Council finds it necessary from time to time to review and amend the Fee Schedule to ensure that it is consistent with and reflective of the costs incurred by the Town in connection with the provision of various services;

WHEREAS, the Town Council finds it necessary amend the Temporary Vending Fees to reflect changes to the permitting requirements;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

SECTION 1.

The Town of Northlake’s Fee Schedule, in the Article referenced below, shall be, and the same hereby, amended and modified, so that the provisions for each section shall hereafter be and read as follows:

ARTICLE A3.000 BUSINESS RELATED FEES

Sec. A3.004 Temporary vending fees

(a) Owner of property permit: $500.00 per site or lot annually.

SECTION 2.
MISCELLANEOUS

A. This ordinance shall be cumulative of all provisions of ordinances of the Town of Northlake, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

B. It is hereby declared to be the intention of the Town Council that the phrases, clauses, sentences, paragraph section of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court or competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since same would have been enacted by the Town Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

C. A Person commits an offense if the person conducts an activity or commences a use for which the payment of a fee is required if the person has not paid the fee. Any person, firm or corporation who commits an offense shall be fined not more than $500 for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

D. This ordinance shall be in full force and effect from and after its passage.

PASSED AND APPROVED ON THIS THE 11th DAY OF FEBRUARY, 2016.

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

TOWN OF NORTHLAKE

7. Executive Session

The Town Council may enter into Executive Session during the meeting to seek legal advice from its attorney on any posted agenda item, or to discuss any item that is authorized by the Texas Open Meetings Act to be discussed in closed session including:

a) In accordance with Texas Government Code, Section 551.071, consultation with attorney regarding pending or contemplated litigation or a settlement offer involving-Town of Northlake vs City of Justin

TOWN OF NORTHLAKE

8. Adjournment