



Mayor's Letter
October 15, 2018

Hello Everyone,

WATER SYSTEM UPDATE. Recent heavy rains and cooler weather have resulted in greatly reduced water demand with our wells running an average of only five hours per day. Therefore, at our recent October Council meeting I informed the Town Council that all watering restrictions are cancelled.

We have begun our winter maintenance program on the water system. This summer was our first with the new steel ground storage tank. Currently we have emptied the tank and are in the process of our annual inspection and the performance of routine minor maintenance. Once the tank is back online early next week, we will schedule the well repairs for early November. During the well repairs there will be no disruption in service while we lower the pumps deeper into the aquifer.

FEDERAL AND STATE ELECTIONS. In case you haven't noticed all of the signs, Election Day is Tuesday November 6th. Early voting runs from October 22 - November 2. As with any of our local elections, you can vote early at **any** polling place located in Denton County. But, before you head on up to see Linda, Lakewood Village Town Hall is not, repeat not, an early voting location. So you can't vote early here **However, we are a voting location on Election Day.** So, if you live in Lakewood Village and you wait to vote on Election Day, you must vote **at Lakewood Village Town Hall**. If you try to vote anywhere else **on election day**, they will turn you away and send you here.

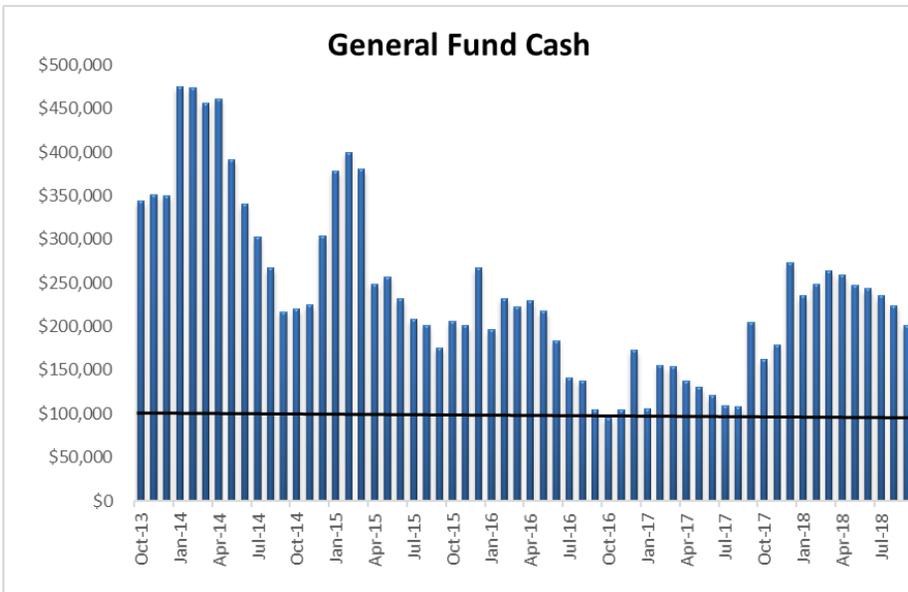
ROAD REPAIRS. We can all see that we have some severe localized deterioration on Highridge near the mailbox facility. We are ready to make repairs, all we need is a break in the weather. For the time being, we have added some road base to the area to try and fill some of the holes. **I know it's messy, it is just for a short-time.** We hope to have the road fixed in the next two weeks if we can get four or five days of good weather. For the repair we will excavate a large rectangle, add base, compact it, add tack adhesive and heated asphalt mix, and then roll it out. We will also use the equipment to make any other minor repairs. The repairs are fully funded, with the necessary money already in our road maintenance fund.

WASTEWATER UPDATES. As many of you have observed, when we get heavy rains, often the lift station high-water alarm will go off (we have recently installed an audio alarm along with the existing red strobe light). The high water is of course because rainwater is infiltrating the sewer system in large quantities - its not due to everyone simultaneously flushing their toilets in the rain. **Most of the water comes from swimming pools.** When I was growing up in Florida, pools weren't tied into the sewer system, you backwashed into the yard and if they overflowed, you just tried to keep it out of the house. Current building codes require them to be connected to the sewer. There are two pumps in each lift station and during heavy rains they are both operating. The high water alarm comes on when the lift-station is approximately two-thirds full or when the water level is about 10 feet below the lid. There is no danger of any leakage, and the pumps usually catch-up quickly once the heavy rains let up. If it isn't raining and you see the alarm activated, then we have a problem so please call me or Patterson. I can usually diagnose and get the pumps running pretty quickly.

OVER ↘

END OF THE FISCAL YEAR. On September 30th we closed the books on our Fiscal 2018. **This past year was an important financial milestone for us.** In 2018 our bond payments was \$175,900. Our Debt Servicing Property Tax rate of \$0.05 raised \$48,000, **which means we still needed an additional \$127,900 to make our bond payment.** Our regular maintenance and operating property tax rate of \$0.25 raised \$240,000 but we had to use \$127,900 of it to make the bond payment. So that means we run the city with only about half of our operating taxes. So each year, to make our bond payment and not raise the tax rate we have had to use some of our cash reserves and also cut expenses. For instance, since 2014 we often deferred improvements on town hall, street repairs and especially the playground. **So why was 2018 such an important year in our financial performance ?**

The chart shows our General Fund cash starting from October 2013, **when we approved the construction of our new concrete roads.** As you can see, in January each year, our cash goes up due to property taxes, and then it spends down.



Looking over time you can the **downward trend** as each year our cash went lower and lower as we dipped into our reserves. If our reserves ever got too low, then we would have no choice but to raise the debt service tax rate. We bottomed out and hovered around \$100,000 from August 2016 until August 2017. But now you can observe that in 2018 we are heading back up again, our reserves are climbing. At the same time, this year we made a much deserved upgrade to the playground, long overdue

improvements to Town Hall, and we spent \$30,000 on road repairs. Our fiscal 2019 budget will continue to build our reserves. It wasn't easy, but we toughed it out and now the future look great.

OUR INDEPENDENT AUDITORS will be in Lakewood Village performing our annual audit on October 30th - November 2nd. I have completed my initial audit and we are now running reports and pulling invoices for the audit. The official audit findings will be presented at our December Council meeting. I am looking forward to everyone having the chance to see what a tremendous year we have had.

The Halloween Hayride will be October 31st with the trailers leaving Town Hall at 6pm. There's never been a better time ~~to be~~ **for candy** in Lakewood Village.

Dr. Mark E. Vargus
Mayor

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