



Mayor's Letter
February 15, 2019

Hello Everyone,

EACH YEAR we send our annual audit report to our financial advisors (SAMCO) who evaluate LWV's financial performance. Our financial condition is very important as early next year we will be going to the markets and borrowing for our concrete road project. Here is their report.



January 10, 2019

Dr. Mark Vargus, Mayor
Town of Lakewood Village
100 Highridge Drive
Lakewood Village, TX 75068

Re: Town of Lakewood Village, Texas
2018 Audit

Dear Mark:

Thank you for sending me your 2018 audit. As required, I have forwarded a copy to American National Bank of Texas, the owners of your Series 2014 CO's and to the Municipal Advisory Council of Texas.

Congratulations to you, the entire Town Council and the Town staff for another excellent year. It is always nice to see the General Fund add to its fund balance even if the percentages our down slightly. Maintaining nearly 48% General Fund Balance and 78% when you exclude debt service are ratios most any town would love to claim. Further, the nearly 52% fund balance in the Total Governmental Funds also indicates a well-run Town. Finally, the Actual Results vs Original Budget show excellent planning and gives bond holders additional faith in their decision to invest in the community.

I also reviewed the Proprietary Fund results and it too had an excellent year. Operating income of \$99,435 prior to depreciation and \$8,859 after depreciation proves that the Town continues to add assets to the Utility System assuring long term success of the System.

Let me know if there is anything else you would want.

Sincerely,

Mark McLiney
Senior Managing Director

OVER ↘

WE ARE UNDERWAY. At our February meeting the Town Council unanimously approved Town Engineer Kimley-Horn's proposed Geotechnical Analysis Task Order. In the next four to six weeks you will see contractors drilling and taking core samples at intersections and drainage areas in the non-concrete streets. The engineers will analyze the soil composition to develop a preliminary design for the new road cross-section. **The cost of this is fully funded in our current town budget.**

The next task, likely later in the Spring, will be an extensive complete survey of the roads, culverts, drainage inlets, driveways, signage, and all obstacles in the town right-of-way. **Our standard road profile has a 24-foot width.** In many places, I have measured the existing (what you see) chip-and-seal road to be only 17 or 18 feet wide, with the existing cul-de-sacs far from their designed 100-foot diameters. Our, yours and my front property lines all begin on the far side of the bar ditch - 19 feet from the edge of the new concrete road. Past that, the next ten feet are the homeowner's property but there is a 10-foot utility easement where you see the CoServ transformers and ATT boxes. As a general rule, the edge of that easement is also where you will find your water meter - the water meters are normally set very close to your front property line. What does this mean? Anything within 10 feet of the current road will almost certainly need to be removed from town property as it will be in the path of the new road and machinery. To be safe, you should never put any structures in the road right-of-way, but instead place them on your side of the bar ditch.

The current TXDOT Roadway Design Manual requires a minimum ten-foot-wide "clear zone" from the edge of pavement for all rural - local roads. That is the design standard that we must meet. After we obtain the detailed survey and determine the road layouts, we will be contacting all those affected to remove any obstructions.

NEW SEWER LINE. A critical part of planning for new roads has nothing to do with the actual roads, but rather determining necessary improvements to water/sewer/telecommunications lines. We must complete these tasks prior to the beginning of road construction. In the next couple of weeks, we will begin construction of a new sewer force main from the Carrie Lane lift-station to the gravity-line transfer point at 630 Melody. No service lines will be affected, we will bore under each driveway, and the work will occur in the town's right-of-way. By rebalancing the loads, we will greatly improve the operations of the Stowe lift-station. **This project is fully funded in the current year Utility Fund Capital Improvement budget.**

KEY FIGURES: Building up our financial reserves is very important as liquidity is one of the key drivers of our future bond rating from S&P. In January we redeemed/cancelled \$158,000 in bonds. We will continue to increase our cash position ahead of the February 2020 start of our road project.

Last year, on February 15, 2018 the Town had \$374,096 in the bank.
Today, January 15, 2019, we have **\$494,161** in the bank.
We are \$120,065 ahead of last year and things are only getting better.

There's never been a busier or better time to be in Lakewood Village.

Dr. Mark E. Vargus
Mayor



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