

## **TOWN OF LAKEWOOD VILLAGE**

### **ORDINANCE NO. 20-09**

**AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2020 AND TERMINATING ON SEPTEMBER 30, 2021 AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT PROJECT AND ACCOUNT; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Lakewood Village, Texas (the “Town”) has caused to be filed with the Town Secretary a budget to cover all proposed expenditures of the government of the Town for the fiscal year beginning October 1, 2020 and terminating September 30, 2021, and

**WHEREAS**, the said budget shows as definitely as possible each of the various projects for which appropriations are set in the budget, and the estimated amount of money carried in the budget for each of such projects, and

**WHEREAS**, said budget has been filed with the Town Secretary and available for inspection by any taxpayer, and

**WHEREAS**, public notice of a public hearing on the proposed annual budget, stating the date, time, place, and subject matter of said hearing, was given as required by laws of the State of Texas, and

**WHEREAS**, such public hearing was held on August 13, 2020 prior to the approval and ratification by the Town Council, and all those wishing to speak on the budget were heard, and

**WHEREAS**, the Town Council has studied said budget and listened to the comments of the taxpayers at the public hearing held therefore and has determined that the budget attached hereto is in the best interest of the Town of Lakewood Village.

**NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:**

1. That the budget attached hereto as Exhibit “A” and incorporated herein for all purposes is adopted for the fiscal year beginning October 1, 2020 and ending September 30, 2021; and such purposes, respectively such sums of money for such projects, operations, activities, purchases and other expenditures as proposed in the attached budget.
2. That no expenditures of the funds of the Town shall hereafter be made except in compliance with such budget, except in case of grave necessity, emergency expenditures to meet unusual or unforeseen conditions, which could not, by reasonable, diligent thought and attention, have included in the original budget, may from time to time be authorized by the

Town Council as amendments to the original budget.

3. That the Mayor shall file or cause to be filed a true and correct copy of said budget, along with this ordinance with the Town Secretary.
4. The necessity of adopting and approving a proposed budget for the next fiscal year as required by the laws of the State of Texas, require that this ordinance shall take effect immediately from and after its passage, and it is accordingly so ordained.

**DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, on this 13th day of August 2020.**

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Dr. Mark E. Vargus  
Mayor

ATTESTED:

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Linda Asbell, TRMC, CMC  
Town Secretary





**TOWN OF LAKEWOOD VILLAGE, TEXAS  
FISCAL YEAR 2020-2021  
ANNUAL BUDGET**

This budget will raise more total property taxes than last year's budget by \$ 43,972 or 9.8 percent. Of the total, the maintenance and operation (M&O) increase is \$3,481 or 1.3 percent. The debt servicing increase is \$40,491 or 22.8 percent. Of these amounts \$9,972 (M&O of \$3,481 and debt servicing of \$4,432) is tax revenue to be raised from new property added to the tax roll this year.

Debt obligations were increased by a net of \$4,337,000 in the prior year and now total \$5,203,000. The 2014 Certificate of Obligation (CO) debt was reduced by \$163,000 to \$703,000, while newly issued 2020 CO's of \$4,500,000 were added. Scheduled Principle and Interest payments in 2021 will be \$409,176. Of this amount, debt servicing revenue will pay \$218,244 and M&O funds of \$190,932 will be used to pay the remainder.

The amount of M&O funds used in debt payments is 70 percent of the M&O total revenue.

**RECORD OF VOTE ON PROPOSAL TO CONSIDER ADOPTION OF BUDGET**

POSITION	NAME	FOR	AGAINST	PRESENT and not voting	ABSENT
<b>Mayor</b>	Dr. Mark E. Vargus			X	
<b>Mayor Pro-Tem</b>	Darrell West	X			
<b>Council Member #1</b>	Eric Farage	X			
<b>Council Member #3</b>	Matt Bissonnette	X			
<b>Council Member #4</b>	Serena Lepley	X			
<b>Council Member #5</b>	Clint Bushong	X			

**PROPERTY TAX RATE COMPARISON (Rates expressed per \$100 of value)**

TAX RATE	TAX YEAR 2020	TAX YEAR 2021
Property Tax Rate	\$0.4150	\$0.4500
No New Revenue (NNR) Rate	\$0.4017	\$0.4177
Voter Approval Rate (VAR)	\$0.4207	\$0.4607
De Minimus Tax Rate	N/A	\$0.9101
Unused Increment Rate – 2021	N/A	\$0.0107
Debt Rate	\$0.1650	\$0.3750
Debt Rate Adopted	\$0.1650	\$0.2000

DEBT RATE BREAKDOWN	PRINCIPAL	INTEREST
2014 Certificates of Obligation	\$0.1540	\$0.0113
2020 Certificates of Obligation	\$0.0137	\$0.1960

Since the adopted rate is greater than the NNR rate we must have a hearing and publication. Since the adopted rate is LOWER than the VAR rate we are not subject to a rollback election.

## Exhibit A

**2020-2021 Budget**

<i>General Fund</i>							
<b>REVENUES</b>	<b>2021 Proposed</b>	<b>2020 Budget</b>	<b>2020 YTD 7/31</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Budget</b>	<b>2018 Actual</b>
Property Taxes	\$275,000	\$271,000	\$266,154	\$255,000	\$254,976	\$240,000	\$238,784
Franchise Fees	\$37,000	\$34,000	\$39,658	\$30,000	\$40,208	\$30,000	\$28,476
Sales Taxes	\$40,000	\$30,000	\$43,915	\$30,000	\$33,053	\$34,000	\$28,945
Fines & Forfeitures	\$3,000	\$3,000	\$6,688	\$3,000	\$10,015	\$3,000	\$10,567
Licenses & Permits	\$39,000	\$40,100	\$55,383	\$51,600	\$50,202	\$41,400	\$42,435
Fees & Service Charges	\$2,000	\$2,400	\$2,110	\$2,400	\$2,585	\$3,000	\$4,120
Miscellaneous	\$3,000	\$3,000	\$3,565	\$3,000	\$3,812	\$4,000	\$15,759
CRF Grant	\$20,270		\$30,000				
<b>TOTAL</b>	<b>\$419,270</b>	<b>\$383,500</b>	<b>\$447,473</b>	<b>\$375,000</b>	<b>\$394,851</b>	<b>\$355,400</b>	<b>\$369,086</b>
<b>EXPENDITURES</b>	<b>2021 Proposed</b>	<b>2020 Budget</b>	<b>2020 YTD 7/31</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Budget</b>	<b>2018 Actual</b>
General Government	\$167,000	\$158,200	\$156,849	\$175,900	\$153,705	\$202,250	\$166,445
Public Safety	\$30,000	\$30,000	\$30,000	\$31,500	\$31,500	\$27,100	\$27,100
Public Works	\$24,000	\$26,000	\$34,874	\$30,500	\$26,155	\$27,500	\$30,688
<b>TOTAL</b>	<b>\$221,000</b>	<b>\$214,200</b>	<b>\$221,723</b>	<b>\$237,900</b>	<b>\$211,360</b>	<b>\$256,850</b>	<b>\$224,233</b>
<b>OPERATING SURPLUS</b>	<b>\$198,270</b>	<b>\$169,300</b>	<b>\$225,750</b>	<b>\$137,100</b>	<b>\$183,491</b>	<b>\$98,550</b>	<b>\$144,853</b>
<b>NON OPERATING</b>	<b>2021 Proposed</b>	<b>2020 Budget</b>	<b>2020 YTD 7/31</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Budget</b>	<b>2018 Actual</b>
Interest Revenue	\$6,000	\$6,000	\$4,233	\$5,000	\$7,123	\$700	\$2,253
Capital Outlay Expenditure	(\$375,000)	(\$74,000)	(\$10,495)	(\$41,000)	(\$49,925)	(\$11,000)	(\$7,861)
Asset Sale			\$44,979				
Developer Agreement			\$72,000				
Reimbursements			\$9,404				
<b>SURPLUS / DEFICIT</b>	<b>(\$369,000)</b>	<b>(\$68,000)</b>	<b>\$120,121</b>	<b>(\$36,000)</b>	<b>(\$42,802)</b>	<b>(\$10,300)</b>	<b>(\$5,608)</b>
<b>TRANSFERS</b>	<b>2021 Proposed</b>	<b>2020 Budget</b>	<b>2020 YTD 7/31</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Budget</b>	<b>2018 Actual</b>
In: Admin Fee	\$54,400	\$49,400	\$40,800	\$40,200	\$49,200	\$42,200	\$40,200
Out: Debt Servicing from M&O	(\$176,858)	\$0	\$0	(\$125,806)	(\$125,500)	(\$127,900)	(\$126,900)
<b>TOTAL TRANSFERS</b>	<b>(\$122,458)</b>	<b>\$49,400</b>	<b>\$40,800</b>	<b>(\$85,606)</b>	<b>(\$76,300)</b>	<b>(\$85,700)</b>	<b>(\$86,700)</b>
<b>NET CASH FLOW</b>	<b>(\$293,188)</b>	<b>\$150,288</b>	<b>\$386,671</b>	<b>\$15,494</b>	<b>\$64,389</b>	<b>\$2,550</b>	<b>\$52,545</b>
<b>DEBT SERVICING FUND</b>	<b>2021 Proposed</b>	<b>2020 Budget</b>	<b>2020 YTD 7/31</b>	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Budget</b>	<b>2018 Actual</b>
I&S Property Taxes	\$220,000	\$178,200	\$180,570	\$51,000	\$50,357	\$48,000	\$49,004
General Fund Transfer	\$176,858	\$0	\$0	\$125,806	\$125,500	\$127,900	\$126,900
MDD Interest Payment	\$12,318		\$6,995				
CO 2014 Debt Service (Interest)	(\$12,318)						
CO 2014 Debt Service (Principle)	(\$168,000)						
CO 2020 Debt Service (Interest)	(\$213,858)	(\$163,000)	(\$163,000)	(\$158,000)	(\$158,000)	(\$154,000)	(\$154,000)
CO 2020 Debt Service (Principle)	(\$15,000)	(\$15,612)	(\$15,612)	(\$18,806)	(\$18,806)	(\$21,900)	(\$21,910)
<b>TOTAL</b>	<b>\$0</b>	<b>(\$412)</b>	<b>\$8,953</b>	<b>\$0</b>	<b>(\$949)</b>	<b>\$0</b>	<b>(\$6)</b>

## 2020-2021 Budget

<i>Utility Fund</i>							
	2021 Proposed	2020 Budget	2020 YTD 7/31	2019 Budget	2019 ACTUAL	2018 Budget	2018 Actual
<b>REVENUES</b>							
Water	\$185,000	\$165,000	\$151,893	\$150,000	\$167,058	\$160,000	\$155,684
Sewer	\$116,000	\$108,000	\$92,913	\$106,000	\$109,640	\$106,000	\$107,790
Sanitation	\$67,000	\$50,000	\$48,066	\$50,000	\$47,905	\$50,000	\$47,213
Fees and Services	\$16,960	\$16,960	\$19,511	\$17,510	\$29,584	\$16,460	\$17,248
Other Income	\$1,040	\$1,000	\$2,527	\$20,000	\$23,072	\$2,000	\$17,759
<b>TOTAL</b>	<b>\$386,000</b>	<b>\$340,960</b>	<b>\$314,910</b>	<b>\$343,510</b>	<b>\$377,259</b>	<b>\$334,460</b>	<b>\$345,694</b>
<b>EXPENDITURES</b>							
Contract Services	\$40,800	\$40,800	\$34,000	\$40,800	\$37,400	\$52,200	\$45,300
Administrative	\$69,200	\$98,138	\$50,213	\$85,550	\$67,823	\$87,400	\$84,116
Repairs and Maintenance	\$31,000	\$35,200	\$50,579	\$34,300	\$33,735	\$28,900	\$49,807
Miscellaneous	\$2,000	\$2,000	\$4,800	\$2,000	\$413	\$1,000	\$5,968
Garbage Collections	\$55,000	\$48,000	\$31,860	\$46,000	\$42,049	\$43,000	\$41,240
<b>TOTAL</b>	<b>\$198,000</b>	<b>\$224,138</b>	<b>\$171,452</b>	<b>\$208,650</b>	<b>\$181,420</b>	<b>\$212,500</b>	<b>\$226,431</b>
<b>OPERATING SURPLUS</b>	<b>\$188,000</b>	<b>\$116,822</b>	<b>\$143,458</b>	<b>\$134,860</b>	<b>\$195,839</b>	<b>\$121,960</b>	<b>\$119,263</b>
<b>NON OPERATING</b>							
Interest Revenue	\$2,000	\$2,000	\$2,065	\$1,000	\$2,478	\$540	\$801
Capital Outlay Expenditure	\$97,000	(\$45,000)	(\$122,072)	(\$75,000)	(\$95,456)	(\$65,000)	(\$66,952)
<b>SURPLUS / DEFICIT</b>	<b>(\$95,000)</b>	<b>(\$43,000)</b>	<b>(\$120,007)</b>	<b>(\$74,000)</b>	<b>(\$92,978)</b>	<b>(\$64,460)</b>	<b>(\$66,151)</b>
<b>TRANSFERS</b>							
Out: Admin Fee	(\$50,000)	(\$45,000)	(\$37,500)	(\$36,000)	(\$45,000)	(\$36,000)	(\$36,000)
<b>TOTAL TRANSFERS</b>	<b>(\$50,000)</b>	<b>(\$45,000)</b>	<b>(\$37,500)</b>	<b>(\$36,000)</b>	<b>(\$45,000)</b>	<b>(\$36,000)</b>	<b>(\$36,000)</b>
<b>NET CASH FLOW</b>	<b>\$43,000</b>	<b>\$28,822</b>	<b>(\$14,049)</b>	<b>\$24,860</b>	<b>\$57,861</b>	<b>\$21,500</b>	<b>\$17,112</b>