

TOWN OF LAKEWOOD VILLAGE

ORDINANCE NO. 16-08

AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS ADOPTING AND APPROVING THE BUDGET FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2016 AND TERMINATING ON SEPTEMBER 30, 2017, 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, 2016 and terminating September 30, 2017, 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 11, 2016, prior approval of which date being hereby ratified and confirmed 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, 2016 and ending September 30, 2017; 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 strict 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 11th day of August 2016.

Dr. Mark E. Vargus
MAYOR

ATTESTED:

Linda Asbell, TRMC
Town Secretary



**TOWN OF LAKEWOOD VILLAGE, TEXAS
FISCAL YEAR 2016-2017
ANNUAL BUDGET**

This budget will raise more revenue from property taxes than last year’s budget by an amount of \$12,127, which is a 4.8 percent increase from last year’s budget. Of the \$12,127 increase, the property tax revenue to be raised from new property added to the tax roll this year is \$3,962 excluding the one-time gain from new housing, the average annual increase for existing property owners is 3.26 percent.

RECORD OF VOTE ON PROPOSAL TO CONSIDER ADOPTION OF BUDGET

| POSITION | NAME | FOR | AGAINST | PRESENT and not voting | ABSENT |
|--------------------------|--------------------|-----|---------|------------------------|--------|
| Mayor | Dr. Mark E. Vargus | | | X | |
| Mayor Pro-Tem | Ed Reed | X | | | |
| Council Member #1 | Ray Duff | | | | X |
| Council Member #2 | Dan Tantalo | | X | | |
| Council Member #4 | Gary Newsome | X | | | |
| Council Member #5 | Clint Bushong | X | | | |

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

| TAX RATE | TAX YEAR 2015 | TAX YEAR 2016 |
|---|------------------|------------------|
| Property Tax Rate | \$0.300000/\$100 | \$0.300000/\$100 |
| Effective Tax Rate | \$0.283479/\$100 | \$0.290901/\$100 |
| Effective Maintenance and Operations Tax Rate | \$0.236246/\$100 | \$0.262617/\$100 |
| Debt Rate | \$0.050000/\$100 | \$0.050000/\$100 |
| Rollback Tax Rate | \$0.457894/\$100 | \$0.460518/\$100 |

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

| DEBT ISSUE | PRINCIPAL | INTEREST | TOTAL |
|--|-----------|----------|-------|
| 2014 Certificates of Obligation | 0.05 | 0 | 0.05 |

The total amount of municipal debt obligation secured by property taxes for the Town of Lakewood Village is \$1,178,000.

2016-2017 BUDGET SUMMARY

Exhibit A

| | Budget 2015-2016 | Budget 2016-2017 |
|---------------------------------|-------------------------|-------------------------|
| General Fund Operating Revenues | \$402,650 | \$415,400 |
| General Fund Operating Expenses | <u>(\$398,000)</u> | <u>(\$378,600)</u> |
| General Fund Operating Surplus | \$4,650 | \$36,800 |
| | | |
| Utility Fund Operating Revenues | \$315,320 | \$329,000 |
| Utility Fund Operating Expenses | <u>(\$288,000)</u> | <u>(\$335,160)</u> |
| Utility Fund Operating Surplus | \$27,320 | (\$6,160) |
| | | |
| Road Maintenance Fund Revenues | \$17,790 | \$37,600 |
| Road Maintenance Fund Expenses | <u>\$0</u> | <u>\$0</u> |

GENERAL FUND REVENUES

| | | | BUDGET | YTD (10 mo.) | | BUDGET |
|-------------------------------------|--|--|------------------|---------------------|--|------------------|
| | | | 2016 | 31-Jul-16 | | 2017 |
| <i>OPERATING REVENUES</i> | | | | | | |
| 4000 | <i>Tax Income</i> | | \$210,000 | \$209,965 | | \$218,800 |
| | <i>Debt Servicing (\$0.05)</i> | | \$42,000 | \$41,993 | | \$43,800 |
| 4005 | <i>Sales Tax</i> | | \$28,000 | \$25,606 | | \$30,000 |
| 4010 | <i>Interest</i> | | \$1,000 | \$910 | | \$500 |
| 4101 | <i>Building Permits- New</i> | | \$30,000 | \$17,165 | | \$30,000 |
| 4102 | <i>CO/CSI Inspections</i> | | \$2,500 | \$3,150 | | \$3,000 |
| 4103 | <i>Contractor Registrations</i> | | \$600 | \$625 | | \$600 |
| 4104 | <i>Sprinkler Permits</i> | | \$300 | \$400 | | \$400 |
| 4105 | <i>Fence Permits</i> | | \$300 | \$450 | | \$300 |
| 4106 | <i>Reinspect Fees</i> | | \$2,000 | \$8,125 | | \$3,000 |
| 4107 | <i>Pool Permits</i> | | \$1,000 | \$1,450 | | \$1,000 |
| 4108 | <i>Flatwork Permits</i> | | \$600 | \$375 | | \$400 |
| 4109 | <i>Plumbing Permit</i> | | \$1,000 | \$600 | | \$500 |
| 4110 | <i>Electrical Permits</i> | | \$1,000 | \$1,100 | | \$1,000 |
| 4111 | <i>Replating Fees</i> | | \$0 | \$250 | | |
| 4112 | <i>Building Permits - Remodel</i> | | | \$3,925 | | \$2,500 |
| 4113 | <i>Miscellaneous Permits</i> | | \$500 | \$1,275 | | \$1,000 |
| 4120 | <i>Preliminary Plat Fees</i> | | \$0 | \$1,400 | | |
| 4201 | <i>Franchise Fee</i> | | \$34,000 | \$31,338 | | \$32,000 |
| 4202 | <i>Pet Registration</i> | | | \$35 | | |
| 4204 | <i>Town Hall</i> | | \$100 | \$50 | | \$100 |
| 4950 | <i>Unallocated Revenues</i> | | \$4,000 | \$2,227 | | \$2,500 |
| 4207 | <i>Utility Fee for Services-LWV</i> | | \$38,000 | \$38,000 | | \$38,000 |
| 4208 | <i>Utility Fee for Services-Rocky Pt</i> | | \$4,250 | \$4,238 | | \$4,000 |
| 4301 | <i>Code Enforcement</i> | | | \$1,000 | | |
| 4302 | <i>Court Costs Fees</i> | | | | | |
| 4401 | <i>Mowing Abatement Fees</i> | | \$500 | \$700 | | |
| 4402 | <i>Lien Receipts</i> | | \$1,000 | \$6,527 | | \$2,000 |
| 4800 | <i>Asset Sales</i> | | | \$9,081 | | |
| <i>TOTAL OPERATING FUNDS</i> | | | \$402,650 | \$411,960 | | \$415,400 |

GENERAL FUND EXPENSES

| | | BUDGET | YTD (10 mo.) | | BUDGET |
|----------------------------------|--|---------------------------------------|---------------------|--|------------------|
| | | 2016 | 31-Jul-16 | | 2017 |
| <i>Operating Expenses</i> | | | | | |
| 5001 | <i>Office Supplies</i> | \$1,000 | \$1,208 | | \$1,200 |
| 5002 | <i>Postage</i> | \$200 | \$46 | | \$100 |
| 5003 | <i>Computers Maintenance</i> | \$200 | \$170 | | \$300 |
| 5007 | <i>Advertising</i> | \$300 | \$718 | | \$875 |
| 5008 | <i>Elections</i> | \$3,000 | \$3,168 | | \$3,000 |
| 5011 | <i>Town Engineer</i> | \$0 | \$780 | | \$0 |
| 5012 | <i>Attorney Fees</i> | \$50,000 | \$87,058 | | \$20,000 |
| 5013 | <i>Accounting Fees</i> | \$10,500 | \$10,500 | | \$10,800 |
| 5014 | <i>Fire/EMS</i> | \$29,000 | \$19,050 | | \$30,000 |
| 5016 | <i>Building Inspections</i> | \$18,000 | \$22,375 | | \$18,000 |
| 5021 | <i>Town Maintenance</i> | \$4,000 | \$6,125 | | \$4,000 |
| 5022 | <i>Street Repair</i> | <i>moved to road maintenance fund</i> | | | |
| 5024 | <i>Animal Control</i> | \$200 | \$300 | | \$300 |
| 5025 | <i>Parks/Recreation/Playground</i> | \$8,000 | \$4,454 | | \$12,000 |
| 5026 | <i>Town Mowing</i> | \$1,500 | \$2,700 | | \$2,500 |
| 5027 | <i>Town Hall Improvements</i> | \$1,000 | \$1,052 | | \$1,000 |
| 5031 | <i>Telephone/Telecom</i> | \$1,600 | \$1,406 | | \$1,600 |
| 5032 | <i>Electricity</i> | \$6,800 | \$4,905 | | \$6,500 |
| 5033 | <i>Propane</i> | \$600 | \$590 | | \$600 |
| 5041 | <i>Abatement Mowing</i> | \$700 | \$1,130 | | |
| 5051 | <i>Payroll</i> | \$60,000 | \$50,000 | | \$63,000 |
| 5055 | <i>Benefits - Insurance</i> | \$8,200 | \$6,013 | | \$8,200 |
| 5056 | <i>Payroll Tax Expense</i> | \$4,600 | \$2,927 | | \$4,800 |
| 5057 | <i>Benefits- Retirement</i> | \$3,000 | \$3,000 | | \$3,150 |
| 5058 | <i>UF Payroll Tax Sharing</i> | | \$788 | | \$1,000 |
| 5061 | <i>Appraisal District</i> | \$1,300 | \$1,222 | | \$1,300 |
| 5062 | <i>Tax Collector</i> | \$300 | \$0 | | \$300 |
| 5070 | <i>Capital Improvements</i> | \$0 | \$7,400 | | \$0 |
| 5071 | <i>Drainage Improvements</i> | | \$3,600 | | \$0 |
| 5075 | <i>Debt Servicing (Principle)</i> | \$145,000 | \$145,000 | | \$149,000 |
| 5076 | <i>Debt Servicing (Interest)</i> | \$27,800 | \$27,850 | | \$24,925 |
| 5085 | <i>Town Functions</i> | \$1,500 | \$1,405 | | \$2,500 |

| | | | | | |
|--|--------------------------------|------------------|------------------|--|------------------|
| 5101 | <i>Continuing Education</i> | \$1,000 | \$225 | | \$500 |
| 5102 | <i>Travel Meeting Expenses</i> | \$3,600 | \$2,749 | | \$3,000 |
| 5103 | <i>Membership Dues</i> | \$1,000 | \$1,055 | | \$1,000 |
| 5200 | <i>Contingency Fund</i> | \$3,000 | \$6,727 | | \$3,000 |
| 5280 | <i>Municipal Court</i> | | | | |
| | <i>Court Attorney Fees</i> | \$1,000 | | | |
| | <i>Lien Recording Fees</i> | \$100 | \$282 | | \$150 |
| | <i>Abatements</i> | | \$6,750 | | |
| <i>TOTAL OPERATING EXPENSES</i> | | \$398,000 | \$434,728 | | \$378,600 |

UTILITY FUND REVENUES

| | | BUDGET | YTD (10 mo.) | | BUDGET |
|-------------------------------------|-----------------------------|------------------|---------------------|--|------------------|
| | | 2016 | 31-Jul-16 | | 2017 |
| <i>OPERATING REVENUES</i> | | | | | |
| | <i>Water Revenue</i> | \$150,000 | \$107,605 | | \$154,000 |
| | <i>Sewer Revenue</i> | \$104,000 | \$82,156 | | \$102,000 |
| | <i>Solid Waste</i> | \$46,000 | \$35,666 | | \$46,000 |
| | <i>Late Fees</i> | \$4,000 | \$2,573 | | \$3,000 |
| | <i>USACE - OLW</i> | | | | |
| | <i>Sendziak Restitution</i> | | | | |
| | <i>Miscellaneous</i> | \$1,000 | \$4,339 | | \$1,000 |
| | <i>Water Tap Fees</i> | \$4,725 | \$6,300 | | \$6,300 |
| | <i>Meter Set Fees</i> | \$1,170 | \$1,560 | | \$1,560 |
| | <i>Sewer Tap Fees</i> | \$3,825 | \$5,100 | | \$5,100 |
| | <i>Interest</i> | \$600 | \$767 | | \$640 |
| | <i>MDD LOC Interest</i> | | | | \$400 |
| | <i>MDD LOC Principal</i> | | | | \$9,000 |
| <i>TOTAL OPERATING FUNDS</i> | | \$315,320 | \$246,066 | | \$329,000 |

UTILITY FUND EXPENDITURES

| | BUDGET | YTD (10 mo.) | | BUDGET |
|--|------------------|---------------------|--|------------------|
| | 2016 | 31-Jul-16 | | 2017 |
| <i>Operating Expenses</i> | | | | |
| <i>Office Supplies</i> | \$1,500 | \$1,783 | | \$2,000 |
| <i>Postage</i> | \$1,800 | \$1,528 | | \$2,000 |
| <i>Insurance</i> | \$4,600 | \$4,928 | | \$5,200 |
| <i>TCEQ Licensing Fees (Water)</i> | \$500 | \$484 | | \$500 |
| <i>TCEQ Licensing Fees (Sewer)</i> | \$1,250 | \$3,565 | | \$1,300 |
| <i>Fee for Administrative Services</i> | \$38,000 | \$38,000 | | \$38,000 |
| <i>Software Licensing Fees</i> | \$750 | \$720 | | \$1,000 |
| <i>Operator Salaries</i> | \$36,600 | \$27,450 | | \$42,200 |
| <i>Solid Waste</i> | \$42,000 | \$30,848 | | \$42,000 |
| <i>Engineer</i> | \$30,000 | \$18,400 | | \$40,000 |
| <i>GIS Mapping</i> | | \$320 | | |
| <i>Contract Labor</i> | | \$168 | | |
| <i>Sewer Scheduled Maintenance</i> | \$1,000 | \$3,800 | | \$3,000 |
| <i>Water Scheduled Maintenance</i> | \$1,000 | \$1,680 | | \$2,000 |
| <i>Laboratory (Sewer)</i> | \$4,500 | \$3,098 | | \$4,000 |
| <i>Laboratory (Water)</i> | \$500 | \$441 | | \$600 |
| <i>Water Repairs</i> | \$10,000 | \$1,725 | | \$10,000 |
| <i>Sewer Repairs</i> | \$10,000 | \$12,122 | | \$10,000 |
| <i>Meter Set Fee</i> | | \$1,000 | | \$1,560 |
| <i>Water Equipment</i> | \$2,000 | \$7,757 | | \$4,000 |
| <i>Sewer Equipment</i> | \$1,000 | \$4,172 | | \$4,000 |
| <i>Chemicals (Water)</i> | \$1,000 | \$1,233 | | \$1,000 |
| <i>Chemicals (Sewer)</i> | \$800 | \$115 | | \$200 |
| <i>Electricity (Water)</i> | \$17,000 | \$10,760 | | \$15,000 |
| <i>Electricity (Sewer)</i> | \$21,000 | \$14,388 | | \$18,000 |
| <i>Payroll</i> | \$8,000 | \$11,244 | | \$16,000 |
| <i>Contingency Fund</i> | \$1,000 | \$405 | | \$1,000 |
| <i>Capital Improvements</i> | \$51,000 | \$69,033 | | \$70,000 |
| <i>Sludge Removal (Sewer)</i> | \$1,200 | \$0 | | \$600 |
| <i>Total Operating Expenses</i> | \$288,000 | \$271,167 | | \$335,160 |

ROAD MAINTENANCE FUND

| | BUDGET | YTD | BUDGET |
|------------------------------------|-----------------|------------------|-----------------|
| | 2016 | 31-Jul-16 | 2017 |
| Revenues | | | |
| <i>EDC</i> | \$7,000 | \$11,773 | \$0 |
| <i>Town (0.5% sales tax)</i> | | | \$15,000 |
| <i>MDD (0.25% sales tax)</i> | \$4,700 | \$4,723 | \$8,500 |
| <i>Franchise Fee - Residential</i> | \$5,160 | \$3,620 | \$10,000 |
| <i>Franchise Fee - Commercial</i> | \$900 | \$4,015 | \$4,000 |
| <i>Interest</i> | \$30 | \$70 | \$100 |
| | \$17,790 | \$24,201 | \$37,600 |
| Expenses | | | |
| <i>Maintenance</i> | \$0 | \$0 | \$0 |
| | | | |
| <i>Beginning Fund Balance</i> | \$7,000 | \$8,097 | \$36,000 |
| <i>Revenues</i> | \$17,790 | \$24,201 | \$37,600 |
| <i>Expenses</i> | \$0 | \$0 | \$0 |
| <i>Ending Fund Balance</i> | \$24,790 | \$32,298 | \$73,600 |

DEBT SERVICING FUND

| <i>Debt Servicing Fund</i> | | <i>Loan Balance</i> | |
|-----------------------------------|--------------------|----------------------------|--------------------------|
| Starting: OCT-01-2015 | \$166 | CO Balance: OCT-01-2015 | \$1,472,000 |
| Interest | \$42 | Principle Payments | (\$145,000) |
| D/S Tax | \$41,966 | Interest Payments | <u>(\$27,850)</u> |
| GF Transfer | \$131,000 | CO Balance: SEP-30-2016 | \$1,327,000 |
| Bond Payment | (\$159,646) | | |
| Bond Payment | (\$13,204) | | |
| Fee | (\$300) | | |
| <hr/> <hr/> | | | |
| Ending: SEP-30-2016 | \$23 | | |
| | | | |
| Starting: OCT-01-2016 | \$23 | CO Balance: OCT-01-2016 | \$1,327,000 |
| Interest | \$42 | Principle Payments | (\$149,000) |
| Tax | \$43,800 | Interest Payments | <u>(\$24,925)</u> |
| GF Transfer | \$130,425 | CO Balance: SEP-30-2017 | \$1,178,000 |
| Bond Payment | (\$162,204) | | |
| Bond Payment | (\$11,721) | | |
| Fee | (\$300) | | |
| <hr/> <hr/> | | | |
| Ending: SEP-30-2017 | \$65 | | |