



Mayor's Letter

January 15, 2023

ANNUAL AUDIT. Our independent auditors presented the 2022 audit to the Town Council at our meeting on January 12th. We received a clean opinion and the auditor noted that our financials were in great shape with very large cash balances. This is the 15th consecutive clean audit since I took over responsibility for the town's finances in 2007. These audits are required by the State, SEC, Standard & Poors (our ratings agency), and are mandated in our bond covenants.

Summarizing our results, we are on track for our goal of eliminating our town debt and reducing our tax rate to zero. Step one of the plan was accomplished last year when we redeemed our 2014 concrete road bonds and paid off the loan early. For the newer concrete roads, the earliest that we can pay off those 2020 bonds is February 2027. At that time, the outstanding balance will be \$3,971,175. **As of today, we have \$2,022,807 in our General Fund Reserve.** At our special meeting on January 27th, I will present to the Council my long-range financial plan that will get us the rest of the way to our goal. A key feature of the plan is that we will not assume a windfall will occur due to a sudden burst of new homes, it must be accomplished with our current organic growth. And, let me point out, if we have the reserves to pay off the debt before 2027, we can eliminate the taxes at that point. Just because the actual payoff isn't until 2027, doesn't mean we have to collect taxes until then. Trust me, I think we can all agree, the sooner we can eliminate taxes, the better.

IS IT A RECYCLING WEEK ? You don't have to ask anymore. **Every week is recycling !** Once Lakewood Market and Goldentree were annexed into the town, they were eligible to use our garbage company for their commercial waste services. However, our existing contract with Republic did not include any pricing for commercial services, so we had to revise our agreement. Since we were starting talks with Republic, I made the decision to negotiate an early renewal and contract extension. The new contract which was approved by the Council now requires **weekly pickup** of both recycling and trash collection. Bulk trash is unchanged and will continue on a quarterly basis (coming up next month). More importantly, we have locked in our rates for the next five years. Rates will increase in years three and five, with the **TOTAL INCREASE over the next five years being 16 percent.** Thus, our annual increases will average only three percent, which I think is tremendous value given the overall U.S. inflation is currently around 7 percent annually.

WELL UPDATE. Today I signed the production permit from the North Texas Groundwater Conservation District, which was approved by the Board on January 12th. This was the last regulatory hurdle prior to the Town issuing Hydro Resources – Mid Continent the order to proceed. So, when I write next month's letter, I expect the well to be well underway.

Use the good weather to prepare for winter now. We have the ice/snow melt products standing by, we are ready. There's never been a better time to be in Lakewood Village.

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Mayor
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