

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Chris McGinn, Director of Neighborhood & Inspection Services

DATE: June 1, 2026

SUBJECT: **Approval of a Resolution of the City Council of the City of Lewisville, Texas, Authorizing a First Amendment to the Agreement Between the City of Lewisville and United Way of Denton County Inc. for the HVAC Replacement at United Way of Denton County's Main Office, to Correct an Error Regarding the Number of Lewisville Households to be Served; Expand the Type of Entities to be Served; and in Consideration, United Way of Denton County Inc. Shall Provide the City of Lewisville Data and Guidance Regarding Economic Mobility and Opportunity Initiatives; and Providing an Effective Date.**

BACKGROUND

In the FY 2023-2024 Annual Action Plan for the allocation of Community Development Block Grant (CDBG) funds, public infrastructure funding was allocated to the design and engineering of the second phase of the Serve Lewisville facility. Not all of the CDBG funds allocated to the Serve Lewisville project were spent before the organization's closure in June 2025. The CDBG funds remaining for that project had to be reallocated to another eligible project. In spring 2025, the City released a competitive application for public infrastructure projects to utilize the FY 2023-2024 and 2024-2025 CDBG funds needing to be reallocated, and the incoming FY 2025-2026 CDBG funds. United Way of Denton County applied for the replacement of two of the main heating ventilation and cooling (HVAC) systems at United Way of Denton County's main facility. United Way of Denton County was selected to receive reallocated FY 2023-2024 CDBG public infrastructure funds for the project. On August 4, 2025, City Council approved an amendment to the 2023-2024 Annual Action Plan to account for the reallocation of funds. City Council approved a resolution on February 2, 2026, to go into an agreement with United Way of Denton County.

ANALYSIS

The HVAC units at the United Way of Denton County facility are outdated and inefficient, leading to high energy consumption and elevated utility costs. The replacement of the two HVAC systems will reduce the carbon footprint, lower operational expenses, and ensure a comfortable environment for staff and clients served in the facility. The replacement of the units is expected to achieve a minimum 20% reduction in energy consumption within the first year. Costs saved on utilities will be redirected towards enhancing services provided to clients.

United Way of Denton County serves as the backbone support entity to social service providers in Denton County, operating three Leadership Teams and fifteen workgroups that promote regional, cross-sector collaboration to reduce and remove barriers faced by Denton County residents. This structure has created a shared data system and opportunities for collaboration for nonprofit organizations throughout the county, including those based in Lewisville, as well as school districts, hospitals, and governmental entities. The United Way of Denton County location houses meetings of the Leadership Teams and workgroups, and the two internal direct service programs offered through United Way of Denton County, Volunteer Income Tax Assistance (VITA) and Information & Referral. The location also houses walk-in referral services for residents from throughout Denton County, houses staff, training, and serves as one of the site locations for the VITA program.

The original agreement contained a few key discrepancies. It incorrectly cited United Way's total client count rather than the specific number of Lewisville households to be served. Additionally, it lacked the accurate entity types that United Way partners with for data sharing and collaboration through multiple platforms. This amendment will correct these inaccuracies and will allow continuation of the project to ensure stability in services provided to Lewisville households and to organizations that serve Lewisville residents. Additionally, this amendment requires United Way of Denton County to provide additional data to the City of Lewisville regarding economic mobility and opportunity initiatives. This will support Lewisville's ability to increase Lewisville residents' economic mobility. This amendment does not affect how United Way's application would have scored in the CDBG Public Infrastructure competitive application process. The number of clients served is not considered on scoring rubric for the competitive application.

CITY STAFF'S RECOMMENDATION

That the City Council approve the resolution as set forth in the caption above.