

JOINT MEETING OF LEWISVILLE CITY COUNCIL, CRIME CONTROL AND PREVENTION DISTRICT BOARD AND FIRE CONTROL, PREVENTION AND EMERGENCY MEDICAL SERVICES DISTRICT BOARD

CALLED-SPECIAL BUDGET MEETING

August 10, 2024

9:00 A.M.

Present:

TJ Gilmore, Mayor

Council Members:

Patrick Kelly, Mayor Pro Tem
Ronni Cade, Deputy Mayor Pro Tem
Bob Troyer
William Meridith
Brandon Jones
Kristin Green

City Staff:

Claire Powell, City Manager
Gina McGrath, Deputy City Manager
Shante Akafia, Assistant City Manager
Jim Proce, Assistant City Manager
Lizbeth Plaster, City Attorney
Lauren Crawford, Deputy City Attorney
Thomas Harris III, City Secretary

REGULAR SESSION

With a quorum of the Council Members present, the joint meeting of the Lewisville City Council, Crime Control and Prevention District Board and Fire Control, Prevention and Emergency Medical Services District Board, Special-Called Budget meeting was called to order by Mayor Gilmore at 9:00 a.m. on Saturday, August 10, 2024.

Invocation

(Agenda Item A)

This item was deleted from the agenda.

Pledge to the American and Texas Flags

(Agenda Item B)

This item was deleted from the agenda.

**JOINT MEETING OF LEWISVILLE CITY
COUNCIL, CRIME CONTROL AND
PREVENTION DISTRICT BOARD AND
FIRE CONTROL, PREVENTION AND
EMERGENCY MEDICAL SERVICES
DISTRICT BOARD – CALLED-SPECIAL
BUDGET MEETING**

AUGUST 10, 2024

Page 2

Public Comment

(Agenda Item C)

There were no e-comments submitted or speaking requests for public comment.

REGULAR HEARINGS

**Consideration of the Preliminary Budget for FY
2024-25 as Submitted by the City Manager,
Including Discussion on the Tax Rate, Water
and Sewer Rates, and Stormwater Drainage
Rates.**

(Agenda Item D-1)

Staff provided a presentation that included the following: Submission of the Preliminary Budget Document; Discussion of the Budget Process and an Overview of Guidelines; Discussion and Overview of Funds; Discussion of Base Budget by City Council Priority and Strategic Focus Area; Discussion and Recommendation for Unfunded Items; Discussion of Tax Rate Information; and Discussion of Water, Sewer, and Stormwater Rate Information.

City staff's recommendation was the City Council approve, for discussion at the upcoming public hearing, the City Manager's Preliminary Budget, as presented and amended, which includes consideration of the proposed tax rate, an increase in water and sewer rates, an increase in the stormwater drainage utility charge for single family residential properties; and an increase in the stormwater drainage utility charge for non-single-family residential properties.

City Manager Claire Powell, Budget Manager Ashley Carlisle, City Engineer David Salmon, Public Services Director Aaron Russell, Chief Information Officer Chris Lee, Director of Parks and Recreation Stacie Anaya, Director of Community Relations and Tourism James Kunke, City Attorney Lizbeth Plaster, Director of Finance David Erb, and NewGen Strategies & Solutions Chief Financial Officer Chris Ekrut, presented information, and answered questions and comments from the City Council.

Director of Human Resources Tadd Phillips and Police Chief Brook Rollins answered questions and comments from the City Council.

Mayor Gilmore RECESSED Regular Session at 9:56 a.m.

**JOINT MEETING OF LEWISVILLE CITY
COUNCIL, CRIME CONTROL AND
PREVENTION DISTRICT BOARD AND
FIRE CONTROL, PREVENTION AND
EMERGENCY MEDICAL SERVICES
DISTRICT BOARD – CALLED-SPECIAL
BUDGET MEETING**

AUGUST 10, 2024

Page 3

Mayor Gilmore RECONVENED into Regular Session at 10:11 a.m.

Mayor Gilmore RECESSED Regular Session at 11:36 a.m.

Mayor Gilmore RECONVENED into Regular Session at 12:05 p.m.

Mayor Gilmore RECESSED Regular Session at 1:40 p.m.

Mayor Gilmore RECONVENED into Regular Session at 1:52 p.m.

MOTION: Upon a motion made by Council Member Troyer and seconded by Council Member Jones, the Council voted six (6) “ayes” and no (0) “nays” to approve the preliminary budget as presented and amended which includes expenditures based on a total tax rate of 0.422435, a 9.7% increase in water and sewer rates, a \$1.00 increase in the stormwater drainage rate for single-family residential properties and a \$0.36 increase in the per 1,000 square feet of impervious area rate for non-single-family residential properties. The motion carried.

**Consideration of Dates and Times for the Public
Hearing and Vote on the Budget and Public
Hearing and Vote on the Tax Rate.**

(Agenda Item D-2)

A Public Hearing and vote on the budget at the September 9, 2024 City Council Meeting at 7:00 p.m.; and a Public Hearing and vote on the tax rate at the September 16, 2024 City Council Meeting at 7:00 p.m. was previously approved in the Budget Calendar in accordance with state law.

The City staff’s recommendation was that that the City Council hold the public hearing and vote on the budget at the September 9, 2024 City Council Meeting at 7:00 p.m.; and hold the public hearing and vote on the tax rate at the September 16, 2024 City Council Meeting at 7:00 p.m.

MOTION: Upon a motion made by Council Member Green and seconded by Council Member Jones, the Council voted six (6) “ayes” and no (0) “nays” to hold the public hearing and vote on the budget at the September 9, 2024 City Council Meeting at 7:00 p.m.; and hold the public hearing and vote on the tax rate at the September 16, 2024 City Council Meeting at 7:00 p.m. The motion carried.

JOINT MEETING OF LEWISVILLE CITY COUNCIL, CRIME CONTROL AND PREVENTION DISTRICT BOARD AND FIRE CONTROL, PREVENTION AND EMERGENCY MEDICAL SERVICES DISTRICT BOARD – CALLED-SPECIAL BUDGET MEETING

AUGUST 10, 2024

Page 4

Acceptance of the 2024 Certified Tax Rolls in Accordance with Section 26.04(b) of the State Property Tax Code.

(Agenda Item D-3)

The 2024 Certified Tax Rolls from Dallas and Denton Appraisal Districts combined for a total market value for all property of \$25,959,417,006; an assessed value of \$25,240,522,230; and a total taxable value of \$21,182,490,247. TIF Zone Number 1 taxable value is \$590,730,438. TIF Zone Number 2 taxable value is \$295,694,075. TIF Zone Number 3 taxable value is \$1,243,567,563. TIF Zone Number 4 taxable value is \$344,100,229. New construction included in the total roll is 780,353,968.

The City staff's recommendation was that the City Council accept the 2024 Tax Rolls in accordance with Section 26.04(b) of the State Property Tax Code.

MOTION: Upon a motion made by Council Member Meridith and seconded by Council Member Troyer, the Council voted six (6) "ayes" and no (0) "nays" to accept the 2024 Tax Rolls in accordance with Section 26.04(b) of the State Property Tax Code. The motion carried.

Acceptance of the Report Identifying the Calculation of the 2024 No New Revenue and Voter Approval Tax Rates, Authorization to Publish Notice as Required by the Texas Tax Code Section 26.061 and Provide Direction as to the Calculation of the Voter Approval Tax Rate.

(Agenda Item D-4)

Section 26.061 of the Texas Tax Code requires that the calculated no new revenue tax rate and voter approval tax rate be submitted to the Council and that a notice of calculated no new revenue tax rate and voter approval rates be published in a newspaper having general circulation in the county in which the municipality is located. The calculated rates are as follows: 2024 No New Revenue Tax Rate \$0.408408, 2024 No New Revenue Maintenance and Operation Rate \$0.287230. The 2024 Debt Rate and 2024 Voter Approval Rate to be published will be determined after City Council deliberation. The preliminary calculations are 2024 Debt Rate \$0.122320, and 2024 Voter Approval Rate \$0.422435.

The City staff's recommendation was that the City Council accept the preliminary report

**JOINT MEETING OF LEWISVILLE CITY
COUNCIL, CRIME CONTROL AND
PREVENTION DISTRICT BOARD AND
FIRE CONTROL, PREVENTION AND
EMERGENCY MEDICAL SERVICES
DISTRICT BOARD – CALLED-SPECIAL
BUDGET MEETING**

AUGUST 10, 2024

Page 5

identifying the calculation of the 2024 no-new-revenue and voter approval tax rates and authorize the notice publication as required by the Texas Tax Code Section 26.061.

MOTION: Upon a motion made by Council Member Troyer and seconded by Mayor Pro Tem Kelly, the Council voted six (6) “ayes” and no (0) “nays” to accept the preliminary report identifying the calculation of the 2024 No-New-Revenue and Voter Approval Tax Rates; and authorize the publication of notice as required by the Texas Tax Code Section 26.061. The motion carried.

Closed Session

(Agenda Item E)

There was no closed session.

In Accordance with Texas Government Code, Subchapter D,

- 1. Section 551.072 (Real Estate): Property Acquisition*
- 2. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations.*

**Reconvene and Consider Action, if any, on
Items Discussed in Closed Session**

(Agenda Item F)

Adjournment

(Agenda Item G)

There being no further business to come before the Council, Mayor Gilmore adjourned the meeting of the Lewisville City Council at 2:21 p.m. on Saturday, August 10, 2024.

These minutes approved by the Lewisville City Council on the 9th of September, 2024.

APPROVED

TJ Gilmore
MAYOR

**JOINT MEETING OF LEWISVILLE CITY
COUNCIL, CRIME CONTROL AND
PREVENTION DISTRICT BOARD AND
FIRE CONTROL, PREVENTION AND
EMERGENCY MEDICAL SERVICES
DISTRICT BOARD – CALLED-SPECIAL
BUDGET MEETING
AUGUST 10, 2024**

ATTEST:

Thomas Harris III,
CITY SECRETARY

DRAFT MINUTES



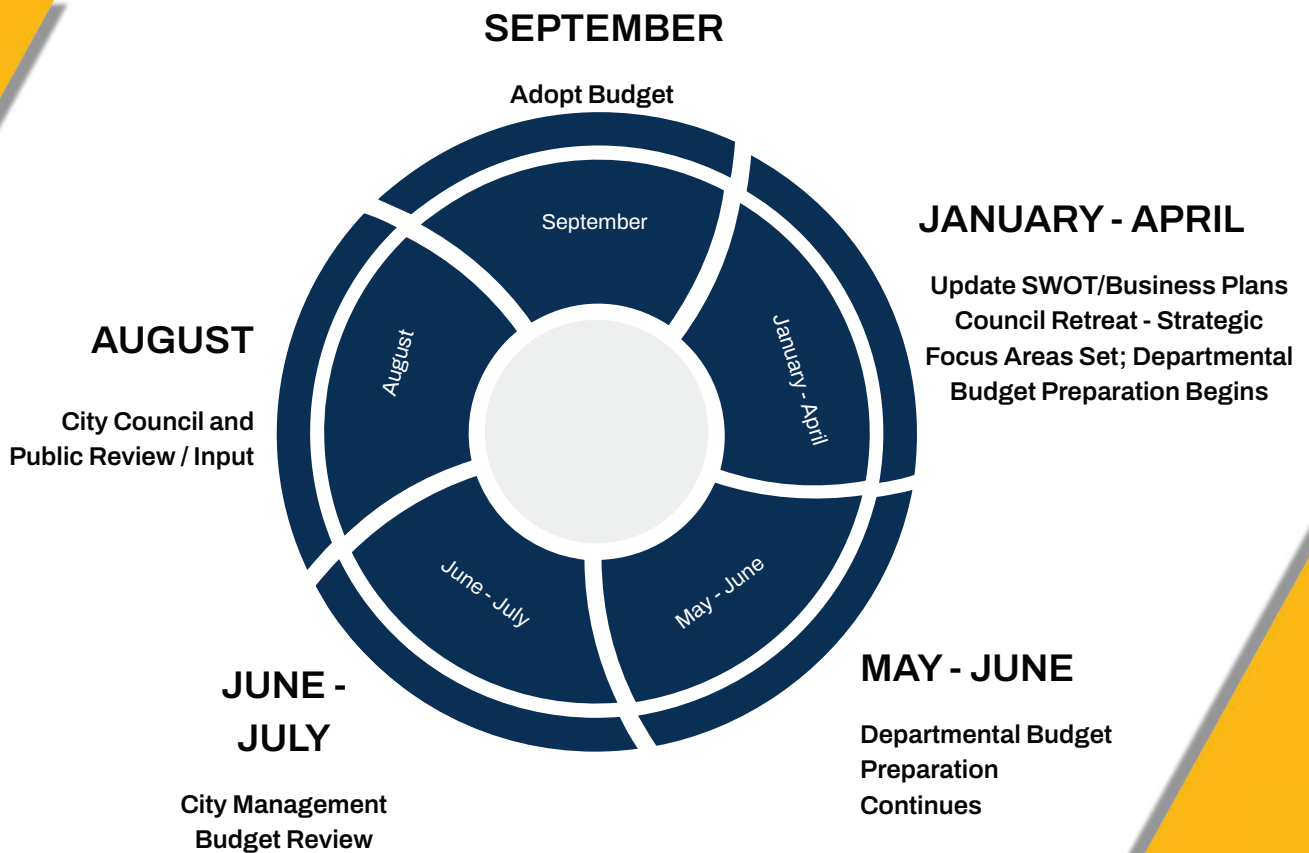
FY 2024-2025 Budget Workshop



Agenda

1. Submission of FY 2024-2025 Preliminary Budget
2. Budget Process and Overview
 - a. Budget Cycle
 - b. Guidelines
 - c. Strategic Focus Areas & Lewisville 2025
 - d. Budget Goals
 - e. Challenges
3. Overview of Funds
 - a. General Fund
 - b. Utility Fund
 - c. Other Major Funds
4. Base Budget By Strategic Focus Area
5. Discuss Recommendations for Unfunded Items
6. Tax Rate Information
7. Discussion of Utility Rates
8. Council Action

Budget Process and Overview



Budgetary Financial Policy Statements, Directives, and Guidelines

Minimum Reserves

- The General Fund and all funds with outstanding long-term debt will have a fund balance of at least 20% of the operating expenditure budget.
- Fund balance is defined as the excess of a fund's current assets over its current liabilities, sometimes called "working capital."
- Debt Service fund balance will not exceed 15% of the outstanding principal for general obligation debt.

Sales Tax Calculation

- The budget for sales tax revenue for the upcoming fiscal year should not exceed the estimated projection of sales tax for the current fiscal year.

General Fund Revenue

- The proposed budget shall maintain a balance in revenue sources to protect the financial stability of the City in the event of severe fluctuations in the national and/or local economy. In this endeavor, the City will strive to ensure we do not become over-reliant on any one particular source.

5

Budgetary Financial Policy Statements, Directives, and Guidelines

Operating Funds Budget

- The budget should be balanced with ongoing appropriations not exceeding revenues, transfers-in, and available fund balance reserves.
- One-time revenues will not be used for funding ongoing appropriations.

Utility Fund Revenue

- A cost-of-service rate study will be conducted each year to mitigate the magnitude of any rate increase necessary for the City to cover the operating budget needs and meet all revenue bond covenants.
- Utility Fund revenues are budgeted based on a normal year, not on extreme wet or dry years.

Operating Fund Expenditures

- The proposed budget will appropriate sufficient funds to maintain existing quality and scope of City services.
- Expenditures will be budgeted in one of five major categories: Personal Services, Materials & Supplies, Services and Charges, Transfers, and Capital Outlay.

6

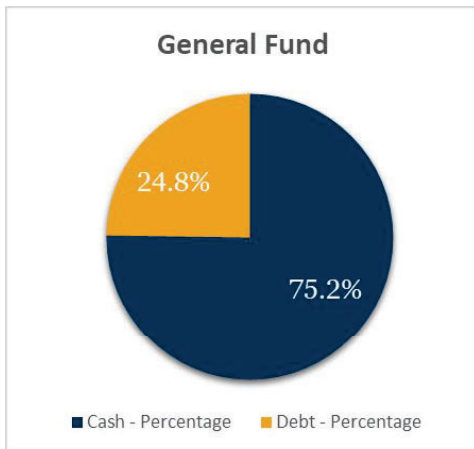
Budget Development Guidelines

- Strategic Focus Areas
- Lewisville 2025/2035
- General Fund Reserves Plan
- Utility Fund Capital Improvement Plan
- GO Bond Program
- Sustainability Action Plan
- Resident Survey Results
- Infrastructure Condition Ratings
- Business 121 Corridor Study
- Each Department's SWOT Analysis
- Approved Economic Development Agreements
- Departmental Business Plans
- 4B Fund Capital Improvement Plan
- Investment in Capital

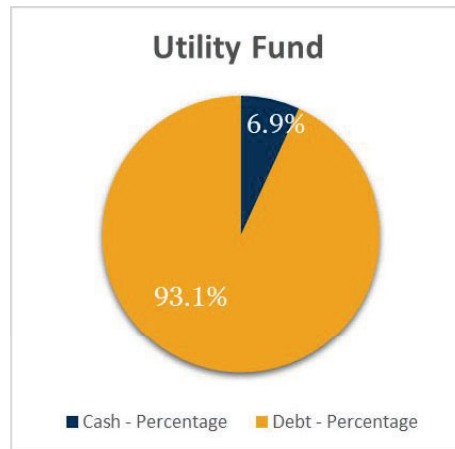
7

Proposed FY 2024-25 Budget Debt vs. Cash Funding

- The City is working towards a goal of funding capital improvement projects with a greater than or equal to 50/50 split of cash/debt funding.
- Based on bond rating best practices.
- Revenue Bonds currently rated AAA by S&P and Fitch. GO bonds rated AAA by S&P and AA+ by Fitch.



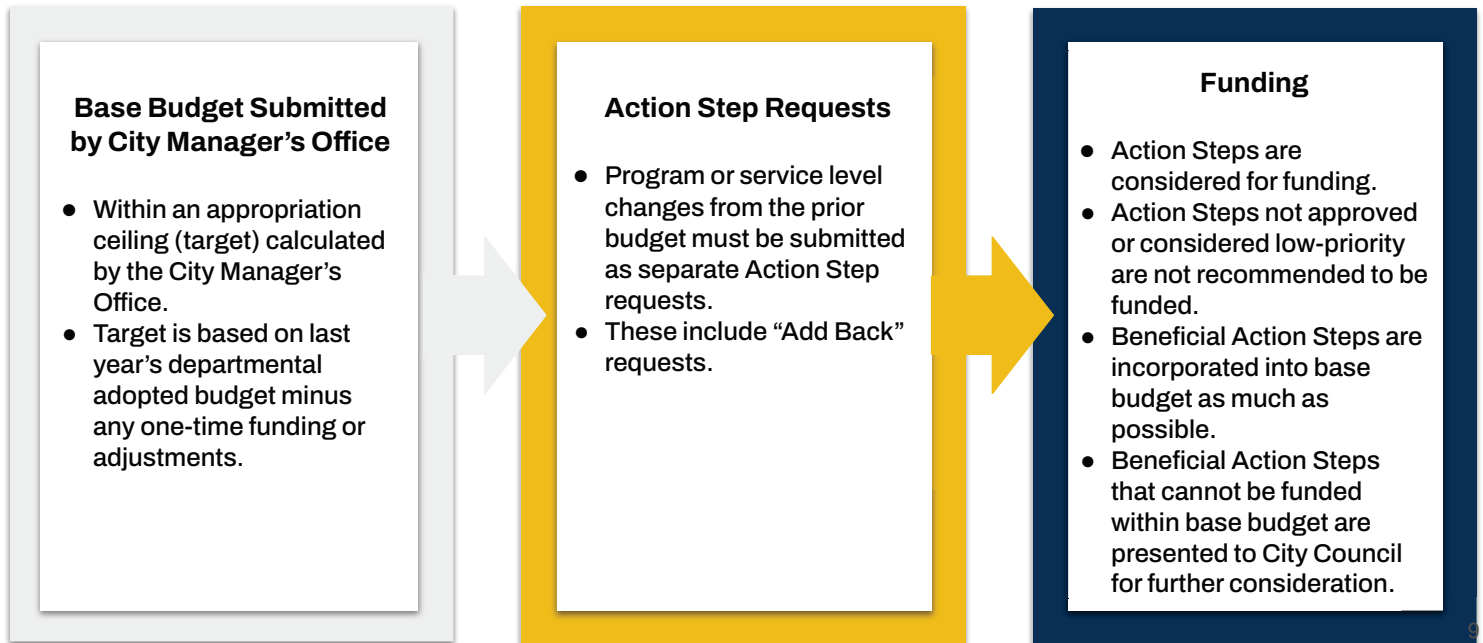
General Fund was 59.3% debt/ 40.7% cash in FY 2024.



Utility Fund was 63.6% debt/36.4% cash funded in FY 2024.

8

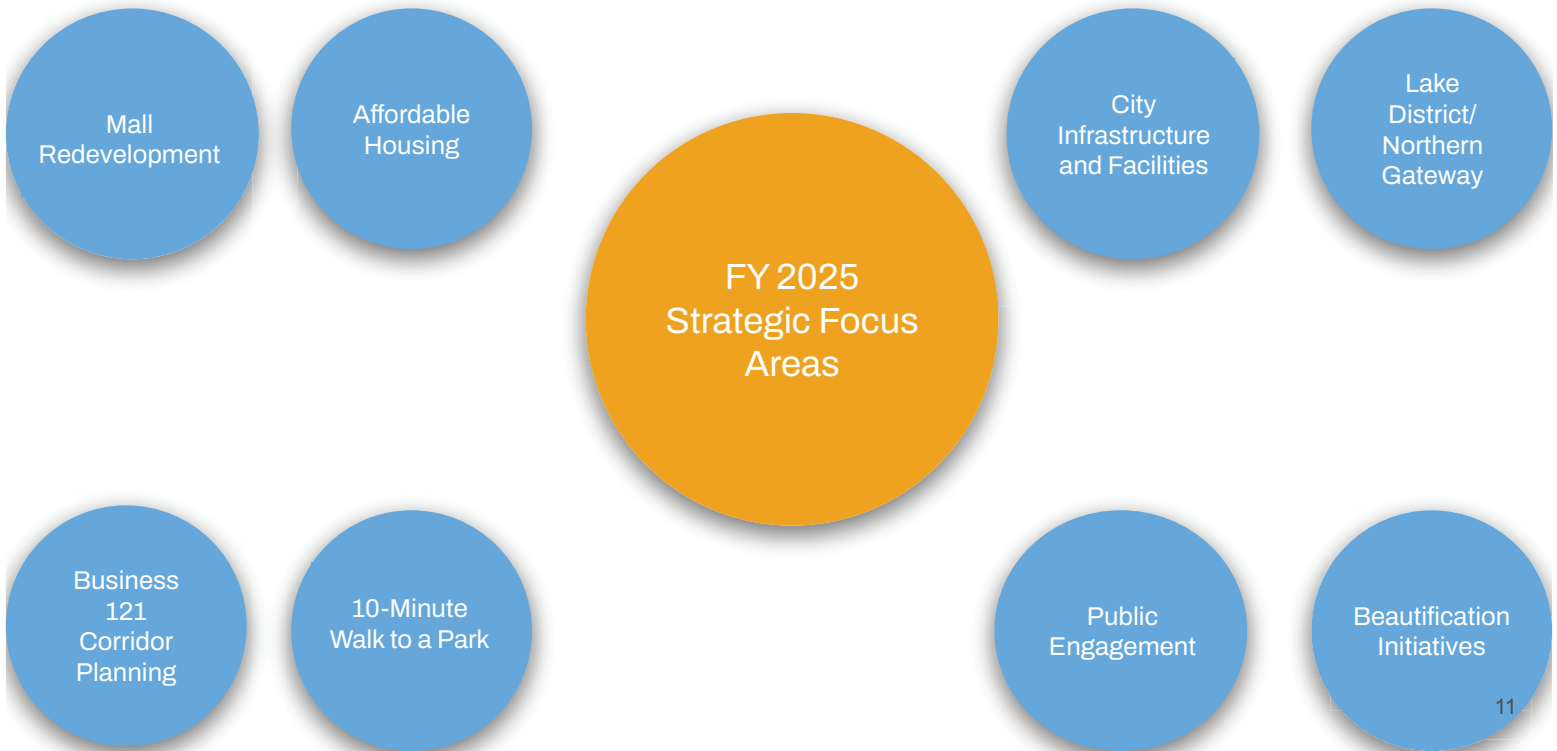
To assist in controlling the growth of the operating budget...



Lewisville 2025 Big Moves & Strategic Moves



FY 2025 Strategic Focus Areas

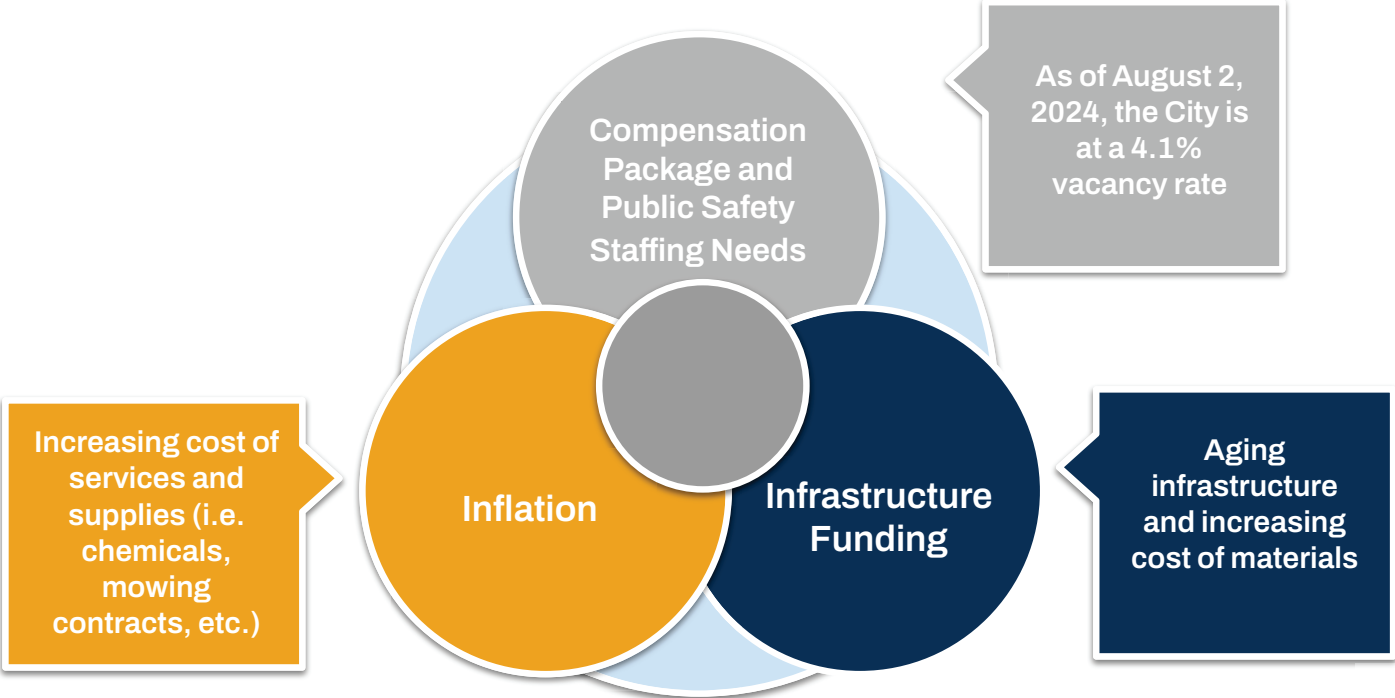


Budgetary Goals

Financial Resiliency - The primary purpose of a budget in City government is to ensure departmental needs are met annually and that resources are sustainable to meet future needs.

- Address City Council strategic focus areas and goals
- Continue implementation of the Lewisville 2025 Vision Plan, including Big Moves and Strategic Moves
- Work through budgetary challenges with City leaders and establish a plan that helps the City effectively navigate through these challenges
- Focus not only on the short-term challenges, but also the long-term goal of ensuring Lewisville is a livable and economically vibrant community
- Ensure a sustainable Lewisville in regards to both infrastructure and economics
- Ensure departments have the resources needed to continue to uphold the core values of the City (Value, Serve, Build) and also to address identified threats and weaknesses
- Be in the top 1/3 of comparison cities for compensation

Budgetary Challenges



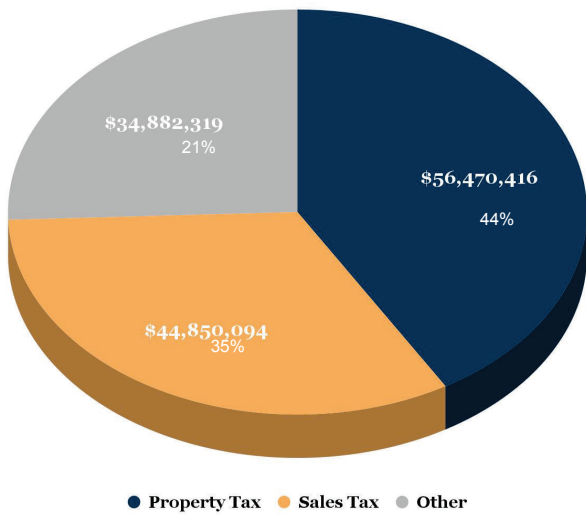
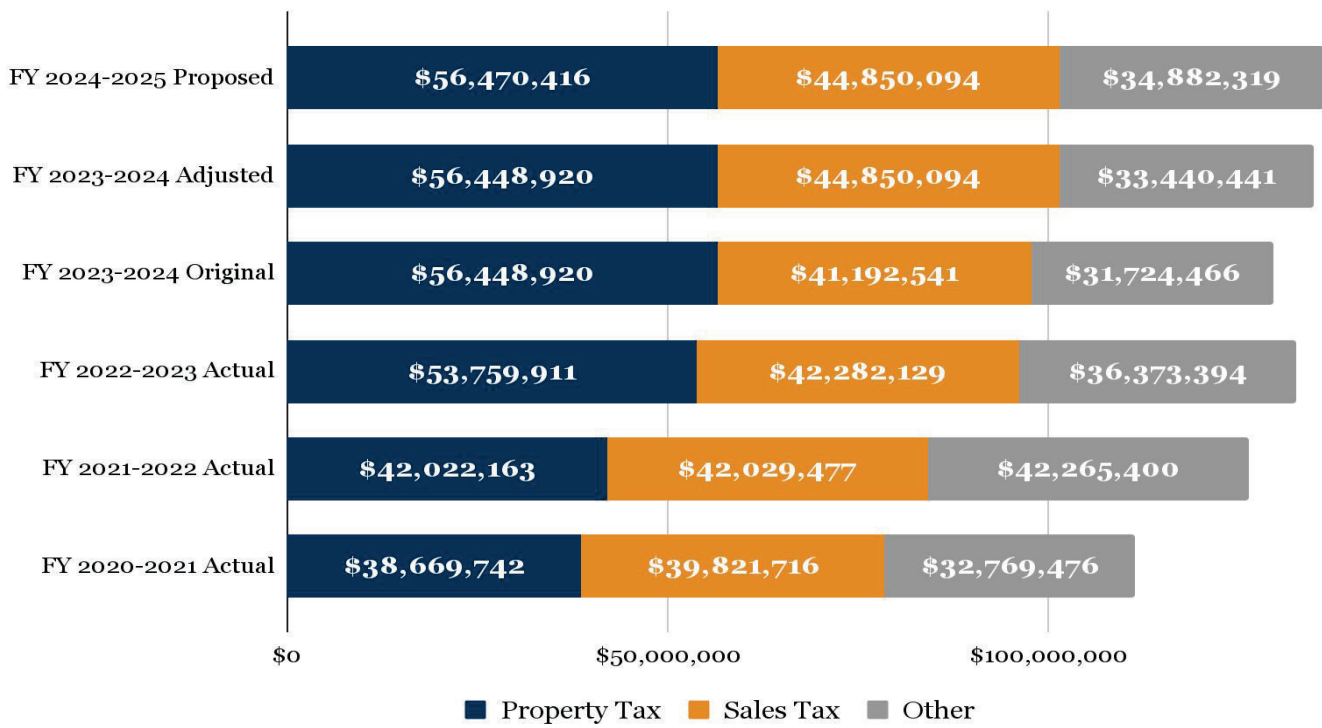
Overview of Funds

General Fund

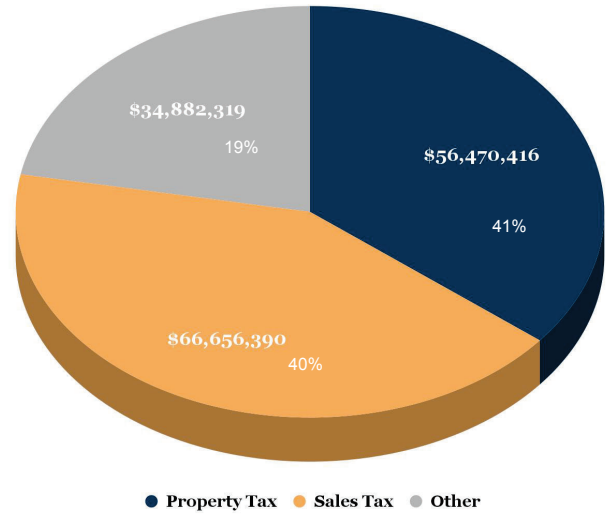
	FY 2020-2021 ACTUAL	FY 2021-2022 ACTUAL	FY 2022-2023 ACTUAL	FY 2023-2024 ORIGINAL BUDGET	FY 2023-2024 ADJUSTED BUDGET	FY 2023-2024 YTD	FY 2024-2025 PROPOSED
BEGINNING FUND BALANCES	40,797,141	47,516,409	62,409,404	39,192,899	49,263,887	49,263,887	45,325,282
REVENUES							
☒ Taxes	84,805,357	91,835,433	103,845,288	104,806,491	108,812,865	88,783,809	108,379,104
☒ Licenses & Permits	3,716,475	5,465,506	4,035,397	3,987,547	3,740,480	3,455,403	3,193,144
☒ Intergovernmental Revenues	559,318	700,847	757,716	986,988	748,835	401,234	750,000
☒ Charges for Services	10,423,635	7,079,739	7,340,188	6,587,113	7,352,392	5,494,890	7,243,915
☒ Culture and Recreation Revenues	2,923,193	4,008,661	4,659,634	3,846,362	3,941,653	2,235,527	3,990,742
☒ Investment Earnings and Contributions	219,253	412,421	1,554,035	469,540	1,171,344	748,638	1,146,342
☒ Fines, Forfeitures and other Court Fees	2,457,896	2,445,366	1,983,813	2,030,365	2,320,365	1,853,394	2,348,298
☒ Other Financing Sources	985,642	6,930,547	932,773	626,837	626,837	728,976	812,981
☒ Transfers In	5,170,163	7,438,522	7,306,591	6,024,684	6,024,684	5,266,085	8,338,303
Total Revenues	111,260,933	126,317,040	132,415,434	129,365,927	134,739,455	108,967,956	136,202,829

1.1% increase/\$1.5M

5.3% increase/\$6.9M



General Fund Only



General Fund, 4B, Crime Control, and Fire Control



Major Revenue Changes

General Fund Sales Tax

- The **\$44.9M** sales tax estimate for FY 2024-25 is **\$3,657,553** higher than the current year's original budget
- This estimate is **flat** when compared to the current year's adjusted mid-year estimate, as is the City's policy when it comes to budgeting sales tax conservatively

Sales Tax Sourcing

1

In anticipation of the possible enactment of destination-based sales tax sourcing, the city had been gradually reducing its reliance on sales tax each year since FY 2022.

2

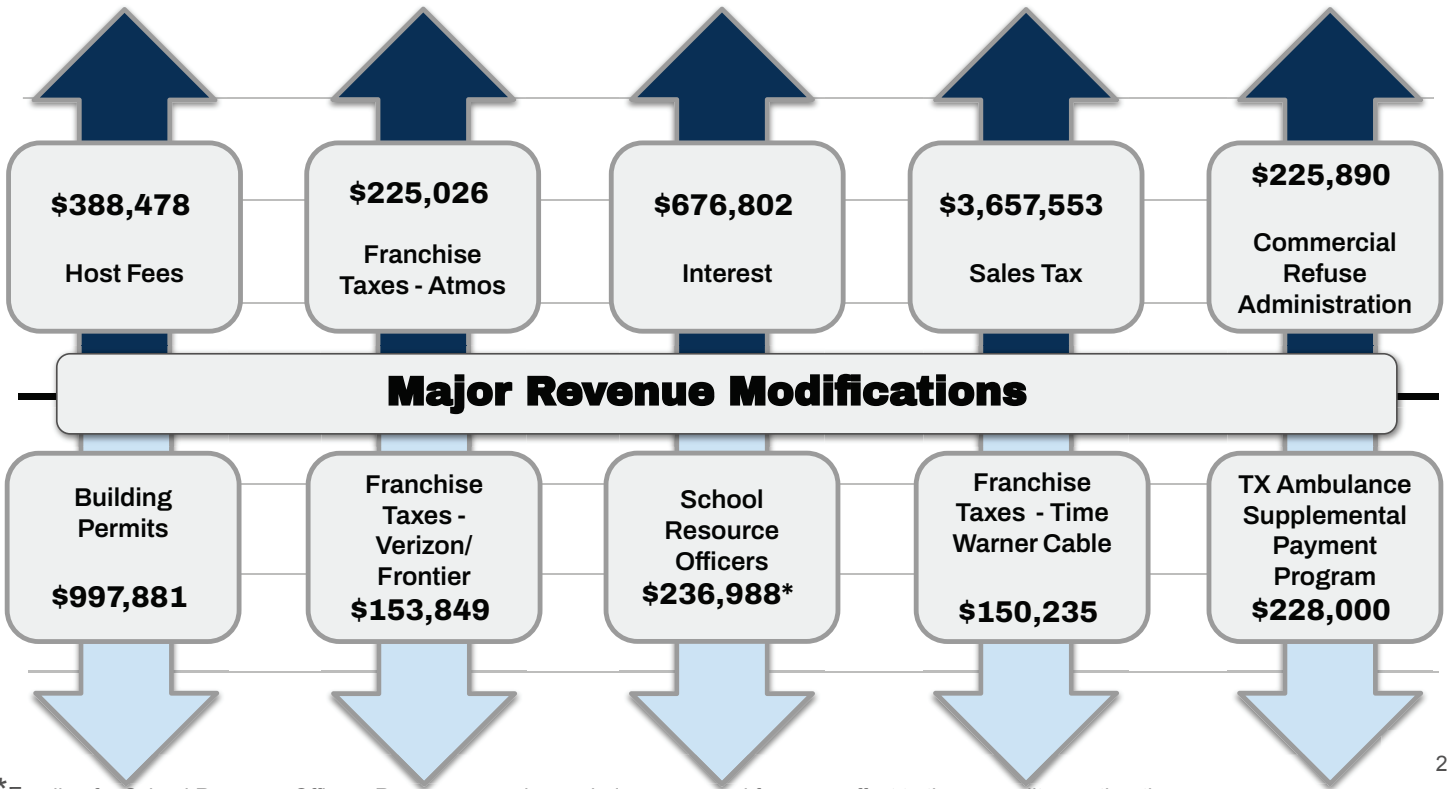
Prior legislation aimed at altering the allocation of sales tax collections did not pass during the 88th Texas Legislature (the most recent legislative session).

3

During the March 2024 City Council Retreat, staff provided Council with an update on the CASTLE litigation in regards to Texas Comptroller Rule 3.334(c) and possible revenue loss amounts. The new trial date is currently scheduled for October 2024.

4

FY 2024-2025 proposed budget for the 4B, Crime Control, and Fire Control Funds does not include any ongoing new personnel. Potential future sales tax impacts to the General Fund may be mitigated through other revenue sources and/or decreased expenditures.



*Funding for School Resource Officer - Rover program is now being accounted for as an offset to the expenditure rather than a revenue.

General Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$136,202,829
Departmental Base Budgets	\$126,503,366
Add-Backs	\$1,718,241
New Programs/Positions (Addition of 4 positions and related one-time equipment, uniforms, etc.)	\$1,013,459
Expansions, improvements, and replacements to existing equipment	\$4,967,763
FY 2024-25 Proposed Budget	\$134,202,829
Current Revenue - Current Expense Balance	\$2,000,000

General Fund Operating Budget Overview

The \$2M current revenue to current expenditure amount in the General Fund is the result of a one-time revenue in the form of a “transfer in” from the Risk Fund.

The Risk Fund is an internal service fund that receives all of its revenue from charges to other departments across all funds in order to pay for expenses such as premium payments to insurers, claims costs, insurance coverage, and other risk mitigation initiatives.

In order to manage the fund balance in the Risk Fund so as not to build too much in reserves, a \$2M transfer out from the Risk Fund is budgeted to be transferred back in the General Fund. After this transfer, an \$8.8M fund balance will remain.

Since this transfer in revenue source is not recurring, those funds will not be used to fund operating expenditures for FY 2025.

23

Expenditures from General Fund Balance:

\$11,751,405

Amount Left After 20% (\$25.5M) Reserve:

\$8,733,311

24

General Fund - Use of Fund Balance

FY 2024-25 Proposed Use of Fund Balance	\$11,751,405
Grand Theater Courtyard Electricity Enhancement	\$39,000
Centennial Celebration	\$263,953
Lewisville 2035 Update	\$500,000
Grand Theater Equipment Renovations	\$479,155
Economic Development Beautification Initiative - Grants	\$500,000
Affordable Housing - Rehabilitation Projects	\$300,000
Thoroughfare Plan	\$30,000
Traffic Improvements (Adaptive Signal Progression, Signals, Traffic Calming Design for Summit, Cabinets & Controllers)	\$1,143,000

25

General Fund - Use of Fund Balance Continued

FY 2024-25 Proposed Use of Fund Balance	\$11,751,405
Internal Audit Services	\$100,000
Technology Replacement Plan (PCs, Fibre Switches, WiFi Replacement & Expansion, Cameras, Network Switches, Traffic Signal Detection)	\$1,195,352
Technology Plan - ERP	\$2,500,000
Property Enhancement Program (PEP) Plus	\$60,000
Backbone Support Funding	\$100,000
Vehicle and Equipment for Park Inspector position	\$40,710
Sidewalk Connection Along South Valley Parkway	\$45,536
Business 121 - Phased Pedestrian Implementation	\$526,700

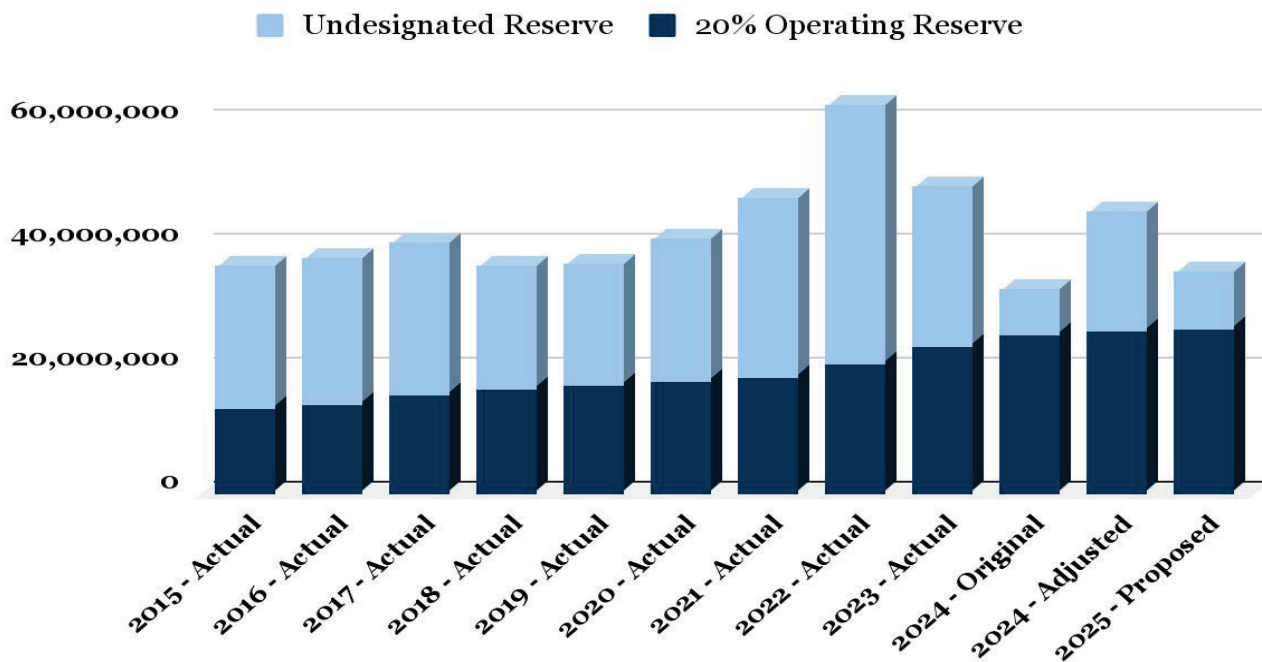
26

General Fund - Use of Fund Balance Continued

FY 2024-25 Proposed Use of Fund Balance	\$11,751,405
Increased Street Striping	\$1,140,236
Foam Machine and Trailer Replacement	\$96,424
Street Light Maintenance - Conversion to LED	\$100,000
Outside Legal Counsel	\$250,000
Economic Development Agreement Payments	\$2,341,339

27

General Fund - Fund Balance

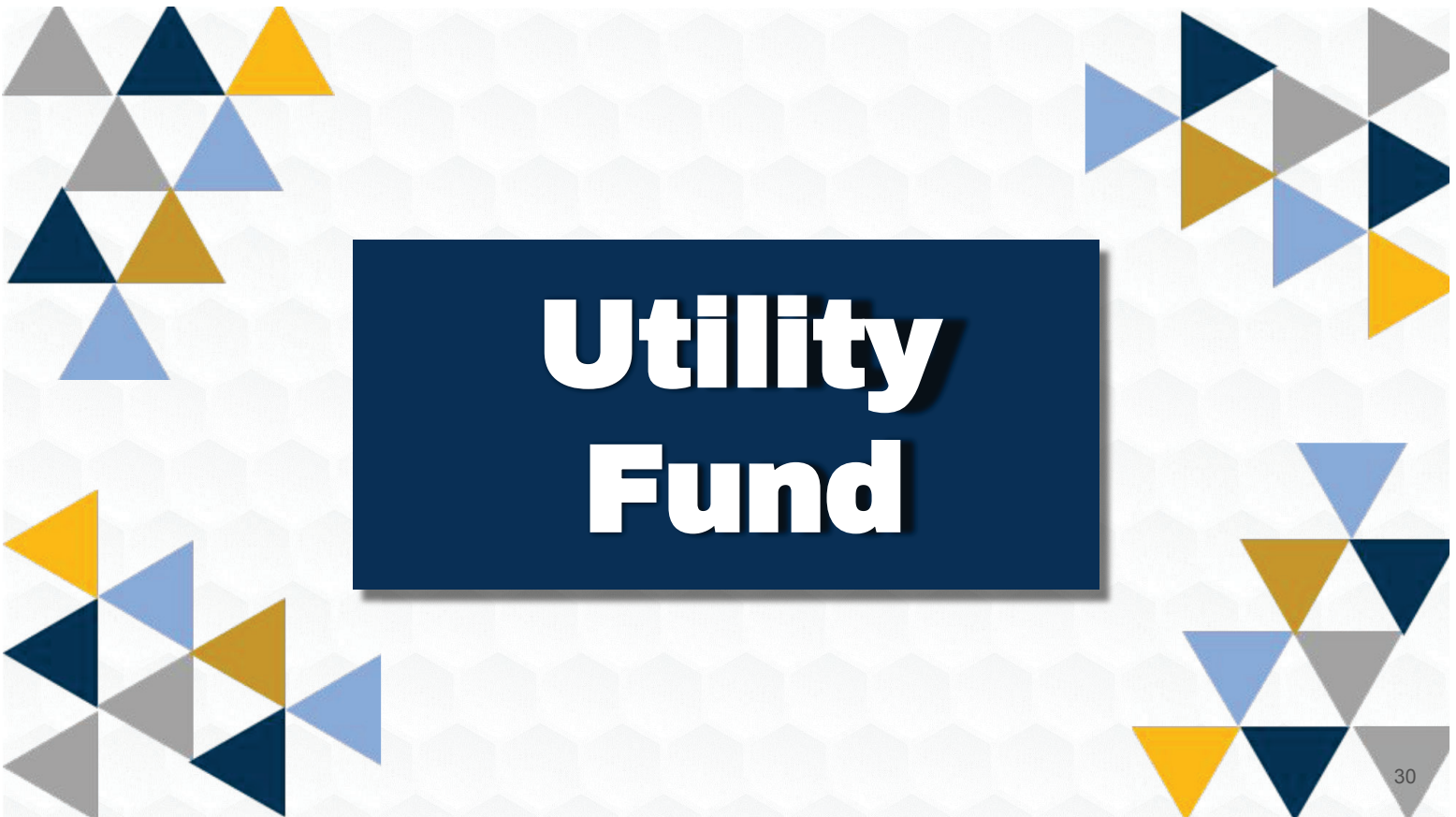


28

General Fund - Reserves Plan

General Fund Reserves Plan							
	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	49,263,887						
20% Reserve	26,398,261						
Beginning Excess Reserve	22,865,626	21,178,873	14,427,468	12,177,468	8,927,468	8,177,468	7,927,468
Resources							
Annual Contribution	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Uses							
Technology Plan (One-Time)	720,470	3,283,972	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Land Purchases			500,000		500,000		500,000
Outside Legal	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Economic Development Facilities *	3,070,341	2,341,339	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Miscellaneous/Other	2,645,942	5,876,094	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Uses	6,686,753	11,751,405	7,250,000	8,250,000	5,750,000	5,250,000	5,750,000
Ending Excess Reserve	21,178,873	14,427,468	12,177,468	8,927,468	8,177,468	7,927,468	7,177,468
Reserve Stabilization	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Excess Available Reserve	16,178,873	9,427,468	7,177,468	3,927,468	3,177,468	2,927,468	2,177,468

* Funding for facility renovations is currently set aside for Kealy complex and Annex remodels. Will need to partially fund Kealy renovations using utility funds as well.

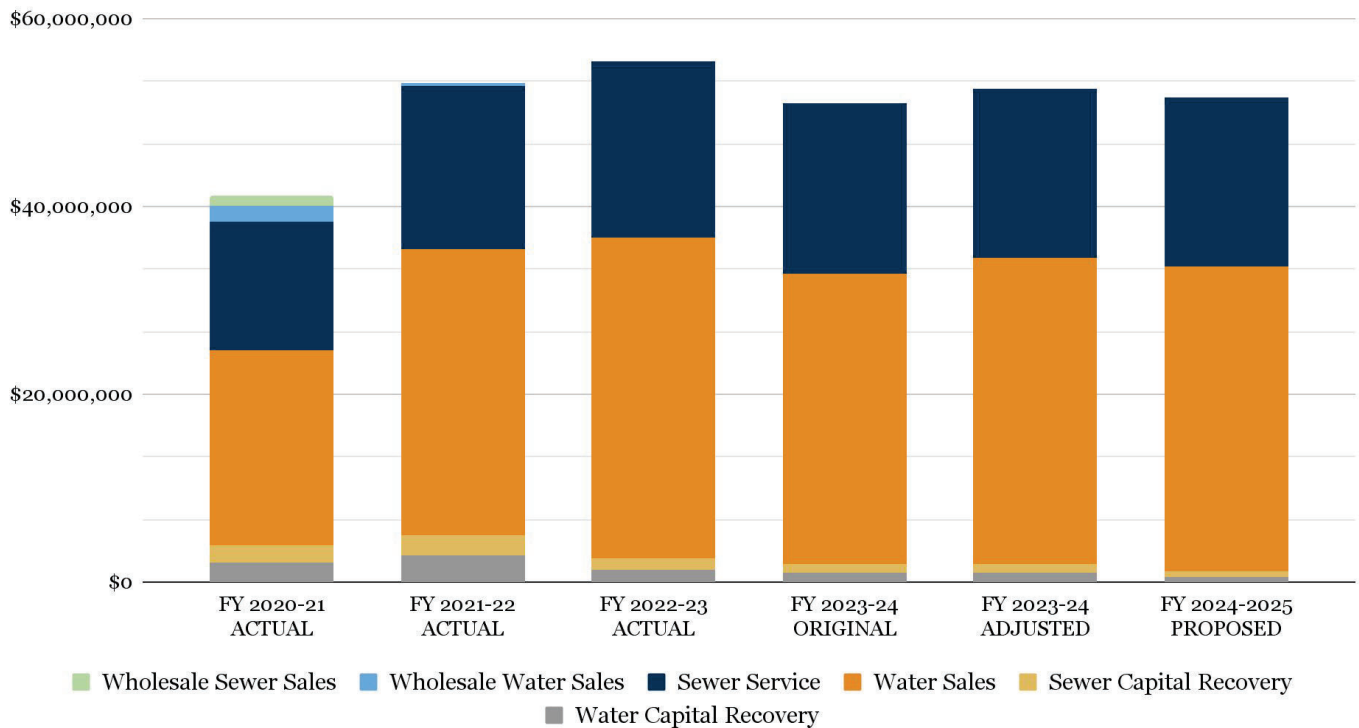


	FY 2020-2021 ACTUAL	FY 2021-2022 ACTUAL	FY 2022-2023 ACTUAL	FY 2023-2024 ORIGINAL BUDGET	FY 2023-2024 ADJUSTED BUDGET	FY 2023-2024 YTD	FY 2024-2025 PROPOSED
BEGINNING FUND BALANCES	24,010,955	28,497,537	29,421,611	25,372,605	33,478,233	33,478,233	20,861,374
REVENUES							
☒ Utility Revenues	41,590,829	53,689,678	56,023,170	51,412,712	52,931,570	36,964,349	52,040,534
☒ Charges for Services	19,620	41,698	35,030	28,186	28,186	13,444	28,394
☒ Investment Earnings and Contributions	137,460	185,116	921,488	196,058	392,116	267,830	712,097
☒ Other Financing Sources	7,221	396,590	13,772	7,635	7,635	19,590	11,047
☒ Transfers In	120,420	120,000	120,000	120,000	120,000	120,000	123,600
Total Revenues	41,875,550	54,433,084	57,113,460	51,764,591	53,479,507	37,385,213	52,915,672

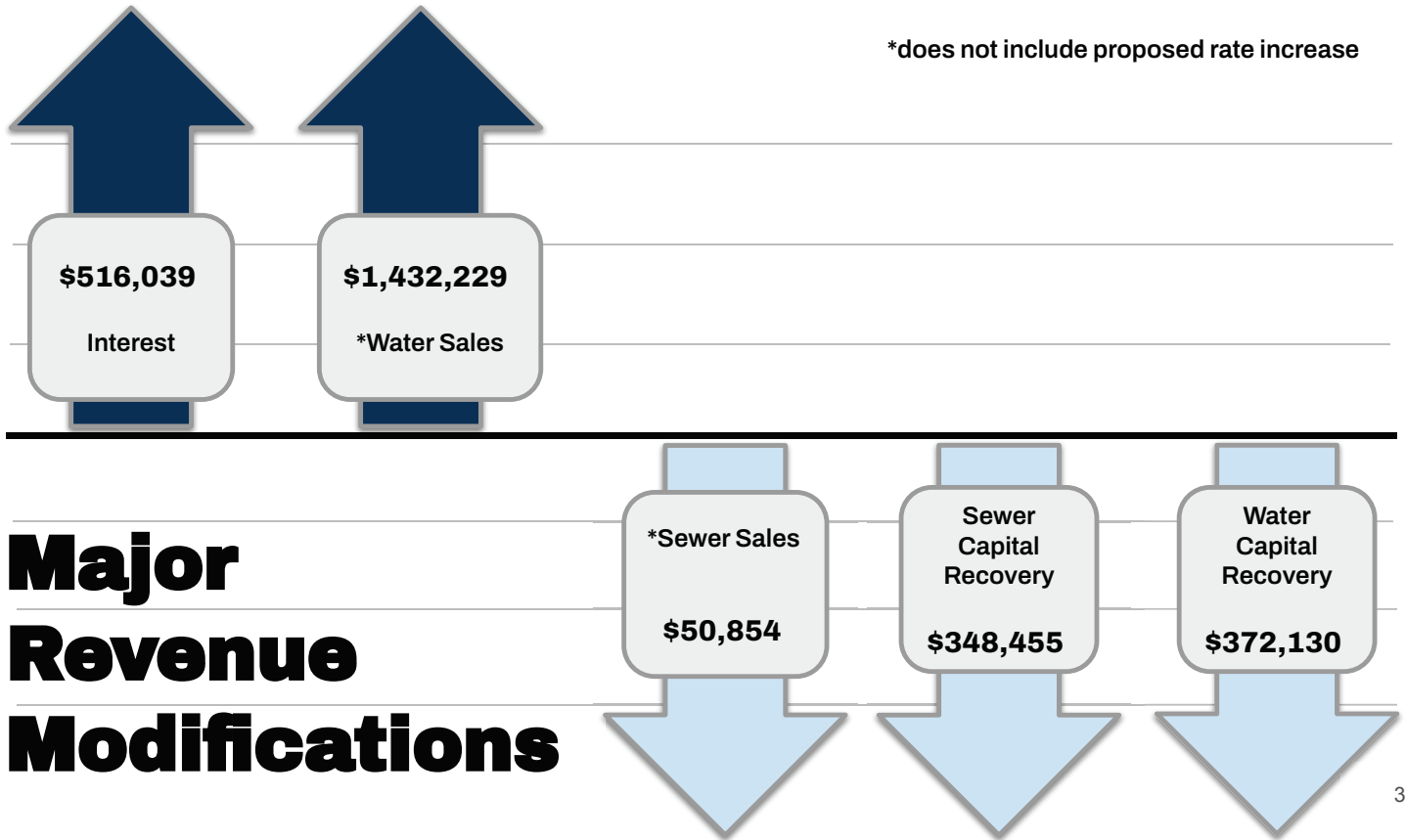
1% decrease/(\$563,835) ↗

2.2% increase/\$1.1M

Utility Fund



*does not include proposed rate increase



33

Utility Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$52,915,672
Departmental Base Budgets	\$49,275,853
Add-Backs	\$693,145
Expansions, improvements, and replacements to existing equipment	\$1,929,466
FY 2024-25 Proposed Budget	\$52,852,010
Current Revenue - Current Expense Balance	\$63,662

34

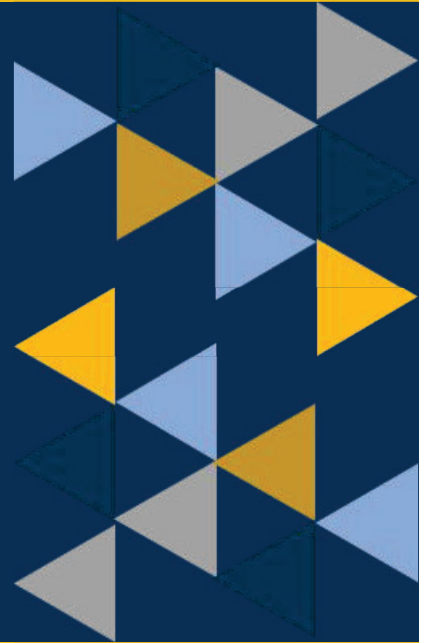
Expenditures from Utility Fund Balance:

\$2,727,735

- \$5,517- Federal Mandated Testing - UCMR5
- \$259,522 - Utility Repair Contract
- \$315,962 - Chlorine Scrubber Media Replacement
- \$82,067 - Ammonia Room Re-Piping
- \$124,255 - ULM Crew Truck - International CV 515
- \$166,223 - ULM CAT 420 IT Backhoe
- \$1,774,189 - Economic Development Agreements

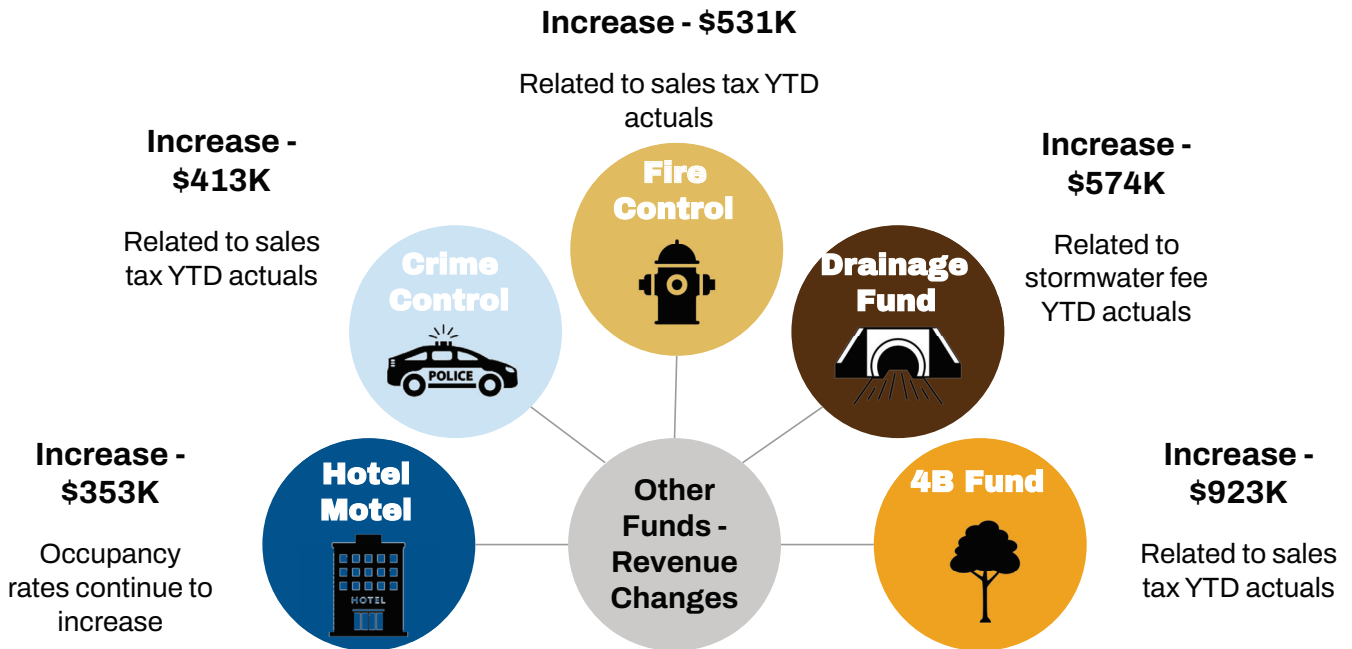
Amount Left After 20% (\$10.6M) Reserve:

\$7,626,899



**Other
Major
Funds**





HOT Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$2,876,515
Departmental Base Budgets	\$2,334,170
Add-Backs	\$10,100
Expansions, improvements, and replacements to existing equipment	\$225,432
FY 2024-25 Proposed Budget	\$2,566,702
Current Revenue - Current Expense Balance	\$309,813
Fund Balance Expenditures	\$29,138

Crime Control Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$5,622,461
Departmental Base Budgets	\$4,861,792
Add-Backs	\$135,220
New Programs/Positions	\$0
Expansions, improvements, and replacements to existing equipment	\$518,136
FY 2024-25 Proposed Budget - Fund Summary	\$5,515,148
Current Revenue - Current Expense Balance	\$107,313
Fund Balance Expenditures	\$801,655

39

Fire Control Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$5,805,008
Departmental Base Budgets	\$5,139,724
Add-Backs	\$0
New Programs/Positions	\$0
Expansions, improvements, and replacements to existing equipment	\$442,231
FY 2024-25 Proposed Budget	\$5,581,955
Current Revenue - Current Expense Balance	\$223,053
Fund Balance expenditures	\$1,935,385

40

Drainage Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$7,140,160
Departmental Base Budgets (includes \$5.2M transfers to CIP)	\$8,036,320
Add-Backs	\$25,000
New/Positions	\$0
Expansions, improvements, and replacements to existing equipment	\$40,315
FY 2024-25 Proposed Budget	\$8,101,635
Current Revenue - Current Expense Balance (moving fund balance to CIP)	(\$961,475)

*Currently have \$6.1M available for allocation in the CIP fund.

41

4B Fund Operating Budget Overview

FY 2024-25 Proposed Revenues	\$11,644,051
Departmental Base Budgets	\$7,692,546
Add-Backs	\$181,565
New Positions	\$0
Expansions, improvements, and replacements to existing equipment	\$267,028
FY 2024-25 Proposed Budget	\$8,141,139
Current Revenue - Current Expense Balance	\$3,502,912
Fund Balance Expenditures	\$2,628,529

42



TIRZ 1

381 acres in Old Town

- Debt service related to the Lewisville Grand (\$839,625)
- TIRZ Administration (\$10,000)
- Set aside for future purchase of land (\$600,000)
- Fund Balance expenditures for ED Agreements (\$933,675)

TIRZ 2

427 acres in the Northern Gateway (near I-35E and SH121)

- Reimbursement to developer (\$1,250,000)*
- TIRZ Administration (\$10,000)

*After this payment, \$920k will be due to the developer

TIRZ 3

708 acres in Castle Hills (near Sam Rayburn/Business 121 south to FM 544)

- TIRZ Administration (\$10,000)
- Bright redevelopment agreement (\$3,916,127)
- Debt service related to Castle Hills refunding (\$1,686,814)

TIRZ 4

Approximately 277 acres in the city's Lake District

- TIRZ Administration (\$10,000)
- Maintenance of two parks and medians along Summit Ave (\$42,250)

**Base
Budget**

New Funding by Strategic Focus Areas



City Infrastructure and Facilities



BYRNE
CONSTRUCTION SERVICES

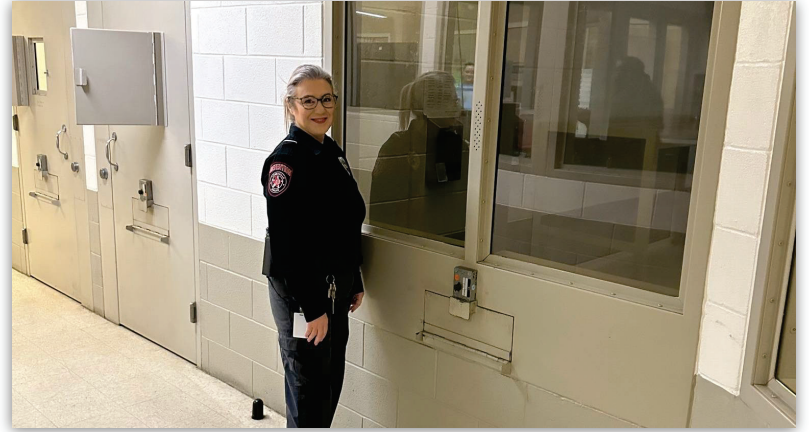
Tittle McFadden Public Safety Center
5/7/2024

New Funding by Strategic Focus - City Infrastructure and Facilities

Lewisville Detention Facility

This facility was built in 2008 and is showing signs of wear and tear. Funding will be used to repair cinder block walls, flooring, walls, etc. Funding will also allow framing and painting needs.

FY 2025 Funding - \$111,107



47

New Funding by Strategic Focus - City Infrastructure and Facilities

Lewisville Grand Theater Equipment Renovations

Funding will support significant updates to the lighting and network systems in the Performance Hall. This update will convert the system entirely to LED fixtures and target three main areas:

- Controller Technology/Wall Panel Controls - \$161,095
- Lighting Instruments catwalk, side booms, over the stage - \$424,818
- Orchestra Shell Lights - \$43,242

FY 2025 Cost: \$629,155



ADD A TELESCOPIC SEATING SYSTEM WITH ELEVATED CONTROL PLATFORM



FINISH REPLACING ALL INCANDESCENT UNITS WITH LED'S



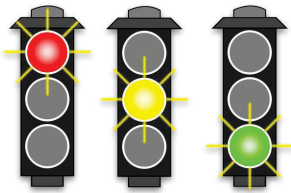
REPAINT BLACK BOX TO AN ALTERNATIVE COLOR FOR EVENT MAXIMIZATION

48

New Funding by Strategic Focus - City Infrastructure and Facilities

Traffic Signal Funding

Funding will allow for the design and construction of two traffic signals as warranted. Cost per each is dependent on the location and site conditions. Possible locations include College at Valley Ridge and Valley Ridge at Kealy.



FY 2025 Funding: \$650,000



49

New Funding by Strategic Focus - City Infrastructure and Facilities

Traffic Controllers & Cabinets Replacement

This funding will be used to replace outdated traffic controllers and cabinets. The City began these replacements in 2022 with the intent to replace 100 signal cabinets over the course of multiple years.

FY2025 Funding: \$250,000



50

New Funding by Strategic Focus - City Infrastructure and Facilities

Traffic Calming/Landscape Design for Summit Avenue

Funding will support permanent traffic calming in conformance with the Coy Talley Plan for Summit Avenue from Grandy's Lane to FM 407. This plan includes bump-outs, additional parking, signage, landscaping & irrigation as well as pedestrian lighting.

\$100,000 funded for FY 2025



51

New Funding by Strategic Focus - City Infrastructure and Facilities

Adaptive Traffic Signal Corridor Progression

Funding will support the design & implementation of an adaptive corridor progression (AI) for the Business 121 corridor. \$75,000 was budgeted in 23-24 for traditional corridor progression on FM 3040. This funding will be added to the previously approved funding to address Business 121.

Total 2025 funding - \$143,000



52

New Funding by Strategic Focus - City Infrastructure and Facilities



Increased Street Striping - \$1,140,236

Currently, Public Services has all pavement markings on a three-year schedule. It has become evident that this interval is not sufficient to keep the pavement markings looking good. One-time funding has been allocated to allow street striping for all streets, all railroad markings, and school crossings at one time.

Street Light Maintenance - \$100,000

The City of Lewisville maintains street lighting in a few areas of Lewisville such as Old Town, IH35 corridor, and along Lake Vista Dr. All of the streetlights maintained by the city currently have LED bulbs except for those along IH35. Funding will allow existing bulbs to be replaced with LED bulbs, repairs, and maintenance.

Traffic Signal Detection - \$421,000

Funding will be used to replace the City's current Grid Smart traffic signal video detection based on a multi-year plan. The new system by Iteris is currently used by several neighboring cities, and will enable present detection, traffic counts, as well as advanced detection.

53

New Funding by Strategic Focus - City Infrastructure and Facilities



Street Maintenance Funding Increase - \$125,000

The City's current street maintenance contractors are reporting an expected increase in pricing of between 4.5 and 5% at the time of the next award due to increases in material, labor, and, fuel costs.

Chemical Odor Control - Whippoorwill Lift Station - \$74,000

Ongoing funding will be used to support an odor control pilot study that evaluates the efficacy and estimate dosages of chemical odor control at the Whippoorwill Lift Station.

54

New Funding by Strategic Focus - City Infrastructure and Facilities

Machine Learning for Pipe Condition Assessments

James C. Fitchett, Kostas Karadimitriou, Zella West, and David M. Hughes

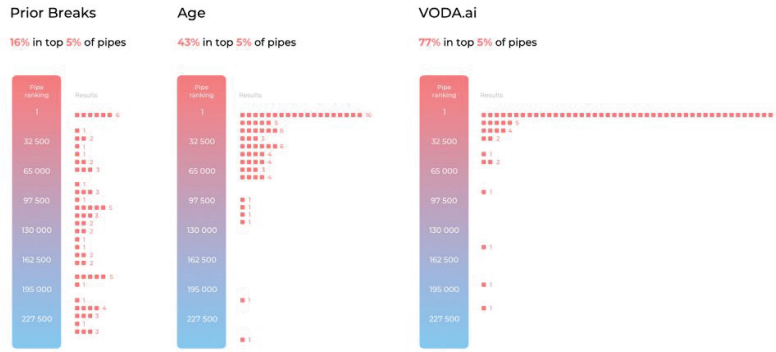
55 JOURNAL AWWA - MAY 2020



VODA.ai Risk Modeling and Planning - \$70,785

VODA.ai will leverage AI technology to analyze the City's GIS and failure data to identify vulnerable pipe segments. This will help with strategic planning and optimization of rehabilitation and replacement projects.

Comparison of Predicted Pipe Breaks in 2018 Based on Three Methods



VODA.ai is the machine learning method.

New Funding by Strategic Focus - City Infrastructure and Facilities



Foam Machine and Trailer Replacement - \$96,424

Both the reactor and the power unit that operate the current Foam machine have become unreliable.

ULM Crew Truck & CAT 420 IT Backhoe - \$326,931

Following the annexation of Castle Hills, the City's Utility Line Maintenance division expanded operations to include an additional repair crew, which requires specialized equipment for essential water and sewer line repairs. The current vehicle for this crew is undersized and does not have the capabilities necessary to conduct repairs efficiently. The crew also does not currently have a backhoe.

Holdover Vehicle Replacement Funding Increase - \$25,000

The current allocation for replacing holdover vehicles stands at \$125,000 annually. However, additional funding is needed due to the increased cost of replacement vehicles.

New Funding by Strategic Focus - City Infrastructure and Facilities

Utility Repair Contract - \$259,522

Funding will be used to address the backlog in needed repairs to water service lines, sewer laterals, manhole repairs, valve repairs, and mainline repairs.

Ammonia Room Re-Piping - \$82,067

The current piping system is showing signs of deterioration and has experienced equipment failure. Re-piping of the ammonia room will remove the faulty valves and continue to allow the City to feed from any one of the units in service, as well as help keep employees safe.

Chlorine Scrubber Replacement - \$315,962

The chlorine scrubber is a safety device the City has on site to protect the residents of Lewisville and our employees should a chlorine leak occur. During this year's inspection, the City was informed that the chlorine scrubber media was compacted. Funding will replace existing media inside our chlorine scrubber.



57

New Funding by Strategic Focus - City Infrastructure and Facilities

Capital Projects Transfer (PAYGO) - \$1,189,057

The Capital Improvement Program for FY 2024-25 is being funded with \$1,189,057 in Utility Fund operating expenditures. Another \$4.5M is requested on the unfunded list.

An additional \$30M will be added in utility bond funding.



58

New Funding by Strategic Focus - City Infrastructure and Facilities

Purchased Water Increases (Dallas Water Utilities/Upper Trinity Regional Water District Rates)

Dallas Water Utilities will increase the Untreated Volume Rate by 7.2%, the Treated Volume Rate by 10%, and the Demand Rate by 8.7%. Upper Trinity Regional Water District will increase the Treated Volume Rate by 4.7% and the Demand Rate by 7.9%.

FY25 Funding - \$1,254,733

2025 Dallas Water Utilities Bump

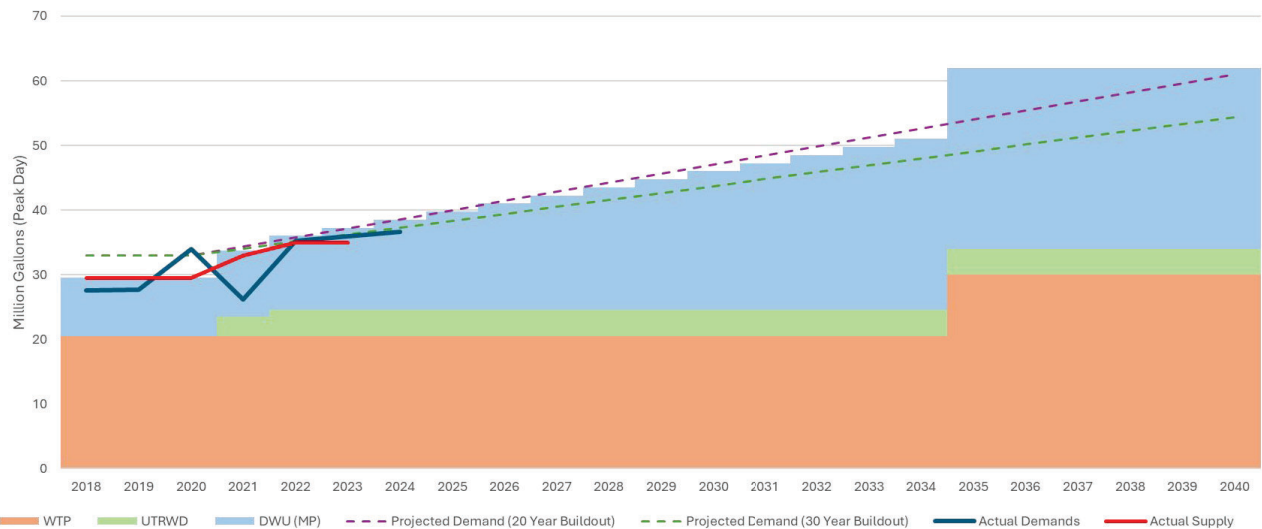
This DWU bump is the purchase of additional 1 million gallons of treated water daily (MGD) from Dallas Water Utilities. In the current fiscal year, we are pursuing a 1 MGD bump, so this funding will include that 1 MGD plus another 1 MGD for next year.

As per DWU's contract, any adjustment to our water intake must be requested well in advance of the new water year, which commences on June 1st annually.

FY25 Funding - \$304,737

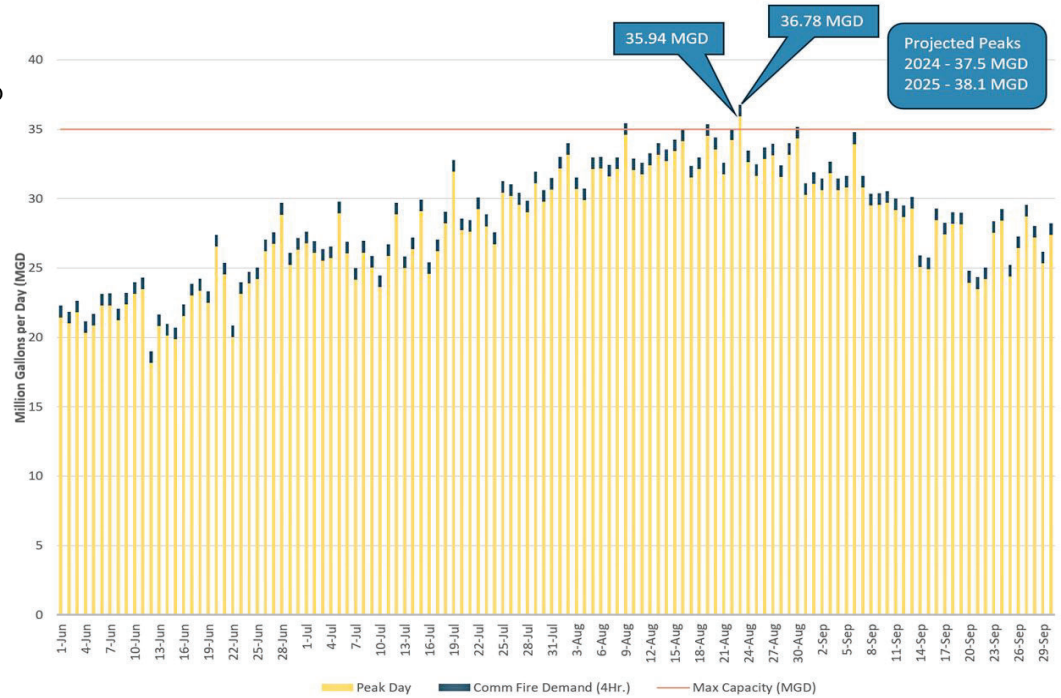
Dallas Water Utilities - Masterplan Projection

Treated Water Supply, Demand, and CRFWTP Expansion Timeline



Dallas Water Utilities Bump - 2023 Summer Demands

- Additional flow requests must be submitted by February 1st to be effective by August 1st.
- Increases are paid for the full “Water Year” which starts June 1st.



New Funding by Strategic Focus - City Infrastructure and Facilities



Network Switch Replacements - \$135,075

The City of Lewisville has several Cisco switches that will reach their end-of-life soon. The end-of-life date designates the last day to receive hardware support for a product including hardware replacement. Funding will ensure no disruptions in computer, telephone, camera, or access points.

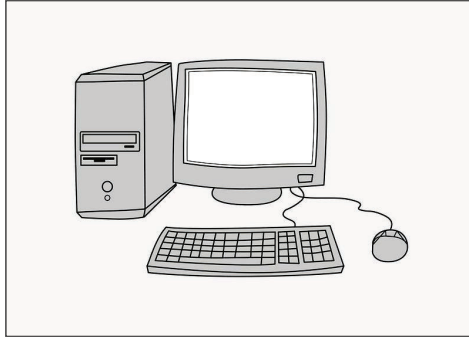
Fibre Channel Switches - \$145,976

Funding will be used to replace the datacenter storage access switches that are past their usable life. Replacing the devices will aid the smooth transition of datacenter operations to the new Public Safety facility.

New Funding by Strategic Focus - City Infrastructure and Facilities

PC Replacements - \$404,540

Additional funding will be used to replace 213 computers at their end of life.



Enterprise-Software Consulting Services - \$90,902

InfoTech's services have been used by ITS to build a solid foundation for success on the ERP/HRIS project this past year. Annual funding is needed to allow ITS to leverage these services with other projects.

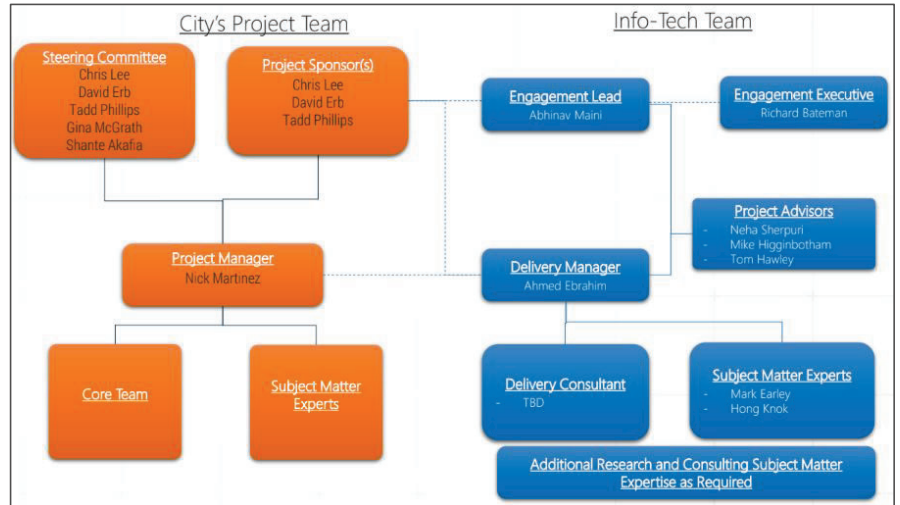
ERP

New Funding by Strategic Focus - City Infrastructure and Facilities

ERP - \$2,700,000

The Issue

- The vendor currently used for the Accounting/AP/HR/Purchasing enterprise application announced that there will no longer be new-development efforts directed at the software we currently use
- In FY 2024, the process began to replace the existing ERP
- Funding was requested in the FY 2024 budget to allow the City to begin paying for the new software once selected
- FY2025 funding will be used to continue the process of replacing the ERP and UB systems at the core of our operations



65

New Funding by Strategic Focus - City Infrastructure and Facilities

ERP - \$2,700,000

The Proposal

- Replace the ERP and UB systems at the core of our operations
- Benchmark projects of a similar scope and size that cities in our area have completed
- Use FY 2025 budget to bring our project resources to a similar level to help ensure project success
- FY 25 Funding Total: \$2,700,000 which includes:

\$2,500,000 (one-time), \$200,000 (ongoing)



66

New Funding by Strategic Focus - City Infrastructure and Facilities

LEXIPOL's Law Enforcement Policies and Training Solutions - Acquisition

We will use funding to obtain the services of Lexipol's Law Enforcement and Training Solutions. Lexipol will review all inconsistencies and/or outdated policies within Lewisville PD policies and procedures. It will constantly update these policies, and provide training electronically.

FY2025 Funding - \$86,675



First Due (Fire Reporting Software)

Funding will support the purchase of First Due Suite as our fire reporting, inspections, pre-incident planning, and investigation software for the Lewisville Fire Department.

Total includes \$31,893 for FY2025.

67

New Funding by Strategic Focus - City Infrastructure and Facilities

Engine 6 Refurbishment and Upfitting - \$192,463

Funding to refurbish the current Engine 6 in order to prolong its useful life. The engine's hose, nozzles, valves, appliances, and any additional equipment or ladders required for maintenance will also be upfitted.

Refurbishment Cost - \$133,542

Upfitting Cost - \$58,921

Total Cost - \$192,463



68

New Funding by Strategic Focus - City Infrastructure and Facilities



Lifepak Replacement - \$340,401

Funding will be used to replace existing LifePak monitors as well as implement a ProCare maintenance program.

69

New Funding by Strategic Focus - City Infrastructure and Facilities

Implementation of a 5 year replacement program for rifles - \$47,426

Funding will be used to replace 100 patrol rifles over a 5 year period. The new patrol rifles will replace older, more antiquated weapons currently in use and will include features such as M-Lock Handguard, mounted light, and EOTech Optic.

SWAT Team Equipment needs - \$60,717

This funding will be used to purchase the following equipment for the SWAT Team: Replacement of the Through-the-Wall Camera System, replacement headphone communication gear, the final installment phase of rifle suppressors, and interior drones.

Drone Replacement and Expansion - \$34,785

Five additional drones will include a thermal camera, which can be utilized at night and in dark environments. A maintenance and battery replacement cost is also included.

Expand Cell Phone Program in Patrol - \$37,042

Funding will be used to expand the cell phone program in patrol, allowing phones to be assigned to the officer in lieu of the squad car. The current process occasionally impacts officer's ability to write citations, field interview contacts, and collect state-mandated racial profiling statistics related to traffic stops.

70



Affordable Housing

New Funding by Strategic Focus - Affordable Housing



Affordable Housing - Rehabilitation Projects

Funding will be available for rehabilitation projects all around the city, and bids for projects involving the extensive renovation of existing multifamily housing will be encouraged.

Funded amount: \$300,000

New Funding by Strategic Focus - Affordable Housing



Backbone Support Funding - \$100,000

The need in our community is only increasing due to inflation which includes rent increases, food price increasing, and lack of affordable housing. Additional funding for Backbone Support will allow the city to work together with partners that can bring resources into the community to meet our residents needs.



Property Enhancement Program (PEP) Plus - \$60,000

Encourages reinvestment through exterior renovations of owner-occupied single-family homes that were built in 1980 or older. The City will provide a grant up to 25% of the renovation costs to the homeowner. The grant can be between \$4,000 - \$20,000.

73

10-Minute Walk To A Park

The 10-Minute Walk to a Park initiative, refers to a grassroots parks-advocacy movement to ensure that everyone in the United States lives within a 10-minute walk to a high quality park or green space. Lewisville Parks and Recreation's goal is to ensure that every resident lives within a 10-minute walk to a local park.



74

New Funding by Strategic Focus - 10 Minute Walk To A Park

Parkland Dedication and Development Fund - \$64,187

Each year, Park Development and Parkland Dedication (Cash in Lieu) revenues fluctuate depending on the number of developments in the pipeline.

As a result, the amount of revenue projected and the corresponding transfers vary from year to year. This \$64,187 is the additional amount anticipated to be received in revenue and associated expenditures for the upcoming fiscal year over the previously-adopted amount. Funding will be used for various park improvements.



Lewisville has a total of
111 parks

Percentage of residents living
within a 10-min walk of a park:

77%

75

New Funding by Strategic Focus - 10 Minute Walk To A Park

Park Development - Safe and Sustainable Equipment & Design - \$176,350

Funding will be used to purchase equipment, vehicles and other infrastructure items that will help make the park system more safe and sustainable, as well as improve efficiencies within our workforce. It will fund -

- Triax Touch Impact Testing System & Training - Fall Zone Testing at playgrounds across our system
- Slice Aerator for exclusive use at Lake Park and Railroad Park athletic fields
- 96" Zero Turn Batwing Mower for Lake Park Day use
- Electric Utility Vehicles for Old Town Lewisville Crew
- LL Woods Park Trail and Raldon Park Parking Lot Solar Lighting



76

New Funding by Strategic Focus - 10 Minute Walk To A Park

4B Capital Projects - \$2,450,000

- LISD School Yards (\$100,000)
- LLELA Kayak Launch and Parking Lot Construction (\$1,000,000)
- Park and Wayfinding Signage Replacement at Central Park and trails (\$25,000)
- LLELA Kiosks and Signage (\$50,000)
- Minor Porter Cabin and ancillary building repairs (\$325,000)
- Phase I of the ADA Transition Plan Repairs (\$100,000)
- Railroad Park Field Transition and Shade Structure Replacement (\$85,000)
- Wayne Frady Park Lighting (\$15,000)
- 10 Minute Walk to a Park and Trail Projects (\$825,000).



77

Beautification Initiatives



78

New Funding by Strategic Focus - Beautification Initiatives



Pollinator Prairie Phase 2 - \$150,954

Additional funding for existing pollinator areas will enhance biodiversity, and boost plant density, leading to more robust and visually appealing habitats. Public perception of these areas, particularly newly planted medians, as unkempt has been a concern. Overseeding will rectify this by filling in gaps, promoting a healthier, more sustainable environment for pollinators, and aligning the appearance of these areas with community expectations. Additionally staff seeks funding to expand the pollinative prairie initiative along Business 121's right-of-way on the south side of LLELA, and on Business 121 and 3040 rights-of-way, extending into the jughandles area, by converting them into a native plant and grass palette.

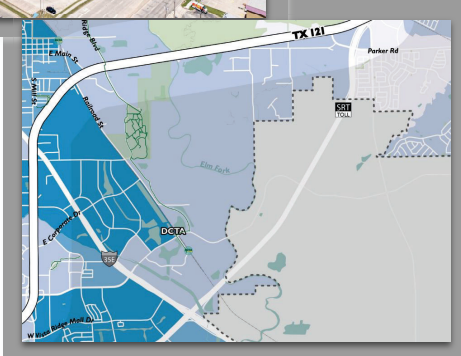
Mowing, Landscaping and Chemical Contracts - \$542,726

Funding will cover increases in parks and recreation operational ongoing contracts for mowing, trash and landscaping. This will also include costs for new areas being added to existing contracts (Lake Avalon Park & Glory Park) and the additional trash abatement along SH-121 and I35 added this fiscal year. Beautification efforts also include the addition of a Parks Inspector to oversee contract compliance and note any needed clean up.



Business 121 Corridor Planning

New Funding by Strategic Focus - Business 121 Corridor



Business 121 - Phased Pedestrian Implementation - \$526,700

Funding will support a phased approach to implementing pedestrian improvements on Business 121. The Business 121 Plan is anticipated for adoption in the fall and is an high priority item. Improvements will focus on sidewalk or pedestrian improvements to install a six foot wide sidewalk needed to fill in gaps from the the Elm Fork of the Trinity River south, prep, concrete, and one row of sod on either side.

Beautification Initiative - Grants - \$500,000

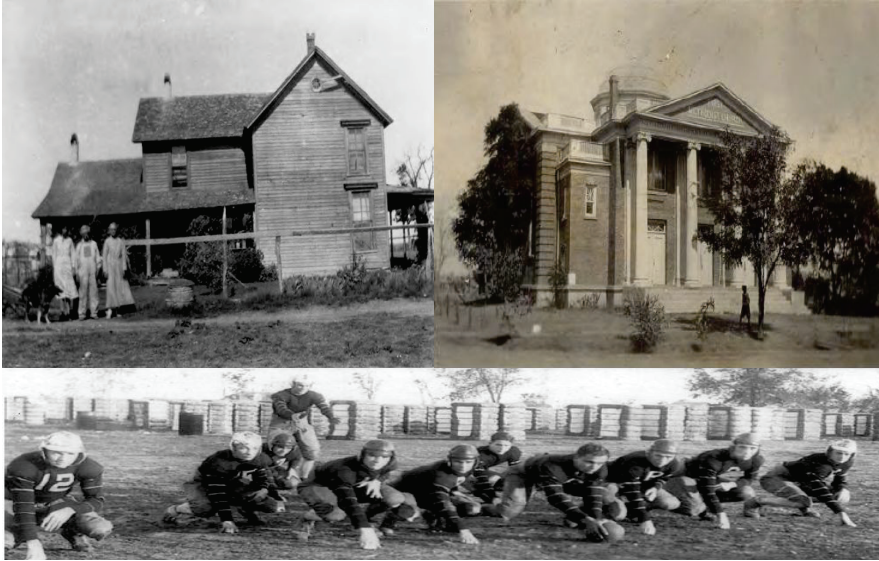
Funding will provide grants to help beautify existing aging buildings in the city. Prioritization will be given to key commercial areas that will attract more businesses and residents.

Public Engagement



New Funding by Strategic Focus - Public Engagement

Centennial Celebration



\$345,041

Lewisville was settled in 1844 but did not incorporate as a city until 1925, making 2025 the city's 100th birthday. To mark this momentous milestone, a Centennial Celebration Committee of 40-plus members has formed to plan and carry out a year-long celebration. Funding supports historical preservation, public events, and lasting memorial tributes.

New Funding by Strategic Focus - Public Engagement



Centennial Celebration Potential Items/Activities

- | | | |
|---------------------------------------|-----------------------|--------------------|
| Logo Creation | Merchandise to sell | Historical markers |
| Banner printing | Outdoor photo prop | Play commission |
| Website creation | Second-grade lessons | Play performances |
| Website hosting | Marco book | Business decals |
| Photo recreations | OTL pocket park name | Committee items |
| Video transcriptions | Park time capsule | Committee support |
| Trees for planting | Student art and essay | Promotional Items |
| Heritage trees | History video | Printing |
| Giveaway saplings | Year-long display | Advertising |
| Old Town Discoveries pavement markers | Rotating displays | |

Old Town Discoveries audio tour

\$266,893 is funded in General Fund, \$68,148 is funded in the Hotel/Motel Fund, and \$10,000 is funded in the Community Activities Fund. \$50,000 will come from existing Tree Mitigation Funds.

New Funding by Strategic Focus - Public Engagement

Well House Remodel and Operations (Centennial Celebration) - \$98,826



As part of the Centennial Celebration, \$98,826 in funding will be used for the remodel and continuous operation of the Well House, which would be used as a second location for a Visitors Information Center focused on historical tours and retail sales of Lewisville merchandise. Part of this will also look for ways to display the City's first jail cell, which is currently located within the wellhouse. The Well House was the first municipal facility in Lewisville and was constructed in 1927 to house the public water well. The building currently houses police Neighborhood Resource Officers after serving as the city's fire station in the 1940s. This breakdown includes:

\$64,153 for the remodel
\$34,673 for operational costs

85

New Funding by Strategic Focus - Public Engagement

Lewisville 2035 Vision Plan

As Lewisville enters its centennial year in 2025, the perceived “completion” date of the Lewisville 2025 vision plan also is upon us. This brings the opportunity for another wide-ranging public engagement process that will carry us into the age of the Lewisville 2035 vision plan. Funding will be used to hire a third-party consultant to lead this effort.

FY2025 One-Time Costs - \$500,000



86

New Funding by Strategic Focus - Public Engagement

Video Wall - \$215,993

\$210,331 in one-time PEG funding will be used to purchase an indoor/outdoor rated digital 1080P video wall. \$5,662 will be allocated in ongoing Technology Licensing & Maintenance funding for the annual maintenance and upkeep of the video wall.

The video wall will allow for outdoor usage during Sounds of Lewisville concerts on the Wayne Ferguson Plaza Stage and Western Days and can also be used for other City production operations.



Image source: <https://www.visionality.com/custom/video-walls/>



87

New Funding by Strategic Focus - Public Engagement

PLAY
LEWISVILLE



Nature on Wheels (NOW) Vehicle - \$51,811

This funding will provide LLELA's Nature on Wheels program with a dedicated vehicle to enhance its educational outreach capabilities and meet increasing community demand for environmental education.

88

New Funding by Strategic Focus - Public Engagement



Colorpalooza Decor - \$26,300

Decor items for the annual Colorpalooza event will be replaced using this dedicated funding. Items include color condition streamers, replacement flowers or decor for the water feature, expansion of the yarnbomb, stair applique art for city hall steps to match the steps at the Grand, sock hop art and merchandise items for resale.



Event Banner Installation - \$33,500

This funding will be used to award an annual contract for rotation of event banners and would include three locations for the over-the-street and the pole banner locations located throughout Old Town and major intersections.



Rotating Sculpture Exhibition - \$53,460

Funding will be used to create a rotating sculpture program in the soon-to-be renovated Lewisville Grand Theater courtyard. The courtyard design includes accommodations for six sculptures.

Personnel-Related Requests



New Personnel and Related Equipment

Park Inspector
\$70,137

To even the load and increase the efficiency/effectiveness of contract management for medians, this Park Inspector will be assigned to Legacy Lewisville contracts.

Two Detectives - Police
\$342,152

Funding has been allocated for two detectives, with one dedicated to the crimes against person unit. Funding also includes equipment.

Chief Mechanic
\$98,711

The new Chief Mechanic will enhance the efficiency and maintenance of emergency vehicles by extending coverage hours to the Fleet Division.

Facilities Technician - Public Services
\$128,581

This role will play a crucial part in ensuring the smooth operation and maintenance of our new facilities including Hedrick House, City Hall Lower Level, and the imminent completion of the new Public Safety Complex.

Mechanic - Public Services
\$77,699

The new mechanic will allow us to optimize the preventative maintenance schedule thereby minimizing downtime for both emergency vehicles and our white fleet.

91

Compensation Plan



\$3,850,378

Compensation Package

- 103% Market Adjustments
- 3% Merit Increase
- FTO Pay for Public Safety

92

Increased Personnel Resources

\$91,240

Increase Mental Health Offering at Wellness Works

Additional funding will be used to increase the time a behavioral health counselor is available at the wellness center. The current behavioral health counselor is fully booked and additional hours are needed.

\$47,500

Retain Deferred Compensation Consultant

This funding will allow Human Resources to retain a consultant for the City's deferred compensation plans. The consultant will help with vendor management, plan governance and employee engagement.



93

Training

Paramedic School Tuition - \$85,000

Funding will be used to allow 10 EMT-B Firefighters to attend an online paramedic academy. This will greatly improve the workload on the paramedic partner when responding to critical medical emergencies, and allow two paramedics on the Mobile Intensive Care Units (MICU) to improve the quality of care provided by the department to residents and those who visit or travel through Lewisville.



94

Public Safety Operations

Future Public Safety Staffing Needs

Total Cost: \$3,106,860

Funding for future staffing needs in the Police and Fire Departments - The current staffing study used by the Police Department (Matrix Study) is being reviewed to determine the appropriate staffing modifications based on reorganizations that have occurred in the Police Department within the last year. However, we know that there are several needs including Sergeants, Detectives, Dispatchers, Detention Officers, Admin staff, Patrol Officers, Property and Evidence Techs, etc. In addition, a truck company and the future implementation of 4-man staffing are currently being reviewed in the Fire Department (along with the actual apparatus costs). Grant funding has been requested to assist with both police and fire additional personnel costs. Staff anticipates a multi-year approach to meeting these needs. This funding represents phase 1.

95

Summary of Base Budget

New funding and the use of fund balance for Fiscal Year 2024-25 is being used primarily to implement the City Council's priority regarding *City Infrastructure and Facilities* at **50%** of expenditures.

The second highest category of expenditures is related personnel expenses at **38%**.

The remaining **12%** is spread throughout the other City Council priorities including 10 Minute Walk to a Park, Business 121 Corridor, Affordable Housing, and Beautification Initiatives.



96

Residential Municipal Cost of Service Comparison

RESIDENTIAL MUNICIPAL COST OF SERVICE COMPARISON

OVERALL RANK	CITY	POP. ⁽¹⁾	VALUE ⁽²⁾	HOMESTEAD VALUE	TAX RATE	HOMESTEAD EXEMPTION	CITY SALES TAX RATE	ANNUAL PROPERTY TAXES ⁽³⁾	ANNUAL WATER CHARGE ⁽⁴⁾	ANNUAL SEWER CHARGE ⁽⁵⁾	ANNUAL DRAINAGE CHARGE ⁽⁶⁾	ANNUAL SANITATION CHARGE ⁽⁷⁾	TOTAL ANNUAL CHARGE	COMBINED WATER & SEWER	SALES TAX	
1	Lewisville				132,620	\$	437,553		1,000	0.419079		0%			1.25%	1,834
4	Frisco	217,470	\$ 437,553	0.850	0.432205	15.0%	2.00%	1,607	747	861	60	221	3,496	1,608		0.0825
5	Georgetown	43,140	\$ 437,553	0.950	0.491818	5%	1.75%	2,044	684	511	48	238	3,525	1,195		0.0825
6	Farmers Branch	38,140	\$ 437,553	0.800	0.573559	20%	1.00%	2,008	1,043	575	0	0	3,626	1,618		0.0825
7	Allen	104,870	\$ 437,553	0.950	0.420500	5%	2.00%	1,748	844	794	42	222	3,650	1,638		0.0825
8	Addison	17,720	\$ 437,553	0.800	0.609822	20%	1.00%	2,135	684	637	144	163	3,763	1,321		0.0825
9	Arlington	399,560	\$ 437,553	0.800	0.589800	20%	2.00%	2,065	550	810	102	240	3,767	1,360		0.0825
10	Irving	261,350	\$ 437,553	0.800	0.589100	20%	1.00%	2,062	689	521	102	422	3,796	1,210		0.0825
11	Denton	146,750	\$ 437,553	0.995	0.560682	0.5%	1.50%	2,441	640	588	65	300	4,034	1,228		0.0825
12	Fort Worth	955,900	\$ 437,553	0.800	0.672500	20%	1.00%	2,354	720	751	69	227	4,121	1,471		0.0825
13	McKinney	206,460	\$ 437,553	1.000	0.427513	0%	2.00%	1,871	1,112	883	48	220	4,134	1,995		0.0825
14	Grand Prairie	199,780	\$ 437,553	0.875	0.660000	12.5%	1.75%	2,527	763	787	61	206	4,344	1,550		0.0825
15	Richardson	122,570	\$ 437,553	1.000	0.560950	0%	1.00%	2,454	1,131	676	51	252	4,564	1,807		0.0825
16	Dallas	1,321,740	\$ 437,553	0.800	0.739300	20%	1.00%	2,588	687	741	89	465	4,570	1,428		0.0825

**Discuss
Recommendation
for Unfunded
Items**

Unfunded - General Fund



Unfunded Item - Compensation Plan \$1,044,225 (GF)

1% Market Adjustments - \$775,628

Amount	Item	Description
\$760,835*	1% Market Adjustment - Full-Time	Market Adjustment increase that would be given October 1.
\$14,793*	1% Market Adjustment - Part-Time	Market Adjustment increase that would be given October 1.

*General Fund only - Base budget in the General Fund includes a 103% Market increase (\$2,305,548) for Full-Time and a 103% Market increase (\$44,829) for Part-Time.

Unfunded Item - Compensation Plan continued

1% Merit Increase - \$268,597

Amount	Item	Description
\$229,580*	1% Merit Increase - Full-Time	Merit increase that would be given once a full-time employee receives a satisfactory annual performance review.
\$39,017*	1% Merit Increase - Part-Time	Merit increase that would be given once a part-time employee receives a satisfactory annual performance review.

*General Fund only - Base budget in the General Fund includes a 3% Merit increase (\$688,734) for Full-Time and a 3% Merit increase (\$117,055) for Part-Time.

101

Unfunded Item - Compensation Plan Continued

2024 Compensation Plan - 1% Merit Increase and 1% Market Adjustment Impact to Other Funds

Overall Total Cost: \$1,277,079

Fund	Merit(%)	Market(%)
101	\$268,597	\$775,628
230	\$3,258	\$0
231	\$2,794	\$1,407
235	\$208	\$0
255	\$4,125	\$0
280	\$2,026	\$0
285	\$8,388	\$40,548
286	\$8,016	\$53,806
402	\$40,175	\$23,487
430	\$5,712	\$0
503	\$2,059	\$0
794	\$20,783	\$16,062
Total	\$366,141	\$910,938

102


Unfunded Item - SRO for Lewisville High School

LHS @ 50%/50% Sharing

Amount	Item	Description
\$88,668 One-Time - \$18,811 Ongoing - \$69,857	School Resource Officer - LHS @ 50%/50% Sharing	LISD has a long-standing partnership with the LPD to share costs for SROs to cover key campuses. At the LHS Main Campus, there is 1 SRO and 1 SRO Sergeant. This request seeks to add a second SRO at the LHS main campus to free up the SRO Sergeant and allow them to tend to all SROs as the supervisor, and also assist at campuses where no SRO is present (i.e. elementary campuses). LISD will fund 50% of the officer's salary and benefits, and LPD will fund the remaining 50%.

103

Unfunded Item - Infrastructure Funding - Street Maintenance

Amount	Item	Description
\$3,859,747	Street Maintenance Funding Increase 	This unfunded street maintenance request is for an additional \$3.8M for general street maintenance capital expenditures based on the Infrastructure Funding Analysis performed in 2023.

104

Unfunded Item - Beautification Initiatives - \$414,950



FY 2025 Beautification Initiatives

- Code Enforcement postage, contracts, overtime, & fuel - \$26,050 ongoing
- Plant material for medians - \$56,000 one-time
- Monthly community cleanup support - \$4,200 ongoing
- Volunteer registration expenses - \$5,000 ongoing
- Plant material for screening walls - \$62,500 one-time
- Utility expenses for new plant material - \$1,200 ongoing
- Irrigation for screening walls - \$20,000 one-time
- Hardscape refresh along Business 121 between Valley Ridge Parkway & FM 544 to mitigate trash and debris accumulation due to industrial and waste traffic - \$240,000 one-time

Total: \$36,450 ongoing; \$378,500 one-time

Note: \$500,000 is budgeted separately in the General Fund base budget for one-time beautification grants.

105

Unfunded Item - Training Package



Unfunded Training Package - \$44,623

This is a request for additional funds to address the city's growing need for professional development and training. Extra funds would be allocated to the following departments:

- City Secretary's Office - \$5,225
- City Attorney's Office - \$4,923
- Neighborhood and Inspection Services - \$5,975
- ITS - \$8,500
- Additional employee learning and development to be offered through the Human Resources department to all employees - \$20,000.

Total FY 2025 Funding Request: \$44,623

106

Unfunded Item - GIS Analyst

Amount	Item	Description
<p>\$97,166</p> <p>One -Time - \$2,400</p> <p>Ongoing - \$94,766</p>	<p>GIS Analyst dedicated to Public Services</p>	<p>This request would fund a GIS Analyst dedicated to completing GIS projects requested by the Public Services department. The number and complexity of GIS projects requested by the Public Services department has greatly increased in the past year as more focus has been placed on managing infrastructure assets in a database-first approach. GIS projects being requested by the Public Services department require a GIS employee with this higher skill set.</p>

107

Unfunded Item - Paralegal

Amount	Item	Description
<p>\$122,682</p> <p>One-Time - \$2,950</p> <p>Ongoing - \$119,732</p>	<p>Paralegal</p>	<p>Full Time Paralegal position dedicated to assisting the Prosecutor is needed due to an increase in discovery and pretrial preparation workload for the Prosecutor over the past five years.</p>



108

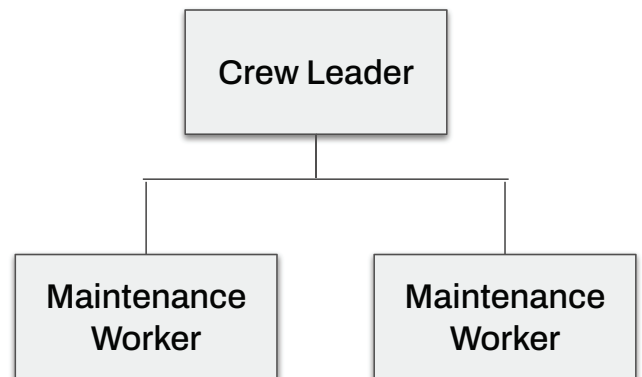
Unfunded Item - Electronic Communications Archiving

Amount	Item	Description
<p>\$74,177</p> <p>One -Time - \$9,620</p> <p>Ongoing - \$64,557</p>	<p>Electronic Communications Archiving</p>	<p>This request would fund the expansion of open records system to include platforms and service that have not previously been archived. This will allow for more accurate and timely responses to Public Information Act Requests. \$121,342 ongoing cost is offset by existing funding of \$56,785.</p>



109

Unfunded Item - Strike Team - \$397,172



Ongoing cost: \$296,127
 One-time cost: \$101,045

110

General Fund

2025 Compensation Plan - 1% Market (\$775,628) and 1% Merit (\$268,597) - \$1,044,225

School Resource Officer - LHS @ 50%/50% Sharing - \$88,668

Infrastructure - Street Maintenance Funding - \$3,859,747

Beautification Initiatives - \$414,950

Increased Training Opportunities - \$44,623

GIS Analyst (Public Services) - \$97,166

Paralegal - \$122,682

Electronic Communications Archiving - \$74,177

Strike Team - \$397,172

111

**Tax Rate
Information**

112

Certified Rolls & Rate Calculation

- By July 25, the chief appraiser shall prepare and certify to the taxing districts their appraisal roll. Approved property values must be at 95% or greater for the appraisal district to provide certified rolls (less than 5% can be under review).
- If more than 5% of the values are still under review or protest on July 25, the appraisal district may provide certified estimates in lieu of certified rolls.
- For FY 2025, approved values for both Dallas and Denton Appraisal Districts exceeded 95%, so the City was provided certified rolls to perform the tax rate calculations.

113

Truth-in-Taxation

Current Texas Tax Code and Local Government Code contains the Truth-in-Taxation concept, which requires the calculation of two rates, No-New-Revenue and Voter Approval Rates.

- **No-New-Revenue Rate**
 - Rate that provides the City with the same amount of revenues as the previous year on properties taxed in both years - 2024 No-New-Revenue Rate: **.408408**
- **Voter-Approval Rate**
 - Highest rate that may be adopted before triggering an automatic election to limit the rate
 - Provides the same amount of tax revenue as the previous year for M&O, plus 3.5% - 2024 M&O Voter-Approval Rate: **.297283**
 - Debt Service (I&S) portion = debt payments/property values - 2024 I&S Rate: **.122320**
 - Debt payments can be offset with other resources (fund balance, 4B, UF, TIRZ funds)
- **Voter-Approval Rate - Adjusted for Unused Increment**
 - Unused increment is the rate equal to the difference between the adopted and voter-approval rate
 - Unused increment available for 2024: **.002832**
 - 2024 M&O Voter Approval Rate, including unused increment: **.422435**
- **Current Tax Rate - .419079**

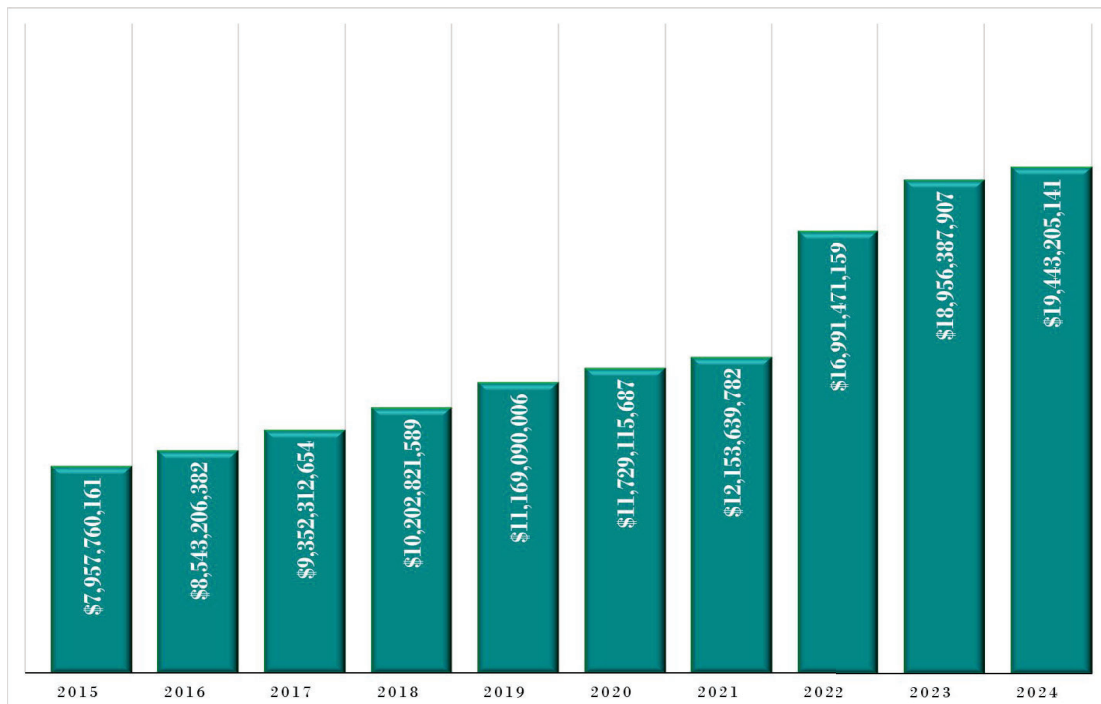
114

Property Net Tax Value Increased by 11.56%

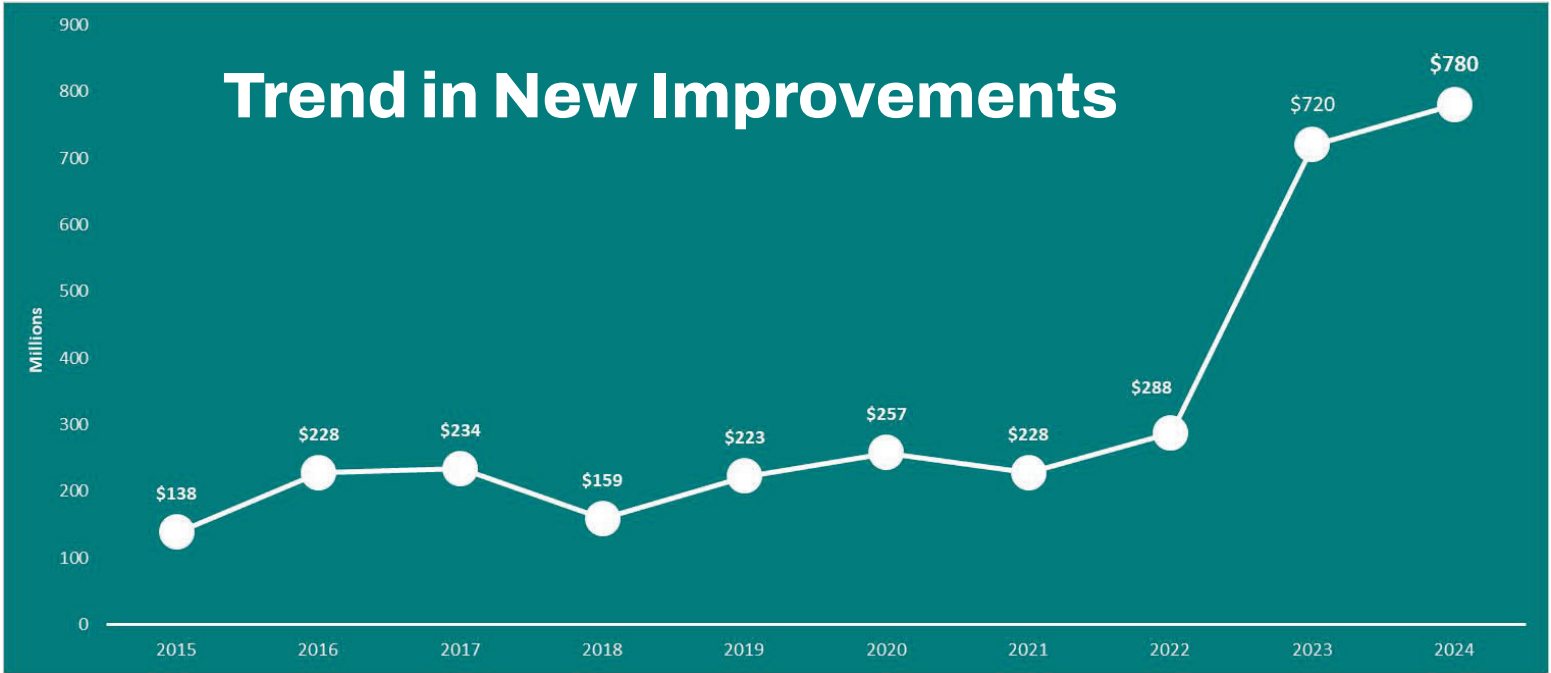
Values		
2023-24 Certified Net Taxable	\$18,956,387,907	
2023-24 Final Taxable Value (includes supplemental roll adjustments)	\$18,470,963,363	
2024-25 Certified Net Taxable	\$19,443,205,141	+2.57% +5.26%
<i>2.57% above 23-24 Certified Roll and 5.26% above Final Roll</i>		
New Value - Improvements		
2022-23	\$719,788,145	
2023-24	\$780,353,968	
Change	\$60,565,823	8.41%

115

Lewisville Net Taxable Assessed Value



116

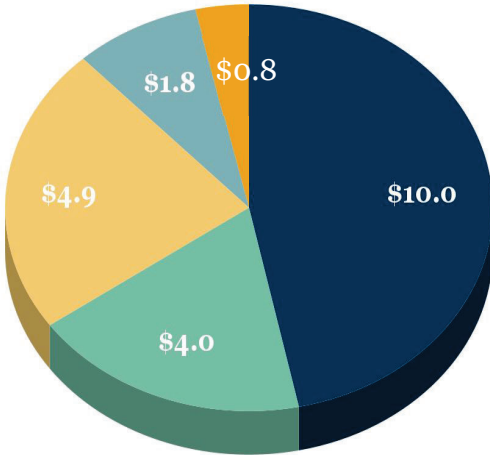


Diversified Tax Base (Assessed Value)

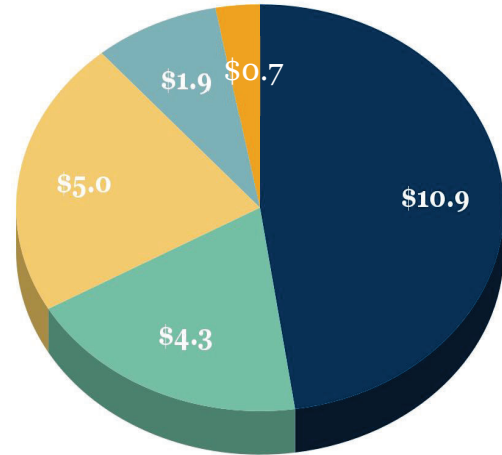
PROPERTY USE CATEGORY	2023			% 2023 Base	2024			DIFFERENCE 2024 vs. 2023	% CHANGE CATEGORY	% 2024 Base
	APPROVED	UNDER REVIEW	TOTAL		APPROVED	UNDER REVIEW	TOTAL			
A: Real, Single-Family Residential	9,877,800,106	158,132,967	10,035,933,073	46.70%	10,864,677,348	23,642,101	10,888,319,449	852,386,376	8.49%	47.69%
B: Real, Multi-Family Residential	3,971,261,715	240,277	3,971,501,992	18.48%	4,343,090,674	192,089	4,343,282,763	371,780,771	9.36%	19.02%
C: Real, Vacant Lots & Tracts	303,723,020	1,237,399	304,960,419	1.42%	245,712,624	2,166,695	247,879,319	(57,081,100)	-18.72%	1.09%
D: Real, Qualified Open Space & Impr	62,285	-	62,285	0.00%	57,241	-	57,241	(5,044)	-8.10%	0.00%
E: Real, Non-Qualified Rural Land & Impr	36,562,857	2,463,850	39,026,707	0.18%	45,983,705	232,293	46,215,998	7,189,291	18.42%	0.20%
F: Real, Commercial & Industrial	4,895,606,474	28,772,834	4,924,379,308	22.91%	5,032,568,831	846,677	5,033,415,508	109,036,200	2.21%	22.05%
G: Real, Oil, Gas, & Other Mineral Interests	1,268,490	-	1,268,490	0.01%	1,350,981	-	1,350,981	82,491	6.50%	0.01%
H: Tangible Personal, Vehicles & GIT	-	-	-	0.00%	-	-	-	-	-	0.00%
J: Real & Intangible Personal, Utilities	247,930,472	-	247,930,472	1.15%	238,742,915	373,244	239,116,159	(8,814,313)	-3.56%	1.05%
L: Personal Property, Business	1,791,305,450	7,998,324	1,799,303,774	8.37%	1,882,196,962	13,259,337	1,895,456,299	96,152,525	5.34%	8.30%
M: Personal Property, Mobile Homes & Other	17,476,671	-	17,476,671	0.08%	20,213,940	-	20,213,940	2,737,269	15.66%	0.09%
N: Intangible Personal Property	-	-	-	0.00%	-	-	-	-	-	0.00%
O: Real, Residential Inventory	52,471,595	-	52,471,595	0.24%	23,465,562	-	23,465,562	(29,006,033)	-55.28%	0.10%
S: Special Inventory	95,740,719	-	95,740,719	0.45%	92,586,440	-	92,586,440	(3,154,279)	-3.29%	0.41%
Total Appraised Value	21,291,209,854	198,845,651	21,490,055,505	100.00%	22,790,647,223	40,712,436	22,831,359,659	1,341,304,154	6.24%	100.00%
Total Exempt Property	956,545,544	-	956,545,544	100.00%	953,723,917	-	953,723,917	(2,821,627)	-0.29%	100.00%

Diversified Tax Base - Assessed Values

2023-24 Assessed Value
(in Billions)



2024-25 Assessed Value
(in Billions)

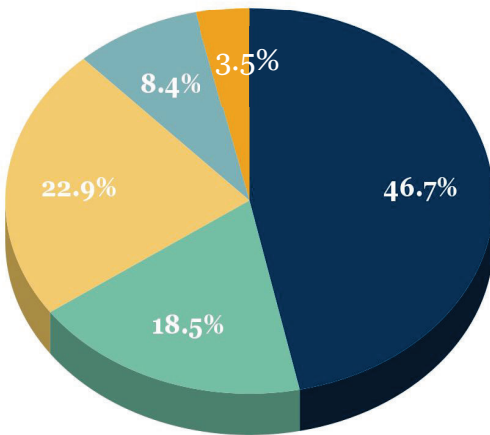


● Single Family ● Multi Family ● Commercial ● Business PP ● Other

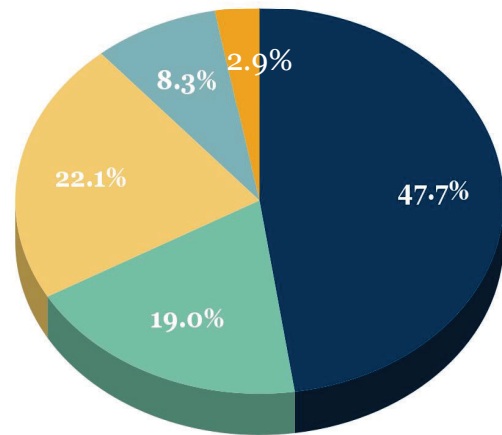
● Single Family ● Multi Family ● Commercial ● Business PP ● Other

Diversified Tax Base - Percent of Assessed Value

2023-24 Percent of Total
Assessed Value



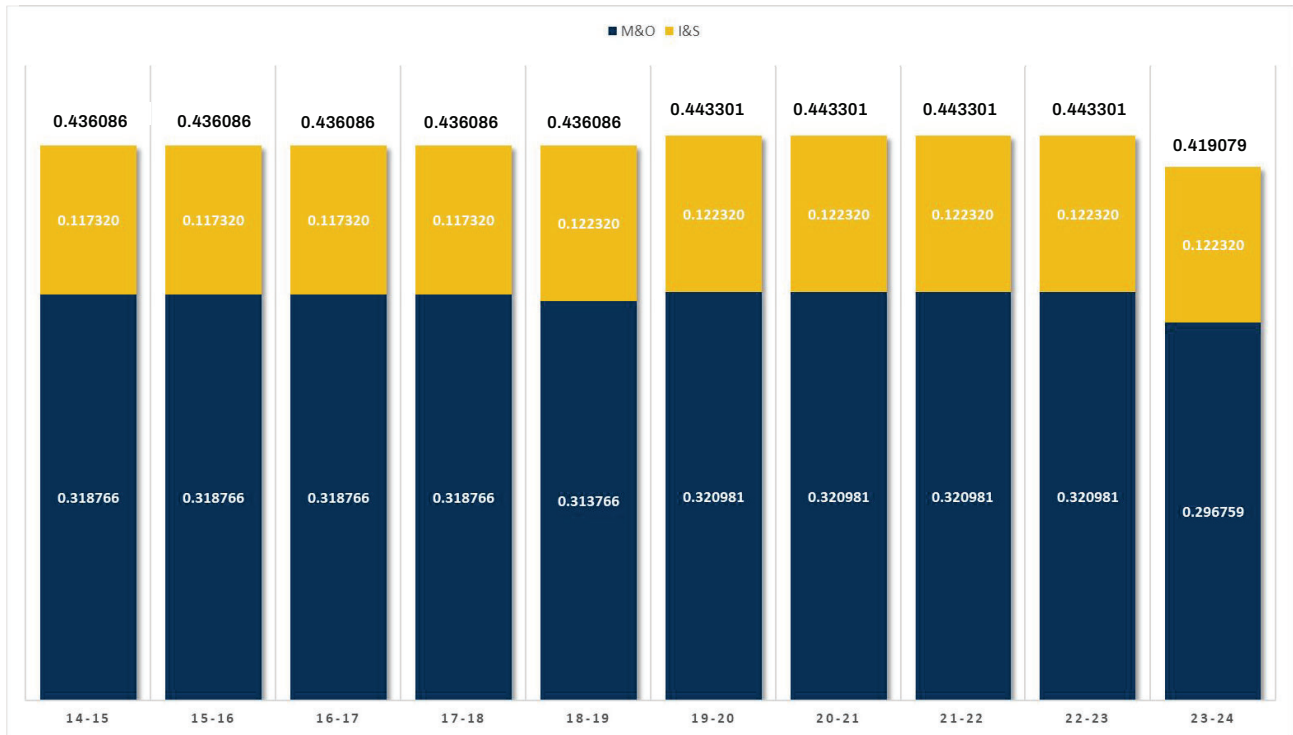
2024-25 Percent of Total
Assessed Value



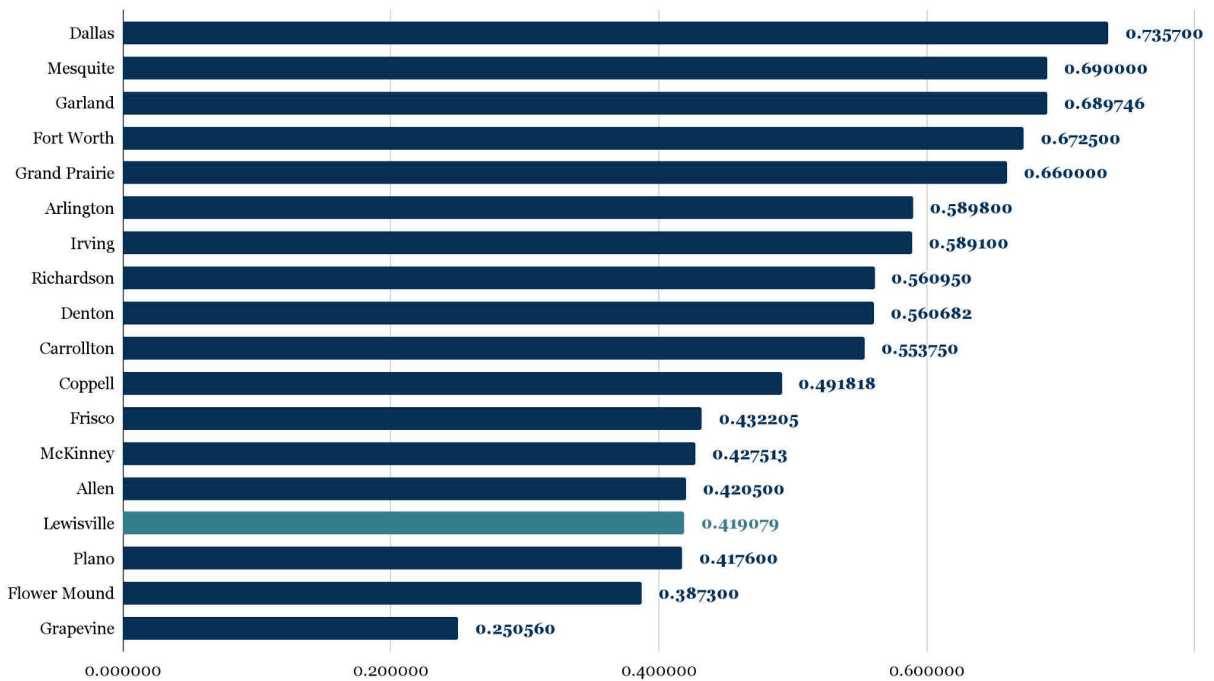
● Single Family ● Multi Family ● Commercial ● Business PP ● Other

● Single Family ● Multi Family ● Commercial ● Business PP ● Other

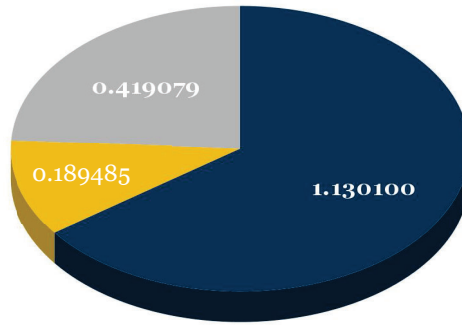
Property Tax Rate History



FY 2023-24 Tax Rate Comparison



Tax Year 2023 Rates



● Lewisville ISD ● Denton County ● City of Lewisville

Entity	M&O	I&S	Total
Lewisville ISD	0.749200	0.380900	1.130100
Denton County	0.146366	0.043119	0.189485
City of Lewisville	0.296759	0.122320	0.419079

Each 1 cent =

\$2,049,000

in City revenue annually

Property Tax Rate Options

Scenario	O&M Rate	Debt Rate	Total O&M Levy	Tax Freeze General Fund	Less: TIRZ	Total Property Tax General Fund	Total Property Tax Debt	Combined Tax Rate	Additional GF Revenue	(FB Used) FB Increase
Base O/M; Current Debt	0.284504	0.122320	61,999,747	3,057,612	8,899,084	56,158,274	24,175,771	0.406824	0	(960,197)
Current Rate	0.296759	0.122320	64,595,598	3,096,053	9,109,027	58,582,623	24,175,771	0.419079	2,424,349	(960,197)
Total No-New-Revenue Rate	0.287230	0.121178	62,560,923	3,074,935	8,899,084	56,736,774	23,950,062	0.408408	578,500	(1,185,906)
Voter-Approval (VAR)	0.297283	0.122320	64,706,594	3,097,646	9,120,417	58,683,823	24,175,771	0.419603	2,525,549	(960,197)
Voter-Approval - with Unused Increment	0.300115	0.122320	65,306,482	3,106,191	9,181,973	59,230,700	24,175,771	0.422435	3,072,426	(960,197)

125

Sample Tax Bill Comparison

Median Home Value 2023-2024: **\$351,567**

Median Home Value 2024-2025: **\$371,349**

	Tax Rate Options	2023-2024 Tax Value	2024-2025 Tax Value	\$ Change	% Change
Base O/M; Current Debt	0.406824	1,430.26	1,510.74	80.48	5.63%
Current Rate	0.419079	1,473.34	1,556.25	82.90	5.63%
Total No-New-Revenue Rate	0.408408	1,435.83	1,516.62	80.79	5.63%
Voter-Approval (VAR)	0.419603	1,475.19	1,558.19	83.01	5.63%
Voter-Approval - with Unused Increment	0.422435	1,485.14	1,568.71	83.57	5.63%

- The projected increase in property tax for 2024-2025 at the Voter Approval Rate is approximately \$6.92 per month.
- The projected increase in property tax for 2024-2025 at the Voter Approval Rate with Unused Increment is approximately \$6.96 per month.

126

Staff Recommendation

- Staff recommendation is to levy the voter-approval rate (no unused increment) - **.419603**
 - No-New-Revenue rate lowers base budget revenue and requires more funding from debt reserves than is currently available
 - Needs identified on the unfunded list
 - Support for maintaining bond ratings
- Rate breakdown:
 - **.297283** O&M
 - **.122320** I&S
- This rate provides **\$2,525,549** in ongoing revenue to be allocated.

127

General Fund

2025 Compensation Plan - 1% Market (\$775,628) and 1% Merit (\$268,597) - \$1,044,225

School Resource Officer - LHS @ 50%/50% Sharing - \$88,668

Infrastructure Street Maintenance Funding - \$3,859,747

Beautification Initiatives - \$414,950 (\$36,450 ongoing)

Increased Training Opportunities - \$44,623

GIS Analyst (Public Services) - \$97,166

Paralegal - \$122,682

Electronic Communications Archiving - \$74,177

Strike Team - \$397,172 (\$296,127 ongoing)

128

Discussion of Utility Rates

Average Monthly Water/Sewer Utility Charge and Percent Increase

Legacy Lewisville Utility Customers - Based on 10k gallons water/6k gallons sewer

Year	Water	Sewer	Total	Percent Change
2017	\$39.18	\$23.35	\$62.53	3.50%
2018	\$41.51	\$24.77	\$66.28	6.00%
2019	\$41.51	\$24.77	\$66.28	0.00%
2020	\$41.91	\$25.02	\$66.93	1.00%
2021	\$45.28	\$25.92	\$71.20	6.40%
2022	\$47.82	\$26.84	\$74.66	4.90%
2023	\$50.24	\$27.84	\$78.08	4.30%
2024	\$52.74	\$28.67	\$81.41	4.30%
2025 (proj.)	\$58.69	\$30.59	\$89.28	9.70%

Updated rate plan prepared by NewGen Strategies indicates the need for a 9.7% change for FY 2024-25. Projected rate changes for subsequent years will be reviewed annually.

Average Monthly Water/Sewer Utility Charge and Percent Increase

Castle Hills Area Utility Customers - Based on 10k gallons water/6k gallons sewer

Year	Water	Sewer	Total	Percent Change
2022	\$64.67	\$40.10	\$104.77	
2023	\$64.67	\$40.10	\$104.77	0.00%
2024	\$64.67	\$40.10	\$104.77	0.00%
2025 (proj.)	\$65.87	\$38.90	\$104.77	0.00%



The proposed rate plan presented at Council Retreat in March 2021 by NewGen Strategies anticipates holding rates flat through FY 2024-25. The overall difference in rates charged Castle Hills area and legacy Lewisville customers is due to higher costs for purchased water (Upper Trinity versus Dallas Water Utilities) and debt service obligations of the Castle Hills area utility system.

UTILITY RATE-SETTING GOALS

- Overall Goals:
 - Continue movement towards equitable and sufficient rate structure for the combined set of customers (Lewisville and Castle Hills)
 - Ensure sufficient cost recovery (Revenue Generation)
 - Plan for future capital investment with a goal of maintaining and potentially increasing cash funding (Capital Reinvestment)
 - Maintain and enhance financial metrics (Reserves, Debt Service Coverage)
 - Continue to monitor affordability of service to customers

CURRENT WATER RATES COMPARISON

Base Rate

Base Charge	Legacy Lewisville		Castle Hills Area	
		Base Rate		Base Rate
3/4" or less	\$	24.18	\$	34.75
1"		24.18		34.75
1 1/2"		80.52		115.72
2"		128.88		185.22
3"		241.80		405.53
4"		403.09		729.75
6"		805.92		1,621.78
8"		1,289.52		2,780.00
10"		1,853.88		4,401.78

133

CURRENT WATER RATES COMPARISON

Volumetric Rate

Vol. Charge	Legacy Lewisville		Castle Hills Area	
	Residential	Commercial	Residential	Commercial
Per 1,000 gal				
2,001 – 15,000	\$3.57	\$3.57	\$3.74	\$4.00
15,001 – 25,000	3.78	3.57	4.24	4.50
25,001 – 35,000	3.78	3.57	5.06	5.71
35,001 – 45,000	4.53	3.57	6.06	6.71
45,001 – 50,000	4.53	3.57	7.06	7.71
50,001 – 55,000	5.36	3.57	7.06	7.71
55,001 +	5.36	3.57	8.06	8.71

- Conservation-based rate structure put in place to encourage the efficient use of water by charging customers more as water use increase.

134

WATER RATES STRATEGY

- **Fixed Charge**

- Maintain 2,000 gallons in minimum bill to protect fixed income customers
- Continue phase-in process to AWWA Equivalency Factors for meters 1 ½” and larger

- **Volumetric Charge**

- Continue process of implementing conservation-based rate structure for Residential Class (increasing conservation signal)
- Migrate legacy Lewisville customers to volumetric tier structure used for Castle Hills area customers

- **Continue to Monitor Customer Affordability/ Mitigate Rate Shock**

- Next Adjustment October 2024

CURRENT SEWER RATES COMPARISON

	Legacy Lewisville		Castle Hills Area	
	Residential	Commercial	Residential	Commercial
Minimum Charge	\$ 10.23	\$ 11.88	\$ 10.70	\$ 16.45
Volumetric Charge				
0 - 2,000			\$ 4.90	\$ 5.38
2,000 gallons +	\$ 4.61	\$ 4.39	\$ 4.90	\$ 5.38

- Billed sewer flow for all Residential Customers (Legacy Lewisville and Castle Hills area) based on Winter Average water use
- Billed sewer flow for Commercial Customers based on actual water use

SEWER RATES STRATEGY

- ***Fixed Charge***

- Maintain 2,000 gallons in minimum bill for our legacy Lewisville customers
- Migrate towards including 2,000 gallons in base bill for our Castle Hills customers

- ***Volumetric Charge***

- Maintain structure and continue rate plan

- ***Continue to Monitor Customer Affordability/
Mitigate Rate Shock***

- Next Adjustment October 2024

137

FINANCIAL / CAPITAL PLANNING

138

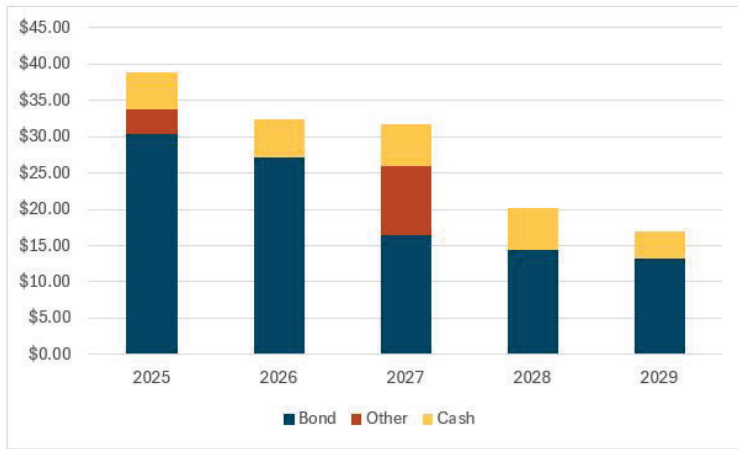
CAPITAL PLANNING / FUNDING

- Debt rating agencies continue to place emphasis on the “financial leverage” (i.e., debt load) of utilities
- Fitch, April 2019
 - Adopted new ratings criteria which will likely result in upgrades for utilities with “relatively low leverage, and downgrades resulting from the recognition of higher leverage and/or elevated operating risk”
 - Potential for future methodology changes for revenue bonds that could impact ratings
- From FY 2025 to FY 2029, estimated capital needs for the utility total over \$140 million
 - The City should continue to evaluate its planned capital funding going forward and, where possible, carefully balance its use of cash and debt

Water/Sewer Capital Projects

Project Name	Base Cost
Midway Branch Lift Station and Force Main	\$15,768,385
Combined Pump Station and Clearwell	\$12,345,000
Wastewater Treatment Plant Aeration Basin Expansion	\$10,000,000
Miscellaneous Water/Sanitary Sewer Line Replacement	\$750,000
Total	\$38,863,382

Note: Projects shown requiring funding in the upcoming fiscal year are being driven by new development currently underway.



PROJECTED CIP FUNDING

	2025	2026	2027	2028	2029
Cash	\$ 5,141,888	\$ 5,262,500	\$ 5,699,000	\$ 5,801,500	\$ 3,635,000
Other	3,300,000	-	9,500,000	-	-
Bond	30,421,494	27,152,350	16,477,500	14,361,000	13,261,200
Total	\$ 38,863,382	\$ 32,414,850	\$ 31,676,500	\$ 20,162,500	\$ 16,896,200
% Cash/Other Funded	21.7%	16.2%	48.0%	28.8%	21.5%
% Bond Funded	78.3%	83.8%	52.0%	71.2%	78.5%

COMBINED WATER AND SEWER BILL IMPACT

RESIDENTIAL CUSTOMER MONTHLY BILL RATE INCREASE IMPACT - LEWISVILLE

3/4" Meter

10,000 gallons
water/ 6,000 gallons
sewer

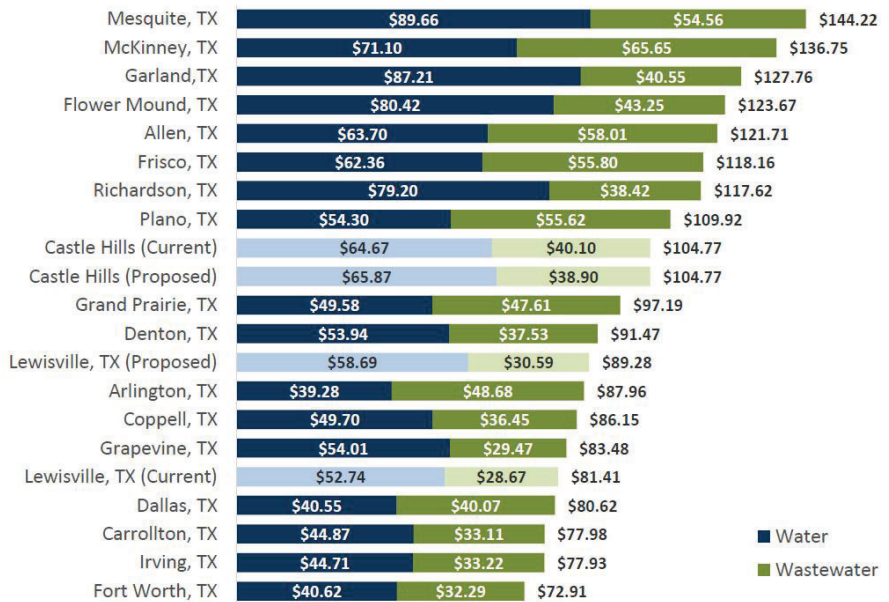
Residential 3/4" Bill (10,000 gallons water / 6,000 gallons sewer)



REGIONAL COMPARISON

Average
Residential
Customer Bill

Residential 3/4" Monthly Bill for 10,000 gal water / 6,000 gal sewer



RATE INCREASE IMPACTS

Average Residential Customer Bill

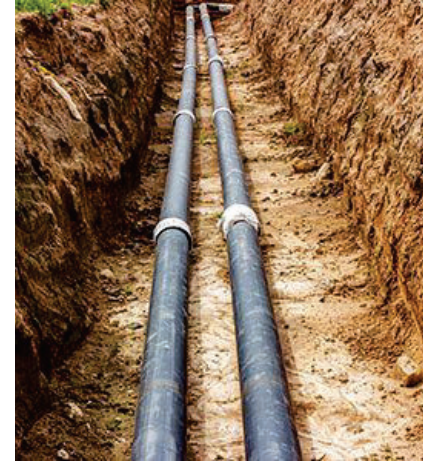
- Annual rate study performed to determine rates sufficient to support ongoing utility operations and an expanded capital program
- Considerations made for legacy Lewisville and Castle Hills area utility customers
 - Monthly increase to average legacy Lewisville customer is \$7.87
 - No change to monthly rate for Castle Hills area customers
- Projected increase in revenue available to support utility infrastructure improvements is \$4,346,000

Unfunded - Utility Fund



Unfunded Item - Utility Infrastructure Funding for Capital Projects

Amount	Item	Description
\$4,502,831	Cash Funding for Utility Capital Projects	This action step provides cash funding for utility capital projects needed in FY 2024-25 per Water & Sewer CIP.



147

Stormwater Drainage Fees

- Stormwater fee was established in FY 2017-18.
- No adjustments to the rate had been made through FY2022.
- NewGen was engaged in May 2022 to review the performance of the City's Stormwater Utility.
- Goal of the study was to determine adjustments needed to maintain the financial integrity of the fund while ensuring sufficient resources for capital investment.
 - Estimated cost of projects in May 2022 was \$92.3 million.
 - Project listing updated as part of the Blue Ribbon process.
 - Drainage projects to be completed as part of a street project will be funded through GO bonds.
 - Current estimated cost of projects to be funded through the drainage fee is \$101.8 million.

148

Stormwater Drainage Fees

- Third year of three-year plan for rate adjustments.
- Current rates:
 - Single-Family Residential - \$6.00 per month
 - Non-Single-Family - \$2.14 per 1,000 square feet of impervious area
- Proposed rates:
 - Single-Family Residential - \$7.00 per month
 - Non-Single-Family - \$2.50 per 1,000 square feet of impervious area

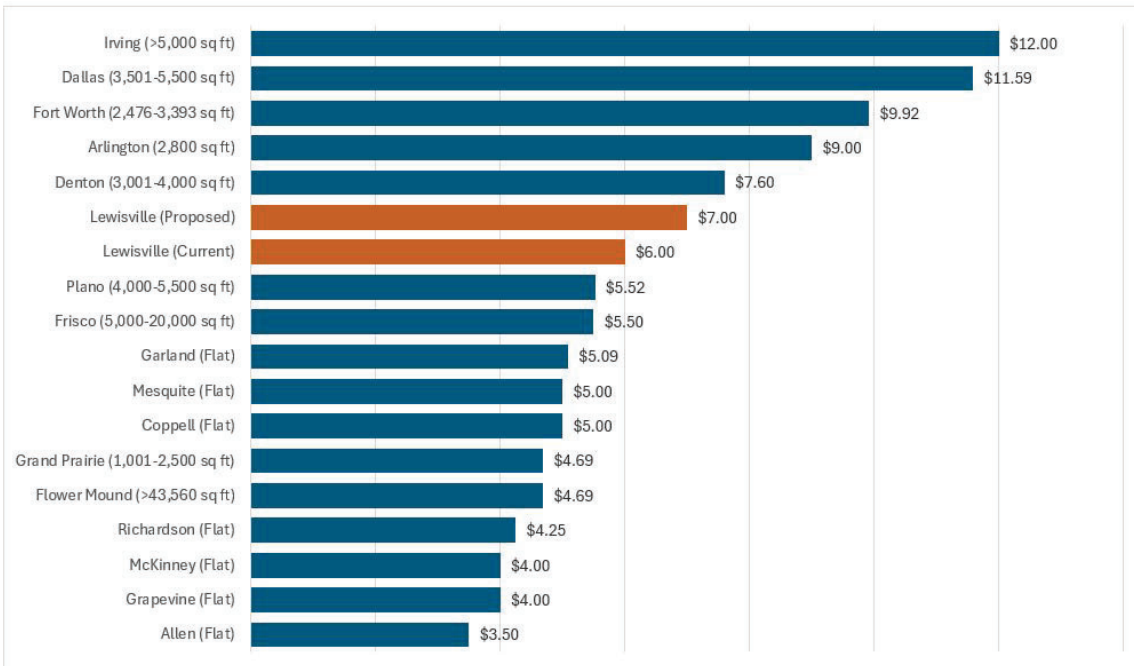
Drainage Capital Projects

Project Name	Base Cost
Railroad Culvert Upgrade - DART Railroad	\$7,077,670
College Street Culverts - DART ROW	\$5,308,253
Timber Creek Erosion Improvements - Valley Parkway to Edmonds	\$10,616,505
Old Town Drainage - Phase IV	\$7,962,379
Fox Creek Improvements - Bellaire Boulevard to Timber Creek	\$2,034,830
Timber Creek Improvements - Edmonds to SH121	\$12,716,727
Timber Creek Improvements - SH121 to IH-35E	\$12,870,589
East College Street Drainage Improvements	\$3,554,221
Timber Creek Channel Dredging - East of IH-35E	\$22,094,640
Lewisville Valley 2 - Jupiter and Laramie Storm Sewer Capacity	\$3,008,010
Bennett Lane Culvert Improvements	\$1,769,418

Drainage Capital Projects

Project Name	Base Cost
Channel Improvements - Alvin Turner Park to McKenzie	\$2,134,841
Drainage Channel Improvements - DCTA Maintenance Facility to Bennett Lane	\$3,846,560
Channel and Culvert Improvements - High School Drive and Mill Street	\$1,923,280
Channel Improvements - McKenzie Street to Purnell Street	\$1,923,280
Channel Improvements - Oakcreek Estates	\$2,984,930
Total	\$101,826,133

Regional Drainage Bill Comparison* (Residential Medium Sq Ft)



* Comparison based on data available as of July 2023

Stormwater Drainage Fees - Impacts to Non-Residential

- Impacts to non-residential customers of the impervious surface fee on small, medium, and large parcels
- Third year of three-year plan

	2024	2025	Change	Current Monthly Fee	New Monthly Fee	Increase
<i>Total Increase of \$1.07 per 2,800 of impervious surface over three-year period (2023-2025)</i>						
Small Parcel (Starbucks)	\$2.14	\$2.50	\$0.36	\$9.20	\$10.75	\$1.55
Medium Parcel (Toyota)	\$2.14	\$2.50	\$0.36	\$591.24	\$690.70	\$99.46
Large Parcel (Sam's Club/WM)	\$2.14	\$2.50	\$0.36	\$1,631.32	\$1,905.75	\$274.43

153

Stormwater Drainage Fees - Recommendation

- Continue with year three increase (of three-year plan) of stormwater fee to allow for needed capital investment.
 - Provides support for projects identified during the Blue Ribbon process (those not funded with GO bonds).
 - Risk of not making investment is potential flooding/drainage issues resulting in impacts to quality of life and potential loss of property.
- Projected increase in revenue available to support stormwater projects with increase.
 - \$1,130,000, would be transferred to Stormwater CIP

154



**Council
Action**