



Chapter 1: The Threshold – Artists: Lesli Marshall, Drew Merritt, David “Rabi” Torres – Features sketches from H.R. “Bum” Bright”

Tranquility – Artist: Pattie Gardebled

Fighting Farmers Pride – Artist: Jakelyn Lopez

Poppies and Bluebonnets – Artist: Brenda Gribbin

FY 2022-23 MID-YEAR REPORT

City of Lewisville

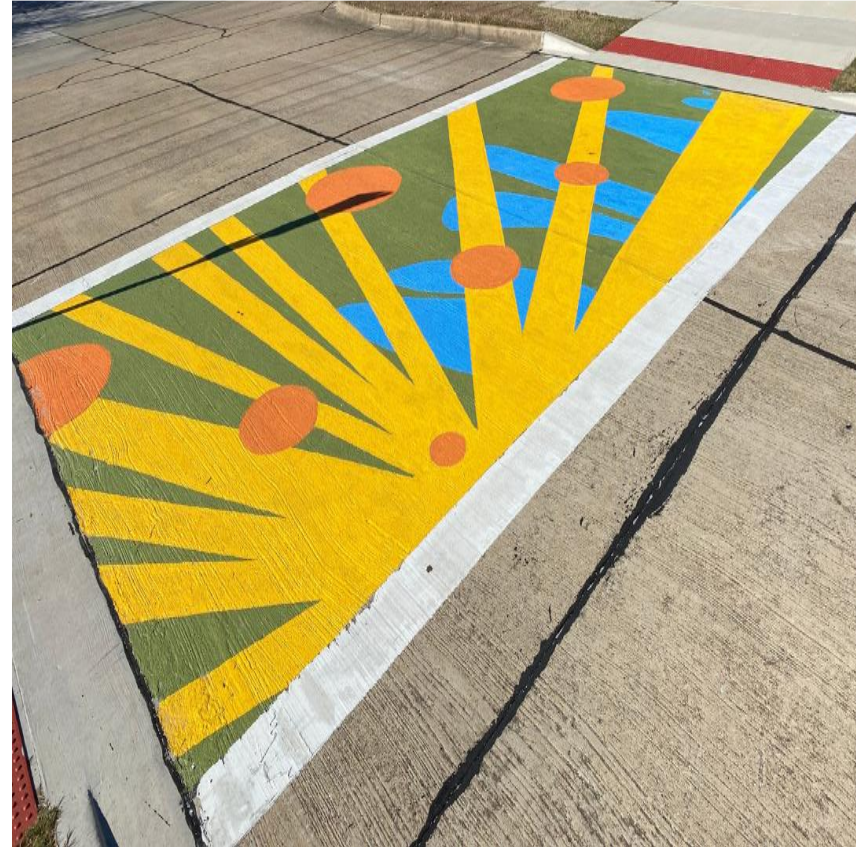
REVENUE OUTLOOK



The Heartbeat of LLELA – Artist: Kendra L. Brown and Juan Ramos

HDL COMPANIES ECONOMIC OUTLOOK

- City's Consultant for Sales and Hotel Occupancy Tax Monitoring
- Ongoing debate regarding recession, however, the Texas economy is poised to remain on the positive side of the debate
 - Corporate investment fueling construction
 - Manufacturing activity
 - Positive employment conditions
 - Net positive population growth
- All eight business categories are projected to produce positive year-over-year trends in sales and use tax
- Higher interest rates and borrowing costs are expected to cool down the state's housing market, leading to declines in residential permits in the year ahead



Good Morning Sunshine –
Artist: Cindy Mears

Texas Petals Twist – Artist:
“Glo” Gloria Montellano



Construction & Manufacturing

2Q23 4% | 3Q23 4% | 4Q23 4%
1Q24 4% | 2Q-4Q24 3.3%



General Retail

2Q23 2% | 3Q23 2% | 4Q23 2%
1Q24 2% | 2Q-4Q24 2.7%



Internet Retail

2Q23 8% | 3Q23 5% | 4Q23 5%
1Q24 4% | 2Q-4Q24 4.0%



Grocery Stores & Pharmacy

2Q23 4% | 3Q23 4% | 4Q23 4%
1Q24 2% | 2Q-4Q24 2.0%



Restaurants & Entertainment

2Q23 7% | 3Q23 6% | 4Q23 7%
1Q24 3% | 2Q-4Q24 3.7%



Professional & Financial Services

2Q23 5% | 3Q23 4% | 4Q23 5%
1Q24 5% | 2Q-4Q24 4.3%



Utilities & Other Service Providers

2Q23 8% | 3Q23 8% | 4Q23 8%
1Q24 7% | 2Q-4Q24 7.7%



Unclassified

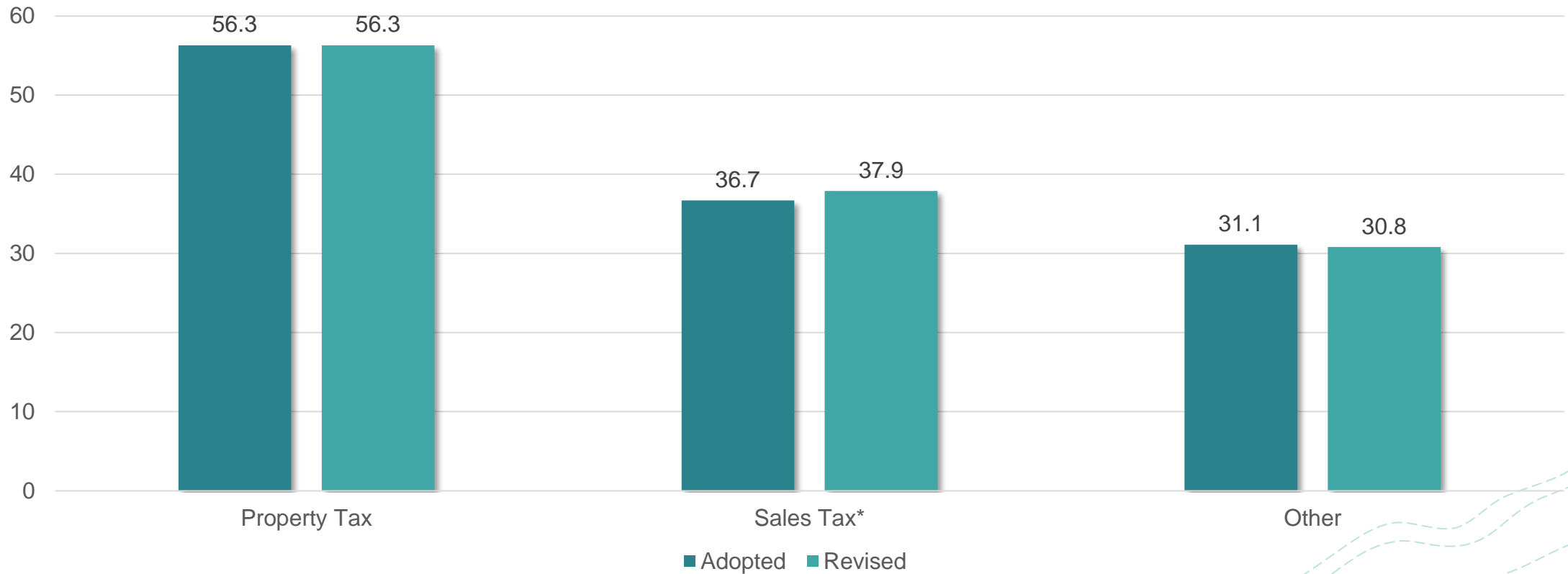
2Q23 5% | 3Q23 5% | 4Q23 5%
1Q24 3% | 2Q-4Q24 3.0%

HDL FORECAST – MARCH

STATEWIDE SALES TAX TRENDS

GENERAL FUND REVENUE PROJECTIONS

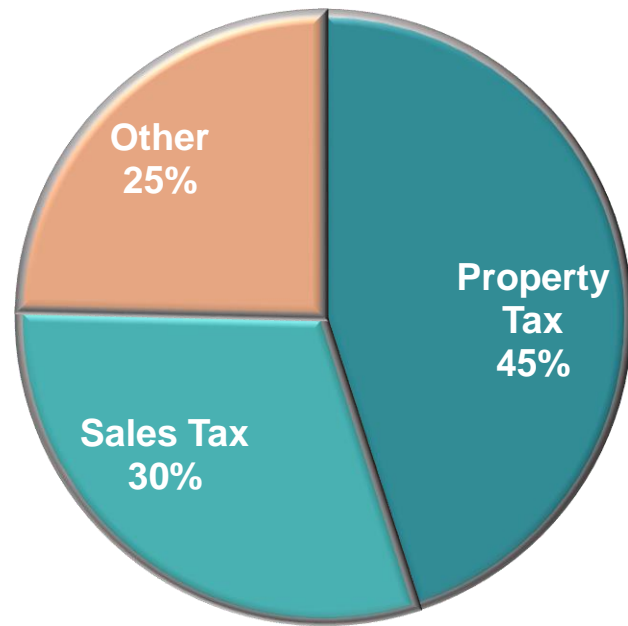
Adopted vs. Revised



*Includes \$5M reduction

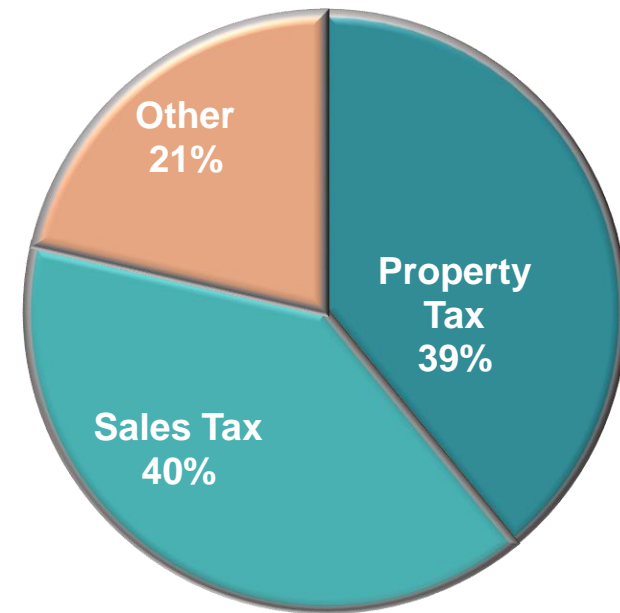
REVENUE DIVERSITY

General Fund Only



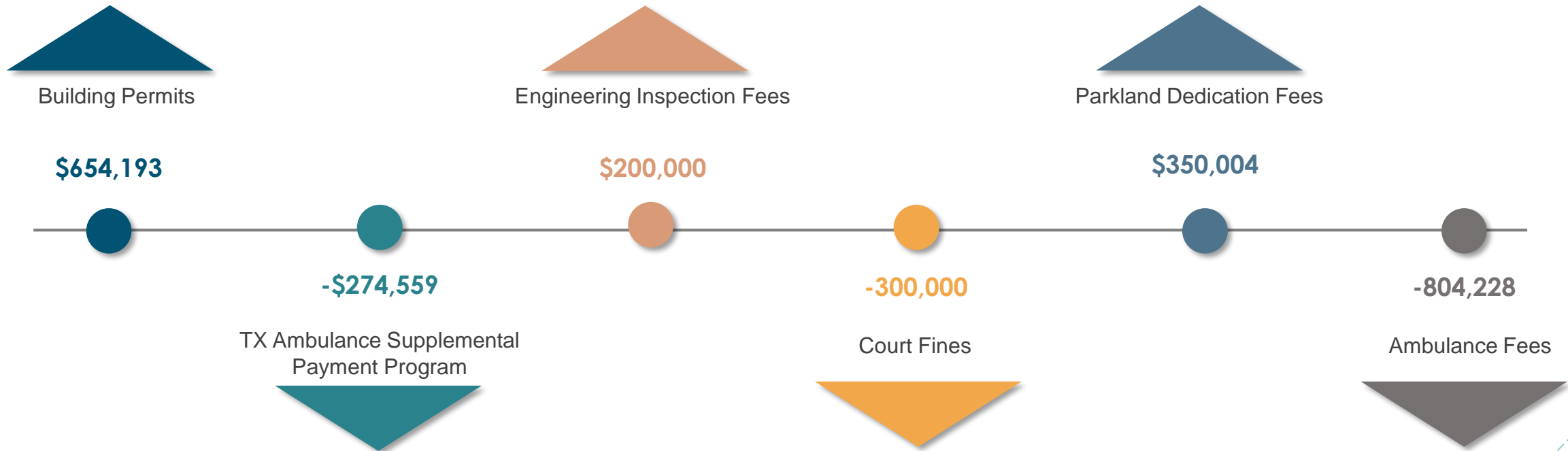
■ Property Tax ■ Sales Tax ■ Other

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



■ Property Tax ■ Sales Tax ■ Other

GENERAL FUND "OTHER" REVENUE VARIANCES



GENERAL FUND “OTHER” REVENUE VARIANCES

Building Permits Increase - \$654K

- Based on projects paid to date as well as known projects
- Both new commercial and residential
- 87% of outstanding FY 2023 receipts are related to new commercial construction

Engineering Inspection Fees Increase - \$200K

- Based on projects paid to date as well as known projects
- A delayed project is now scheduled for FY 2023

Park Dedication Fees Increase - \$350K

- Based on projects paid to date as well as known projects in the development process
- There is an equal expenditure as a transfer to the capital improvement program

GENERAL FUND “OTHER” REVENUE VARIANCES



TX Annual Supplemental Payment Program

Decrease - \$275K

- Related to an increase in providers and a decrease in available funding in the pool

Court Fines

Decrease - \$300K

- Related to a decrease in citations that are filed with the court
- This continues a downward trend over the past 6 years
- Decrease has resulted in similar declines in other court related accounts

AMBULANCE FEES – DECREASE \$504,228

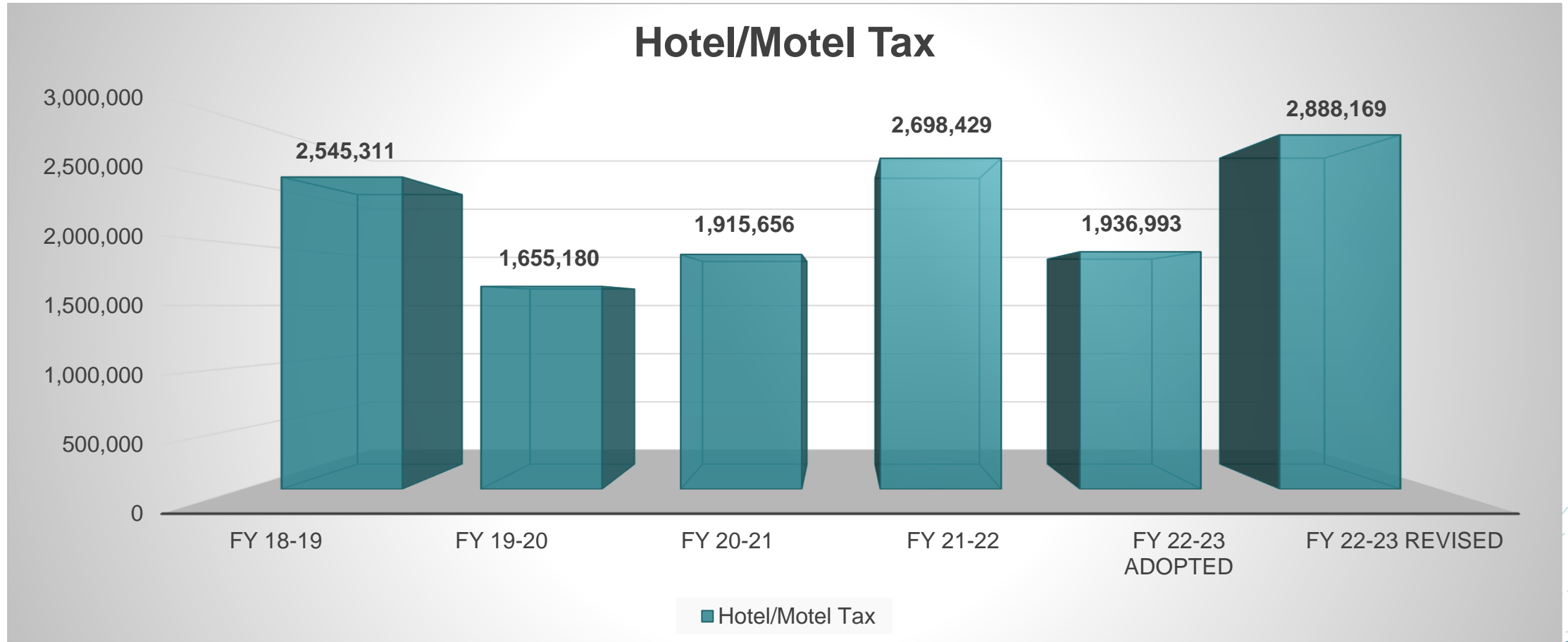
- The recovery rate for FY 21-22 was 38%
- For FY 22-23, the recovery rate has dropped to 32%
- The recovery rate percentage reflects non-payment. This could also include delayed payments which we may receive in the future
- When comparing FY 21-22 and FY 22-23, the amount billed has been almost the same



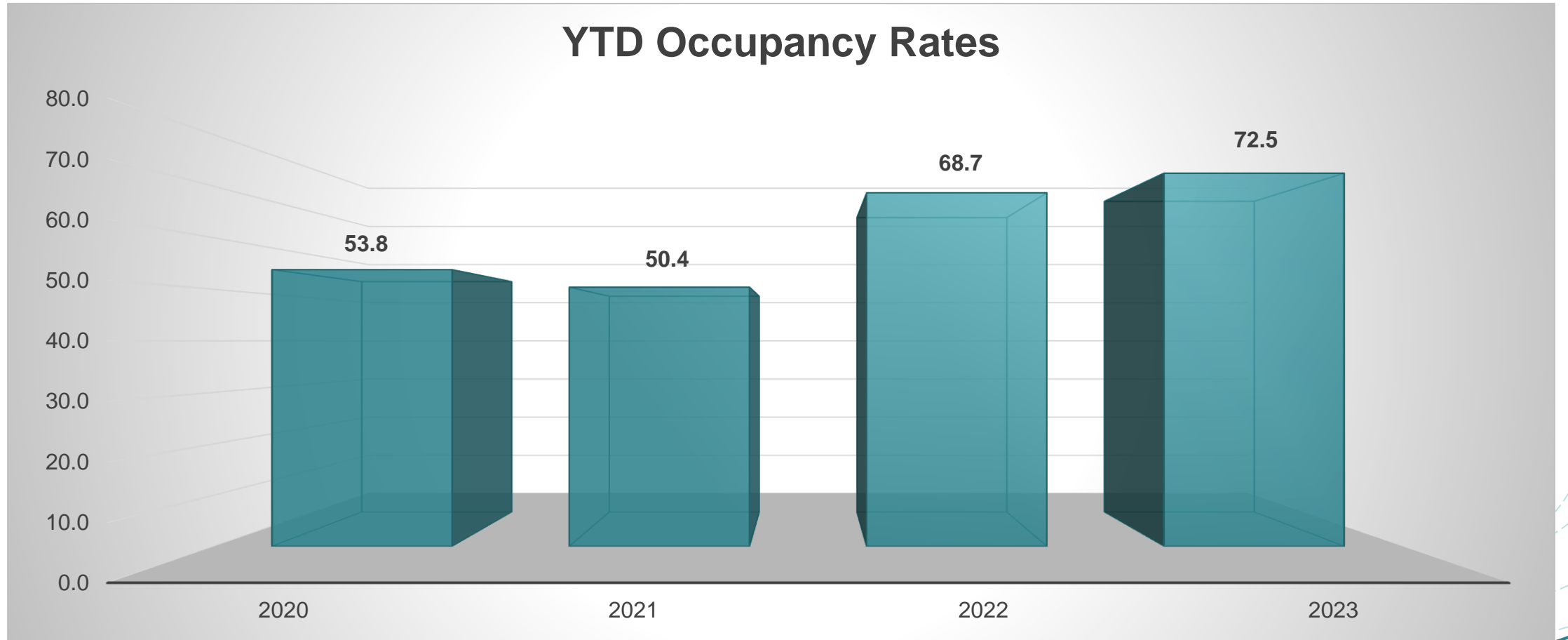
Valor & Sacrifice – Artist: Jen Rose

HOTEL/MOTEL REVENUE

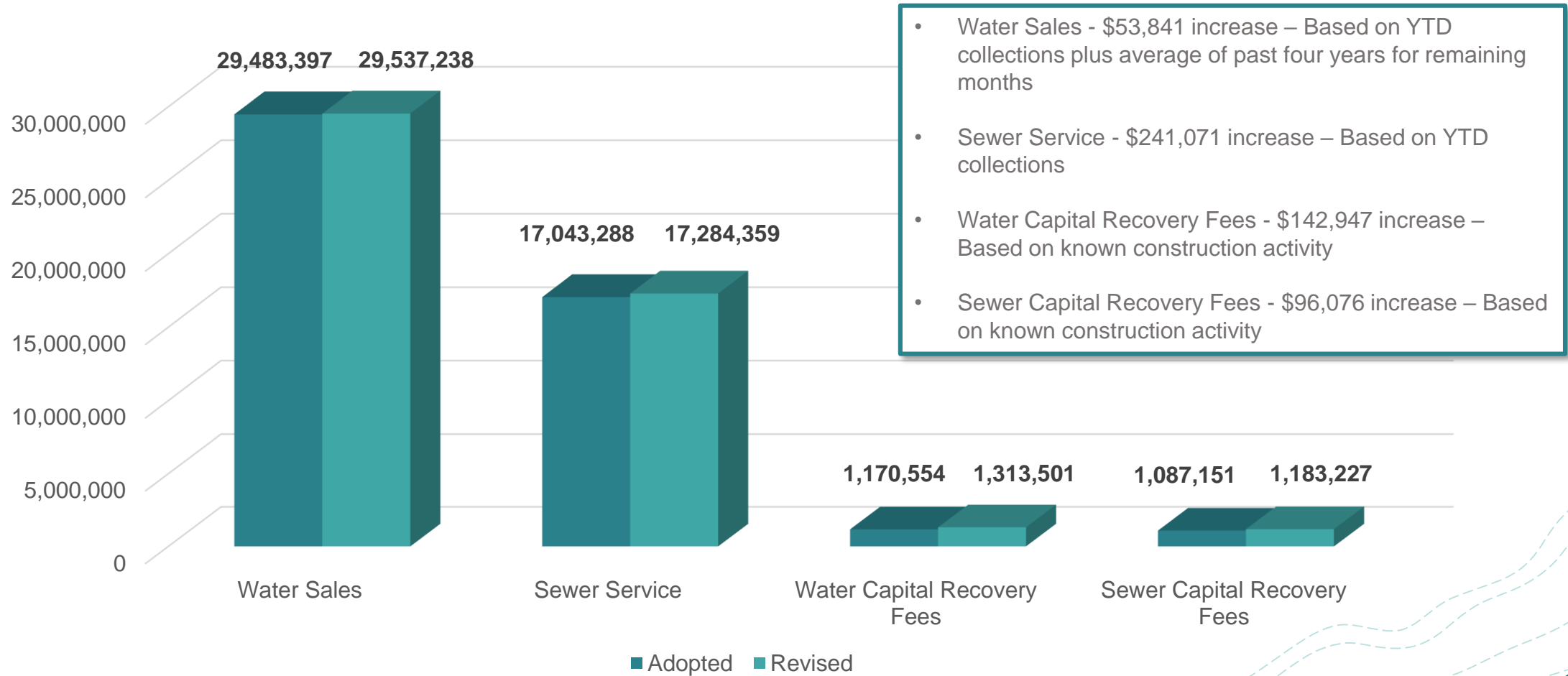
HOTEL OCCUPANCY RATES ARE NOW EXCEEDING PRE-PANDEMIC OCCUPANCY RATES



HOTEL/MOTEL REVENUE



UTILITY FUND REVENUE PROJECTIONS



4B CRIME CONTROL FIRE CONTROL



4B

\$800K increase in sales tax revenue projection
\$8.7M to \$9.5M



Crime Control

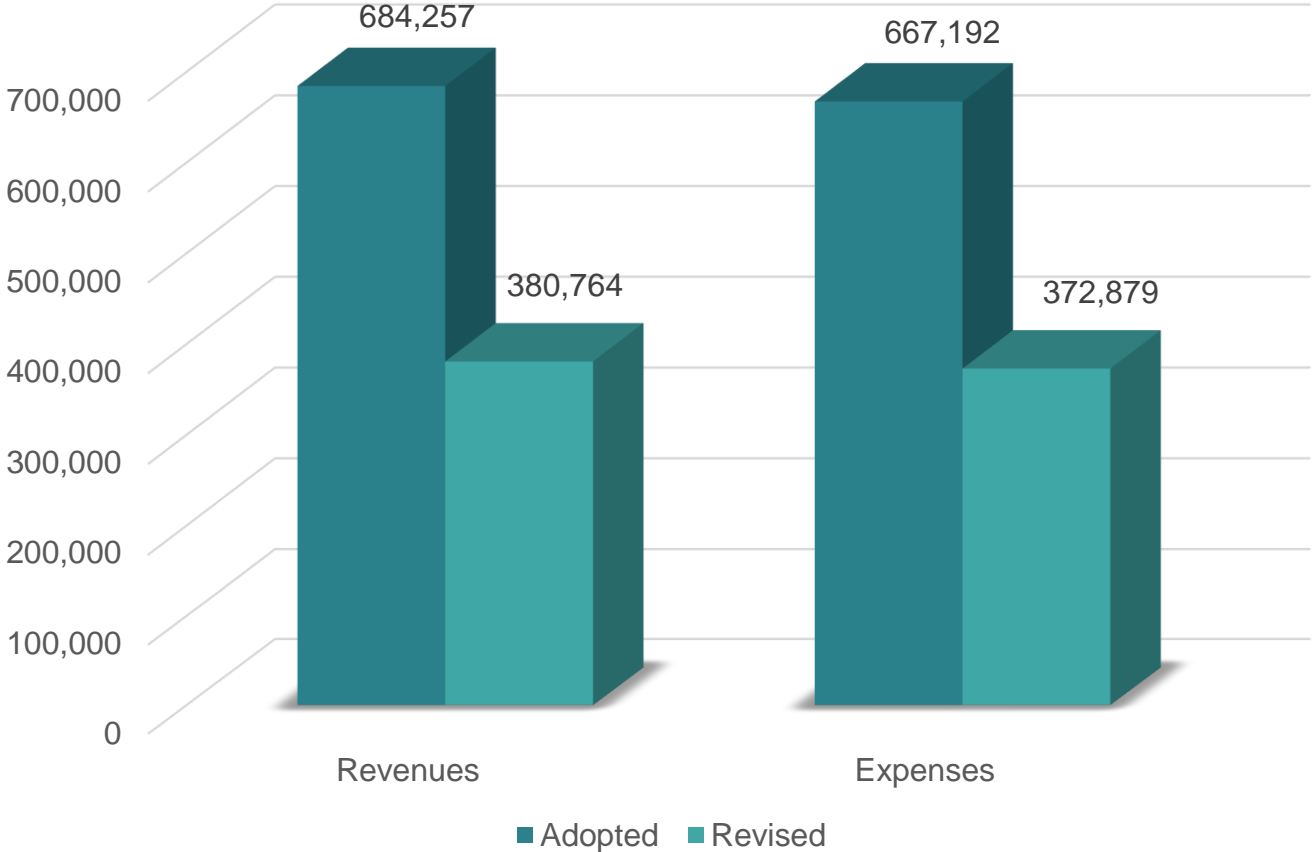
\$300K increase in sales tax revenue projection
\$4.4M to \$4.7M



Fire Control

\$300K increase in sales tax projection
\$4.4M to \$4.7M

RECREATION ACTIVITY FUND REVENUE PROJECTIONS



- Expenditures are 1:1 in this fund. If a class is not held, there is no expense and no revenue.
- Aquatic and fitness programs and lessons have been impacted by the lack of instructors
- In addition, the opening of Fred Herring Recreation Center was delayed

GENERAL FUND – FUND BALANCE



The Windows to LLELA – Artist: Kailyn Saltzman



GENERAL FUND – EXPENDITURES FROM FUND BALANCE

Adopted Budget - \$18.3M

Revised Budget - \$28.6M

- \$10,000,000 – Added to cover the additional costs of the Joint Public Safety Building
- \$307,407 – Purchase Order Soft Closes

Revised Ending Fund Balance	35,205,116
Operating Reserve (20%)	24,794,089
Undesignated Reserve	10,411,027

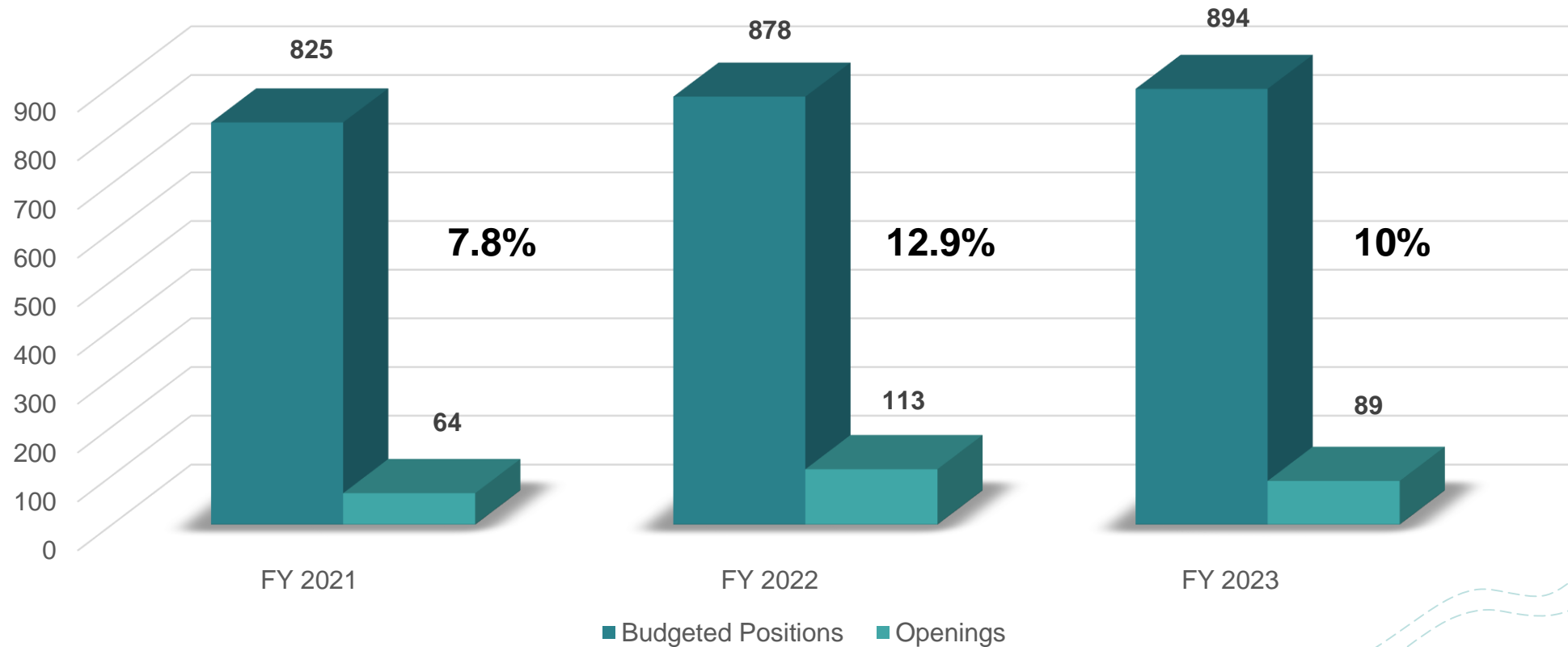


PERSONNEL

STAFFING CHALLENGES

General fund expenditures are anticipated to decrease \$1.5M due to salary savings

City-Wide Position Openings





COMP STUDY

FUNDS MOVED FROM NON-DEPARTMENTAL TO SPECIFIC DEPARTMENTS - \$122,554

- \$27,302 – City Manager
- \$7,051 - City Secretary
- \$3,147 – City Attorney
- \$3,876 – Police Department
- \$1,643 – Fire Department
- \$24,881 – Library
- \$13,147 – Municipal Court
- \$14,139 – Engineering
- \$27,368 – Neighborhood & Inspection Services

POSITION UPDATES AFTER ADOPTED BUDGET

Administrative Analyst

- Reclassed Capital Projects Technician (Engineering)
- Cost absorbed in departmental budget

Assistant City Secretary

- Reclassed Executive Assistant (CMO)
- Funding was moved from City Manager's Office to City Secretary's Office
- Funding to re-instate Executive Assistant will be requested in FY 23-24 budget

Enterprise Application Administrator

- Reclassed Records Information Analyst (ITS)
- Cost absorbed in departmental budget

HR Analyst – Risk Management

- Reclassed Risk Manager (HR)
- Resulted in salary savings which were used to cover increases related to the Comp Study

SUPPLEMENTAL APPROPRIATIONS



The Windows to LLELA – Kailyn Saltzman



The Bandit – Artist: Kaitlin West

DEBT SERVICE FUND - \$2,225,000

Additional principal payment made on callable bonds

UTILITY FUND - \$119K



Rainbow Road – Artist: Riss aka Marissa Caggiano

- Additional revenue received related to water and sewer sales
- Because of the increase in revenue, the franchise fee and Payment In Lieu of Taxes (PILOT) amounts (which are based on a percentage of water and sewer revenue) due to the General Fund have increased
- In addition, \$2,222,546 was budgeted in Public Services rather than Non-Departmental for the 2023 Indirect Cost Allocation. This is being moved back to Non-Departmental where it has historically been budgeted.



Cultivating a Community – Artist: Taylor Peterson

TIRZ #1 FUND - \$165K

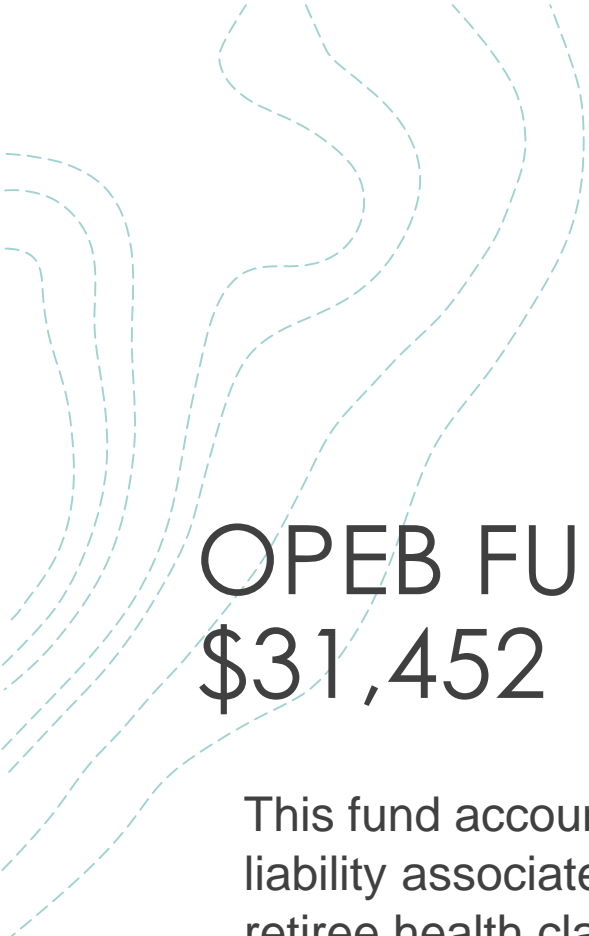
Related to development at the southeast corner of Harris Street and E. Walters Street

- \$125,000 – ED environmental remediation grant
- \$40,000 – Alley grant



TIRZ #3 FUND - \$464K

- Related to reimbursement agreement with Bright Realty
- Supports the projected zone reimbursements for public improvement project costs and economic development activity
- Revenue comes from City and County property taxes generated by the TIRZ (this is the County portion)
- Final payment for FY 2023



OPEB FUND - \$31,452

This fund accounts for future liability associated with retiree health claims

The increase is based on the latest actuarial study which assessed current liabilities





QUESTIONS?