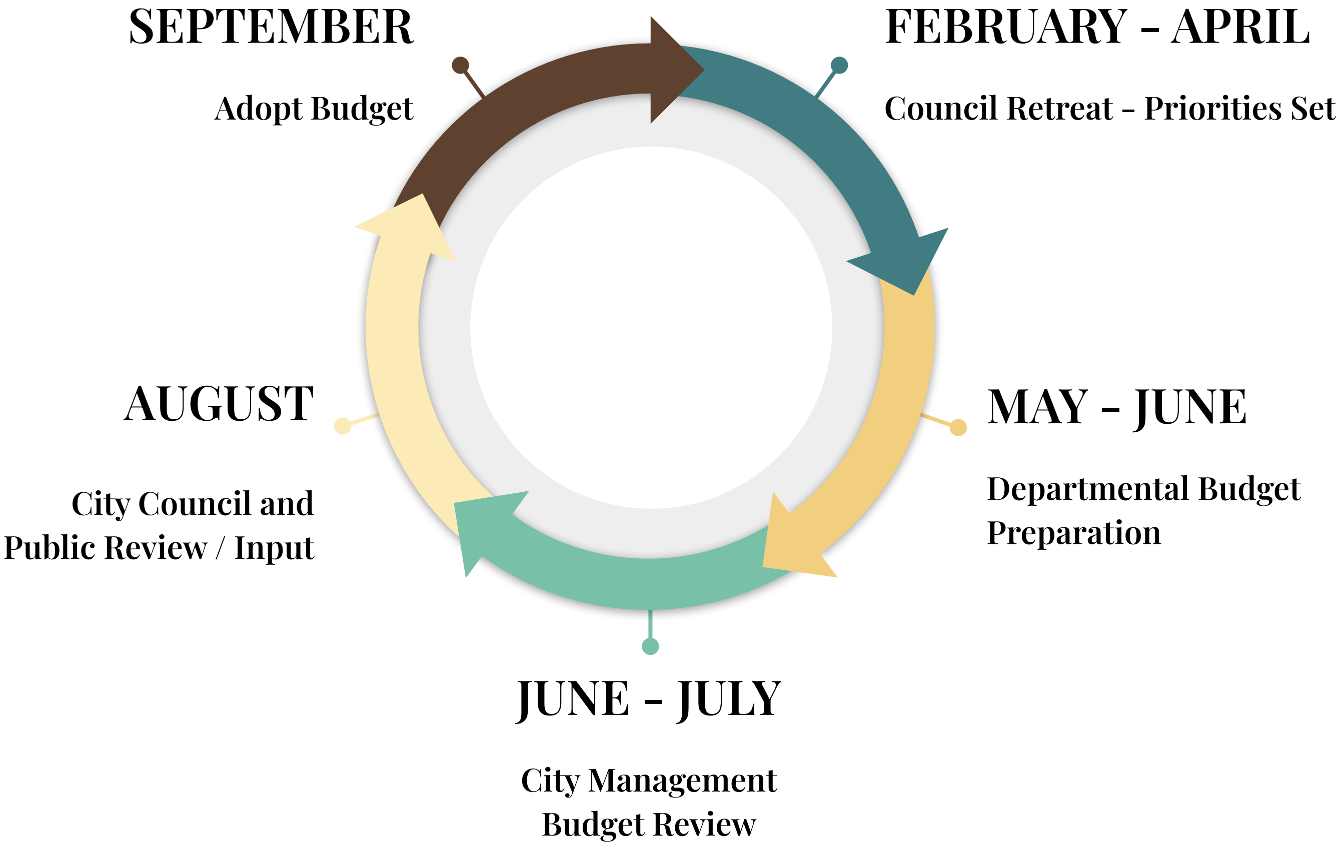
FY 2023-2024 Budget Workshop

Agenda

1. Submission of FY 2023-2024 Preliminary Budget
2. Budget Process and Overview
    a. Budget Cycle
    b. Guidelines
    c. Priorities & Lewisville 2025
    d. Budget Goals
    e. Challenges
3. Overview of Funds
    a. General Fund
    b. Utility Fund
    c. Other Major Funds
4. Base Budget
    a. By Lewisville 2025 Big & Strategic Moves
    b. By Council Priorities
    c. Miscellaneous Requests
5. Discuss Recommendations for Unfunded Items
6. Tax Rate Information
7. Discussion of Utility Rates
8. Council Action

Budget Process and Overview

Budget Process



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.

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

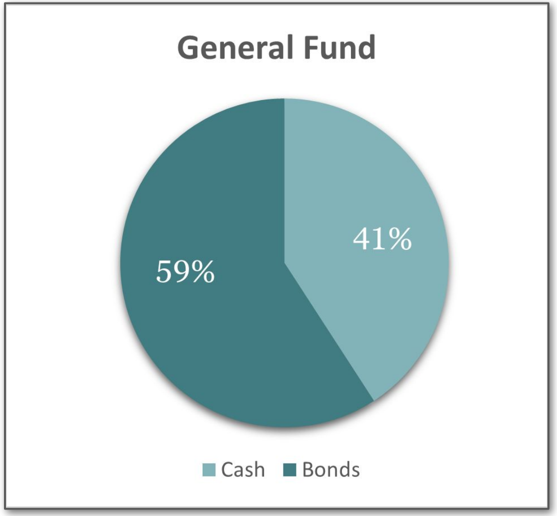
- The proposed budget will appropriate sufficient funds to maintain existing quality and scope of City services.
- Expenditures will be budgeted in one of five major categories: Personal Services, Materials & Supplies, Services and Charges, Transfers, and Capital Outlay.

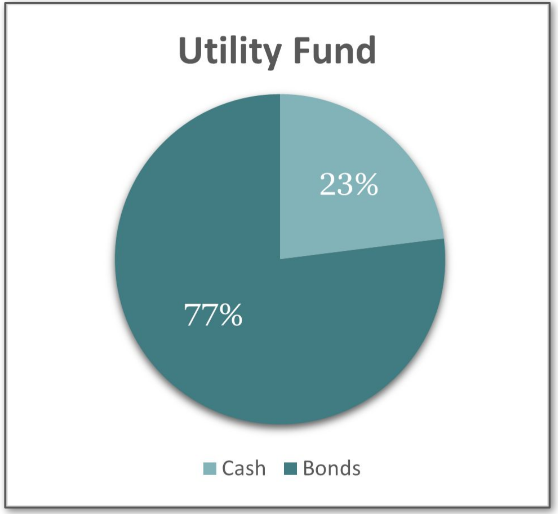
Budget Development Guidelines

- Council Priorities
- Lewisville 2025
- General Fund Reserves Plan
- Utility Fund Capital Improvement Plan
- GO Bond Program
- Sustainability Action Plan
- Resident Survey Results
- Infrastructure Condition Ratings
- Each Department's SWOT Analysis
- Approved Economic Development Agreements
- Departmental Business Plans
- 4B Fund Capital Improvement Plan
- Investment in Capital

Debt vs. Cash Funding

- The City is working towards the goal of funding capital improvement projects with a 50/50 split of debt/cash funding
- Based on bond rating best practices
- City GO and Revenue Bonds currently rated AAA (since 2013)





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

Base Budget Submitted by City Manager's Office

- Within an appropriation ceiling (target) calculated by the City Manager's Office.
- Target is based on last year's departmental adopted budget minus any one-time funding or adjustments.

Action Step Requests

- Program or service level changes from the prior budget must be submitted as separate Action Step requests.
- These include "Add Back" requests.

Funding

- Action Steps are considered for funding.
- Action Steps not approved or considered low-priority are not recommended to be funded.
- Beneficial Action Steps are incorporated into base budget as much as possible.
- Beneficial Action Steps that cannot be funded within base budget are presented to City Council for further consideration.

Council Priorities

Affordable Housing	City Infrastructure and Facilities	10-Minute Walk to a Park
Employee Recruitment, Development, & Retention	Justice, Equity, Diversity, and Inclusion (JEDI)	Old Town Development
Business 121 Corridor Planning	Mall Redevelopment	Lake District / Northern Gateway

Big Moves

1 Green Centerpiece

2 Extending the Green

3 Old Town

4 Diverse & Thriving Neighborhoods

5 Economic Vitality

6 Identity, Place, and Communications

7 Sustainability

Strategic Moves

1 Values-Driven Organization

2 Data-Driven Organization

3 Connected City

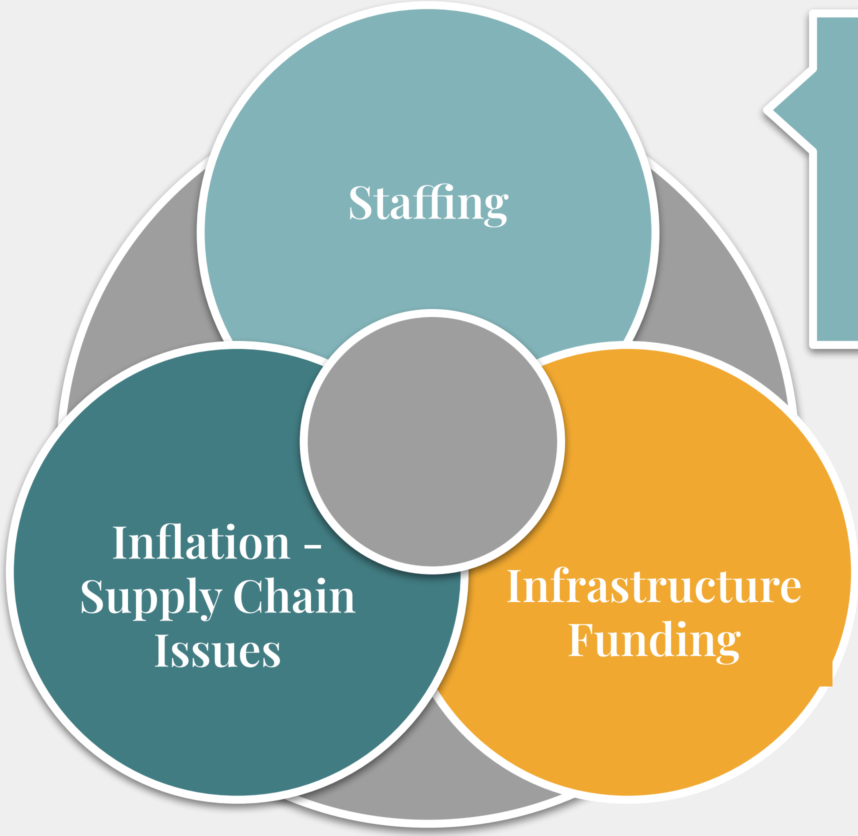
Lewisville 2025

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 priorities 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 ⅓ of comparison cities for compensation

Budgetary Challenges



As of August 2023, the City is at a 9.7% turnover rate

Increasing cost of supplies (i.e. fuel and chemicals) along with lengthy shipping delays

Aging infrastructure and increasing cost of materials

Overview of Funds

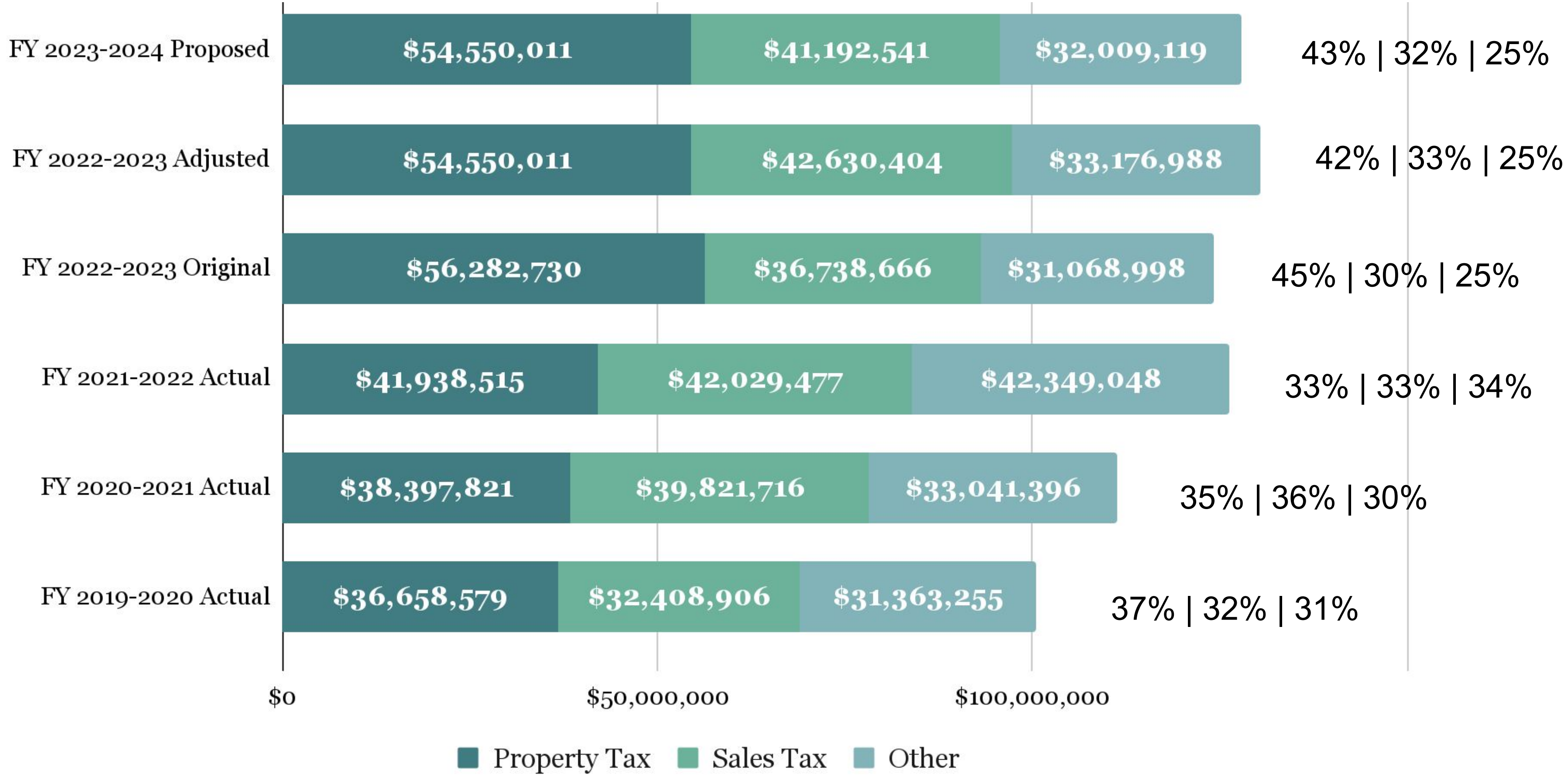
General Fund

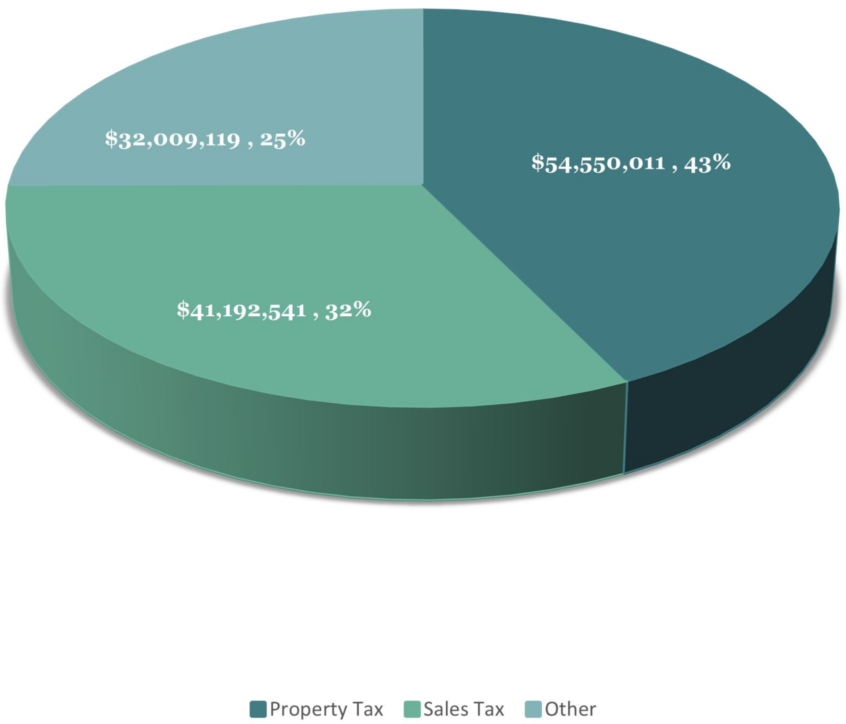
	FY 2019-2020 ACTUAL	FY 2020-2021 ACTUAL	FY 2021-2022 ACTUAL	FY 2022-2023 ORIGINAL BUDGET	FY 2022-2023 ADJUSTED BUDGET	FY 2022-2023 YTD	FY 2023-2024 PROPOSED BUDGET
BEGINNING FUND BALANCES	**36,701,866**	**40,797,141**	**47,735,388**	**43,515,219**	**62,628,383**	**62,628,383**	**39,192,899**
REVENUES							
⊞ Taxes	75,693,448	84,805,357	91,835,433	100,164,308	104,323,327	85,085,335	103,198,228
⊞ Licenses & Permits	2,618,581	3,716,475	5,465,506	2,988,033	3,807,816	3,460,780	3,987,547
⊞ Intergovernmental Revenues	1,964,328	559,318	700,847	939,463	939,463	358,285	986,988
⊞ Charges for Services	9,888,944	10,423,635	7,079,739	7,939,228	7,939,228	4,843,953	6,587,113
⊞ Culture and Recreation Revenues	2,073,051	2,923,193	4,008,661	2,909,576	2,909,576	2,621,524	3,846,362
⊞ Investment Earnings and Contributions	582,819	219,253	412,421	328,880	462,080	588,903	463,547
⊞ Fines, Forfeitures and other Court Fees	2,303,593	2,457,896	2,445,366	2,415,456	2,415,456	1,506,203	2,030,365
⊞ Other Financing Sources	436,878	985,642	6,930,547	609,200	609,200	511,528	626,837
⊞ Transfers In	4,869,097	5,170,163	7,438,522	5,796,250	6,951,257	6,253,493	6,024,684
Total Revenues	**100,430,740**	**111,260,933**	**126,317,040**	**124,090,394**	**130,357,403**	**105,230,004**	**127,751,671**

2% decrease/($2.6M)

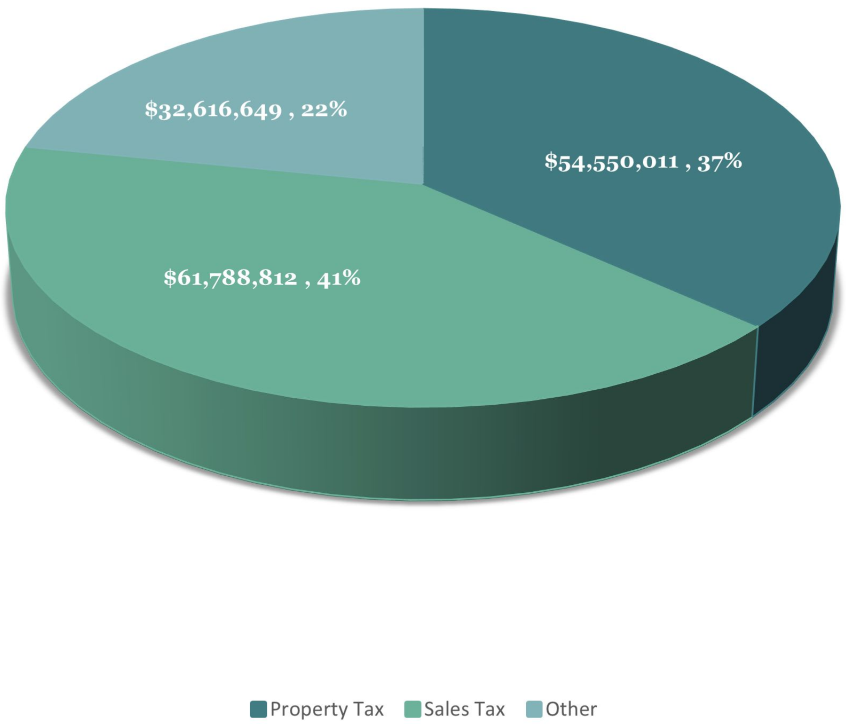
2.9% increase/$3.6M

General Fund Revenue





General Fund Only



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

Major Revenue Changes

General Fund Sales Tax

- The **$41.2M** sales tax estimate for FY 2023-24 is **$4,453,875** higher than the current year's original budget
- This estimate is **$1,437,863** lower than the current year's adjusted mid-year estimate
    - Normally is held level with the mid-year estimate; however, **$1** million in projected revenue has been adjusted to account for sales tax-related to construction economic development agreements that are one time in nature.
    - Additionally, there was a reduction of **$437,863** in revenue due to the sales tax collected from Bed, Bath, and Beyond (which has now closed) during FY 2022-23.

1

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

2

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

3

While there is an expectation that this matter will be revisited in the next legislative session, any potential impact on the city's revenue is not expected to be experienced until FY 2026, if at all.

4

In light of the legislation's failure to pass, and therefore the loss of an imminent reduction to sales tax collections, the FY 2023-24 proposed budget no longer artificially lowers the sales tax estimate. This allowed \$4.45M in sales tax to be put back into the operating budget.

5

As there is still some uncertainty on how the sales tax legislation will proceed in the future, \$2M of the \$4.45M in the operating budget will be used solely for one-time expenses, thereby reducing the dependence on sales tax while also enabling funding for new requests from the operating budget.

Major Revenue Modifications

$305,342
Franchise Taxes – CoServ

$738,997
Park Development Fees

$957,946
Building Permits

$4,453,875
Sales Tax

$201,251
Commercial Refuse

TX Ambulance Supplemental Payment Program
$395,559

Property Tax
$1,732,719

Landfill Host Fees – Farmers Branch
$198,598

Ambulance Fees
$804,228

Court Fines & Warrants
$330,000

General Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$127,751,671
Departmental Base Budgets	$120,483,696
Add-Backs	$848,318
New Programs/Positions (Addition of 1 position)	$93,405
Expansions, improvements, and replacements to existing equipment	$6,326,252
FY 2023-24 Proposed Budget	$127,751,671
Current Revenue – Current Expense	$0

Expenditures from General Fund Balance:

$5,319,392

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

$8,323,173

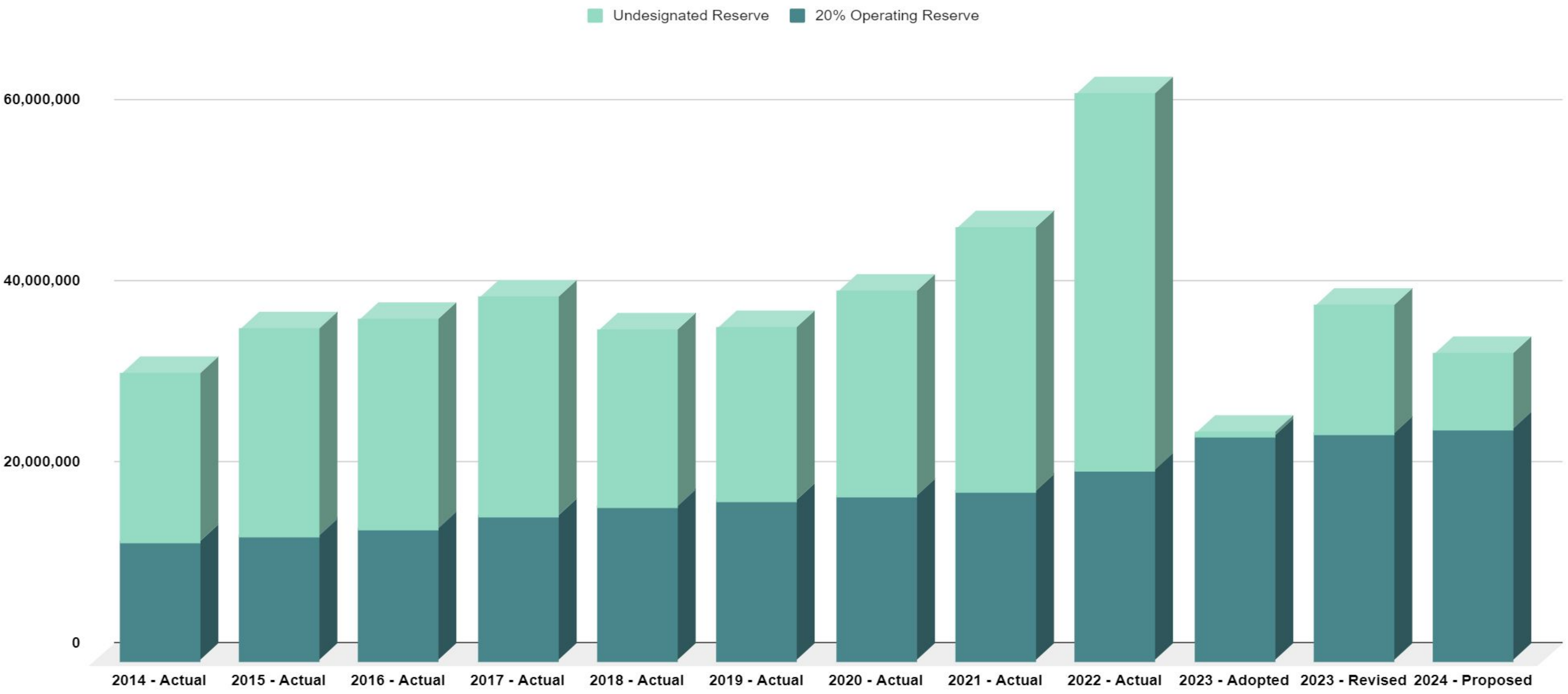
General Fund - Use of Fund Balance

FY 2023-24 Proposed Use of Fund Balance	$5,319,392
Small Area Plan Implementation Funds	$100,000
Enterprise Data Storage System Replacement (partial cost)	$143,479
Technology Replacements	$494,300
Payroll and Benefits Software Refresh (partial cost)	$82,691
Traffic Signal Funding	$650,000
Summit Avenue Streetscape Drainage Design	$150,000
Portable Radio Replacement	$186,232

General Fund - Use of Fund Balance

FY 2023-24 Proposed Use of Fund Balance	$5,319,392
Third-Party Building Inspections	$90,000
Neighborhood Empowerment Zone #2 Programs (Code Abatement and PEP Plus)	$50,000
Outside Legal	$250,000
Annual ED Agreements (net expenses after revenue offset)	$3,122,690

General Fund - Fund Balance



General Fund - Reserves Plan

	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Fund Balance	62,628,383							
20% Reserve	25,038,453							
Beginning Excess Reserve	**37,589,930**	**17,989,222**	**17,669,830**	**15,419,830**	**15,169,830**	**12,919,830**	**12,669,830**	**10,419,830**
Resources								
Annual Contribution	9,000,000	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)	1,273,744	720,470	1,500,000	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	250,000
Economic Development	5,869,459	3,122,690	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Facilities *	18,000,000		1,500,000		1,500,000		1,500,000	
Miscellaneous/Other	3,207,505	1,226,232	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Uses	28,600,708	5,319,392	7,250,000	5,250,000	7,250,000	5,250,000	7,250,000	5,250,000
Ending Excess Reserve	17,989,222	17,669,830	15,419,830	15,169,830	12,919,830	12,669,830	10,419,830	10,169,830
Reserve Stabilization	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Excess Available Reserve	**12,989,222**	**12,669,830**	**10,419,830**	**10,169,830**	**7,919,830**	**7,669,830**	**5,419,830**	**5,169,830**

* Funding for Tittle/McFadden public safety complex (2023) and Keely complex renovations (2025) is currently identified in the plan. Future allocations for FY2027 and FY2029 to be determined. Additional contributions to support construction of the public safety complex came from Crime and Fire Control Funds. Will need to partially fund Kealy renovations using utility funds as well.

Includes sales tax that was purposely not budgeted in the operating fund ($5M in 2023)

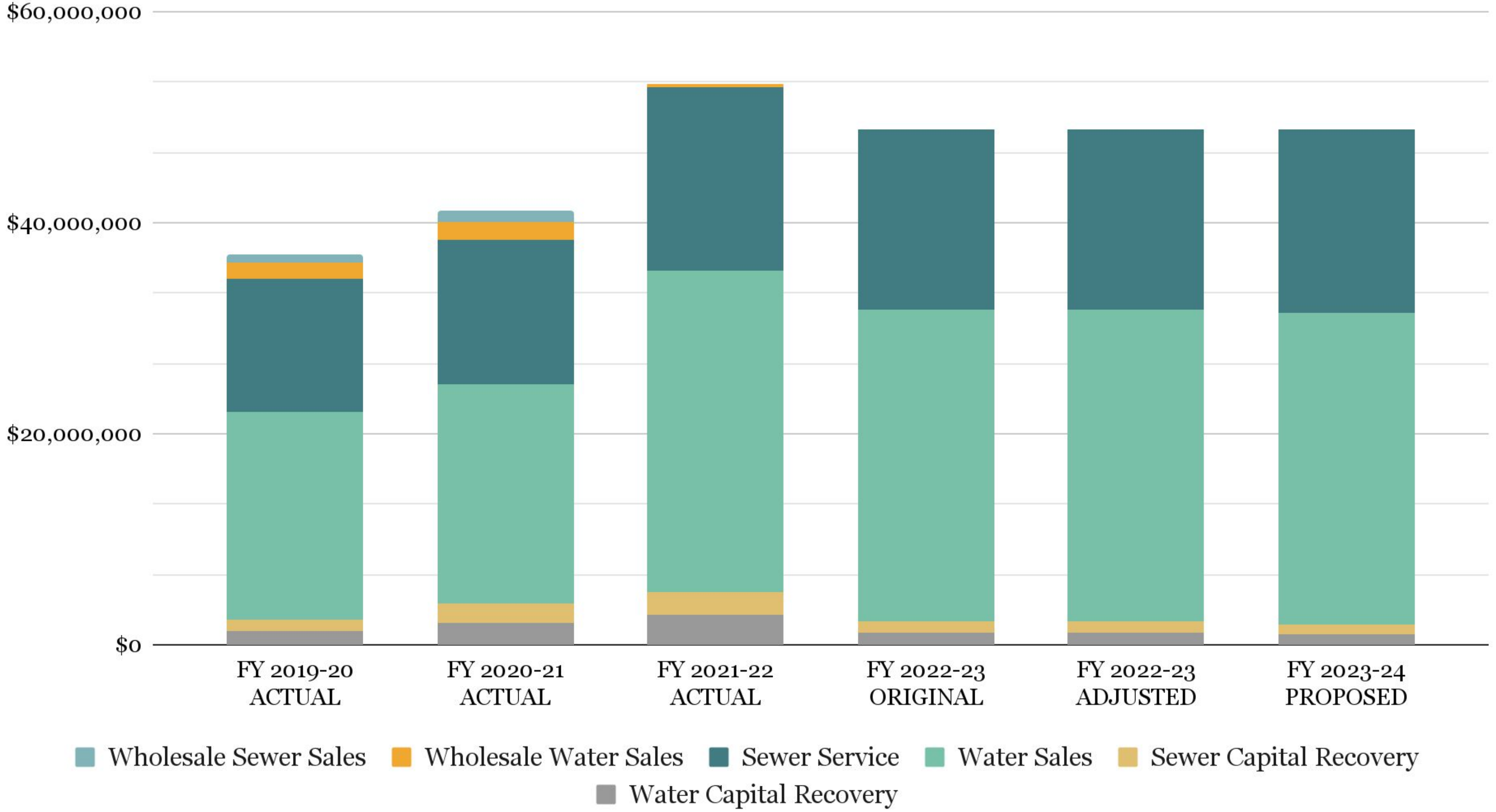
Utility Fund

	FY 2019-2020 ACTUAL	FY 2020-2021 ACTUAL	FY 2021-2022 ACTUAL	FY 2022-2023 ORIGINAL BUDGET	FY 2022-2023 ADJUSTED BUDGET	FY 2022-2023 YTD	FY 2023-2024 PROPOSED BUDGET
BEGINNING FUND BALANCES	**20,121,158**	**24,010,955**	**28,655,370**	**24,473,011**	**29,579,445**	**29,579,445**	**25,372,605**
REVENUES							
⊞ Utility Revenues	37,335,169	41,590,829	53,689,678	49,132,871	49,132,871	35,240,621	49,257,112
⊞ Charges for Services	25,248	19,620	41,698	23,262	23,262	31,847	28,186
⊞ Investment Earnings and Contributions	364,847	137,460	185,116	206,190	206,190	334,824	196,058
⊞ Other Financing Sources	1,771	7,221	396,590	5,554	5,554	11,016	7,635
⊞ Transfers In	120,000	120,420	120,000	120,000	120,000	120,000	120,000
Total Revenues	**37,847,035**	**41,875,550**	**54,433,084**	**49,487,877**	**49,487,877**	**35,738,308**	**49,608,991**

0.2% increase/$121k

0.2% increase/$121k

Utility Fund Revenue



*does not include proposed rate increase

$241,071*

Sewer Sales

$128,433*

Water Sales

$122,645

Effluent Sewer

Sewer Capital Recovery

$177,548

Water Capital Recovery

$185,174

Major Revenue Modifications

Utility Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$49,608,991
Departmental Base Budgets	$46,333,888
Add-Backs	$148,005
Expansions, improvements, and replacements to existing equipment	$3,028,341
FY 2023-24 Proposed Budget	$49,510,234
Current Revenue - Current Expense	$98,757

Expenditures from Utility Fund Balance:

$8,903,943

- $5,000,000 – Capital Projects Transfer for cash funded projects
- $302,013 – Economic Development Agreements
- $255,000 – Utility Billing Software Refresh
- $359,568 – Portable Radio Replacement
- $49,500 – Admin Risk Management Plan Updates
- $22,825 – Lab Federal Mandated Testing (30 samples between 2023 and 2025)
- $73,356 – WWTP Odor Control Media Replacement
- $2,677,038 – Lead Service Line Inventory and Full City AMI Register Swap, phase 1
- $118,550 – Replacement of Broken Temporary Construction Meters
- $46,093 – Crane Body and Lease Payment Adjustment

Amount Left After 20% ($8.9M) Reserve:

$6,665,372

Other Major Funds

Other Funds - Revenue Changes

Hotel Motel

Increase - $394K

Occupancy rates continue to increase

Crime Control

Increase - $825K

Related to sales tax projections

Fire Control

Increase - $870K

Related to sales tax projections

Drainage Fund

Increase - $7K

Related to stormwater fee projections

4B Fund

Increase - $1.7M

Related to sales tax projections

HOT Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$2,377,255
Departmental Base Budgets	$1,983,159
Add-Backs	$42,626
New Programs/Positions (Addition of 1 positions – Moved from CAF)	$87,084
Expansions, improvements, and replacements to existing equipment	$205,221
FY 2023-24 Proposed Budget	$2,318,090
Current Revenue – Current Expense	$59,165

Crime Control Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$5,209,498
Departmental Base Budgets	$4,081,330
Add-Backs	$22,264
New Programs/Positions (Addition of 1 position)	$113,690
Expansions, improvements, and replacements to existing equipment	$609,426
FY 2023-24 Proposed Budget	$4,826,710
Current Revenue - Current Expense	$382,788

Fire Control Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$5,273,434
Departmental Base Budgets	$4,006,710
Add-Backs	$161,505
New Programs/Positions (Addition of 2 positions)	$347,955
Expansions, improvements, and replacements to existing equipment	$532,385
FY 2023-24 Proposed Budget	$5,048,555
Current Revenue - Current Expense	$224,879

Drainage Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$5,487,513
Departmental Base Budgets	$5,013,881
Add-Backs	$24,721
Expansions, improvements, and replacements to existing equipment	$437,136
FY 2023-24 Proposed Budget	$5,475,738
Current Revenue - Current Expense	$11,775

*Currently have $5.2M available for allocation in the CIP fund.

4B Fund Operating Budget Overview

FY 2023-24 Proposed Revenues	$10,720,869
Departmental Base Budgets	$7,932,012
Add-Backs	$85,640
New Programs/Positions (Addition of 1 position)	$162,696
Expansions, improvements, and replacements to existing equipment	$1,067,070
FY 2023-24 Proposed Budget	$9,247,418
Current Revenue - Current Expense	$1,473,451

TIRZ 1	TIRZ 2	TIRZ 3	TIRZ 4
Old Town - Follows commercial properties along Main Street from I-35E to Railroad • Debt service related to the Lewisville Grand ($799,500) • TIRZ Administration ($10,000) • Set aside for future purchase of land ($600,000)	**427 acres near I-35E and SH121** • Reimbursement to developer ($1,300,000)* • TIRZ Administration ($10,000) *After this payment, $2.2M will be due to the developer	**708 acres near Sam Rayburn/Business 121 south to FM 544** • TIRZ Administration ($30,000) • Bright redevelopment agreement ($3,280,000) • Debt service related to Castle Hills refunding ($1,686,814)	**Approximately 277 acres of the city's Northern Gateway** • TIRZ Administration ($10,000) • Maintenance of two parks and medians along Summit Ave ($42,250)

American Rescue Plan Funding

- **Signed into law March 11, 2021**
- **$19.54M received in total**
- **All funds have been received as of June 2022**
- **Funds must be encumbered by December 2024 and spent by December 2026**

American Rescue Plan Allocation Changes

Project Name	Original Allocation	Adjustment	Proposed Allocation	Spending Life To-Date	Remaining
Streets - Unallocated	$ 3,944,000.00	$ (3,944,000.00)	$ -	$ -	
McKenzie Hembry	$ 3,196,000.00	$ (3,196,000.00)	$ -	$ -	
North Mill Street	$ 1,350,000.00	$ -	$ 1,350,000.00	$ -	$ 1,350,000.00
Cowan w/ 42" Water Line Distribution	$ 3,160,000.00	$ (3,160,000.00)	$ -	$ -	
Indian Oaks	$ -	$ 2,816,411.00	$ 2,816,411.00	$ -	$ 2,816,411.00
Elm/Poydras	$ -	$ 2,929,674.00	$ 2,929,674.00	$ -	$ 2,929,674.00
Civic Circle	$ -	$ 2,903,915.00	$ 2,903,915.00	$ -	$ 2,903,915.00
Public Access Broadband	$ 350,000.00	$ -	$ 350,000.00	$ 65,702.15	$ 284,297.85
Water & Sewer - Unallocated	$ 4,000,000.00	$ (4,000,000.00)	$ -	$ -	$ -
Water & Sewer - Indian Oaks	$ -	$ 1,952,000.00	$ 1,952,000.00	$ -	$ 1,952,000.00
Water & Sewer - North Mill	$ -	$ 3,700,000.00	$ 3,700,000.00	$ -	$ 3,700,000.00
Serve Lewisville Feasibilty Study	$ 350,000.00	$ (287,200.00)	$ 62,800.00	$ 62,800.00	$ -
Employee Retention	$ 2,500,000.00	$ 41,344.00	$ 2,541,344.00	$ 1,841,371.89	$ 699,972.11
LaGloria Park	$ -	$ 886,000.00	$ 886,000.00	$ -	$ 886,000.00
Consulting Services	$ 49,000.00	$ -	$ 49,000.00	$ 18,035.50	$ 30,964.50
Unallocated	***$ 642,144.00***	***$ (642,144.00)***	***$ -***		
Total ARPA Funds	**$ 19,541,144.00**		**$ 19,541,144.00**	***$ 1,987,909.54***	**$ 17,553,234.46**

American Rescue Plan Allocations

$10,000,000	Streets Construction
$5,652,000	Water & Sewer Infrastructure
$2,541,344	Employee Retention Pay
$886,000	Parks
$350,000	Broadband Infrastructure
$62,800	Serve Lewisville Start-Up Costs
$49,000	Administrative Costs

Base Budget

New Funding by Big Move and Strategic Move

Green Centerpiece

4B Improvements and HIP Projects	$777,500

Extending the Green

Mowing Contract Increase	$174,300
Park Operations Vehicles and Equipment	$18,000
Park Development and Dedication Fees	$738,997

Old Town

Old Town Landscaping and Pocket Park Development	$1,450,000
Replacement of Vortek Motor Drives at Lewisville Grand Theater	$140,000
Increase to Western Days Main Stage Funding	$84,000
Increase to Western Days Production Costs	$30,000
Advising Architect for OTDRC	$7,000
Lewisville Grand Theater Client Booking Software	$28,770

New Funding by Big Move and Strategic Move

Diverse & Thriving Neighborhoods

SWAT Team Equipment Replacement	$16,528
Portable Radio Replacements	$3,093,183
Launchers to Replace Less-Lethal Shotguns	$155,420
Additional Funding for Fire Training Tower	$1,000,750
SCBA Annual Replacement Program	$37,500

Increase to Animal Services Chemicals and Supplies	$17,500
Neighborhood Empowerment Zone #2 Programs	$50,000
Additional Storm Sewer Inspection Funding	$312,300

New Funding by Big Move and Strategic Move

Economic Vitality

Summit Avenue Streetscape Drainage Improvements Design	$150,000
Third-Party Building Inspections	$90,000
Small Area Plan Implementation Funds	100,000

Identity, Place, and Communications

Public Art Consultant	$28,800
PBR Lewisville Production Costs	$33,750
Increase to Arts Support Grants	$25,000
Centennial Committee Planning (Centennial logo, marketing plan, online history website and photo archive, and other early expenses)	$70,000
Increase in Library Materials Per Capita	$47,997
ColorPalooza Event Expansion	$31,450

New Funding by Big Move and Strategic Move

Sustainability

Building Management System for Fire Station 7	$37,780
DWU/UTRWD Purchased Water Rate Increases	$1,948,374
Risk Management Plan Updates	$49,500
WWTP Odor Control Media Replacement	$73,356
Lead Service Line Inventory + Full City AMI Register Swap	$3,045,854

Replacement of Temporary Construction Meters	$123,550
Crane Body and Lease Payments	$61,465
Mandated Testing – UCMR5 and Lead & Copper Sampling	$22,825

New Funding by Big Move and Strategic Move

Values-Driven Organization

Aquatics Technician	$123,981
Executive Assistant – City Manager's Office	$93,405
GIS Developer for Police Department	$113,690
Ballistic Vest and Shield Replacement Program	$138,525
Battalion Chief	$186,494
FIT Captain	$161,461

Outsource HR Drug Testing	$6,000
Compensation Study Implementation (Full-Time and Part-Time)	$2,683,468
Texas Municipal Retirement System Rate Increase	$67,304
Compensation Plan – Market Adjustment	$1,332,744
Compensation Plan – Job Family Progressions	$466,912

New Funding by Big Move and Strategic Move

Data-Driven Organization

Increased Funding for Granicus Software	$14,704
West Law Subscription Increase	$1,600
Vector Solutions Scheduling Software	$14,989
Automated Alerting System	$190,775
Cityworks and Amelia Upgrades	$88,000
Geo Tracking Software for Marketing	$36,946
Boundary Adjustments	$7,500

External Attack Monitoring Service	$31,330
Enterprise Data Storage System Replacement	$173,587
Accounting / Purchasing / Utility Billing Software Refresh	$1,145,000
Payroll and Benefits Software Refresh	$1,125,000
Remote Monitoring of City's Fire Alarm System by Third Party	$11,316
Streets Asset Management Software	$14,500

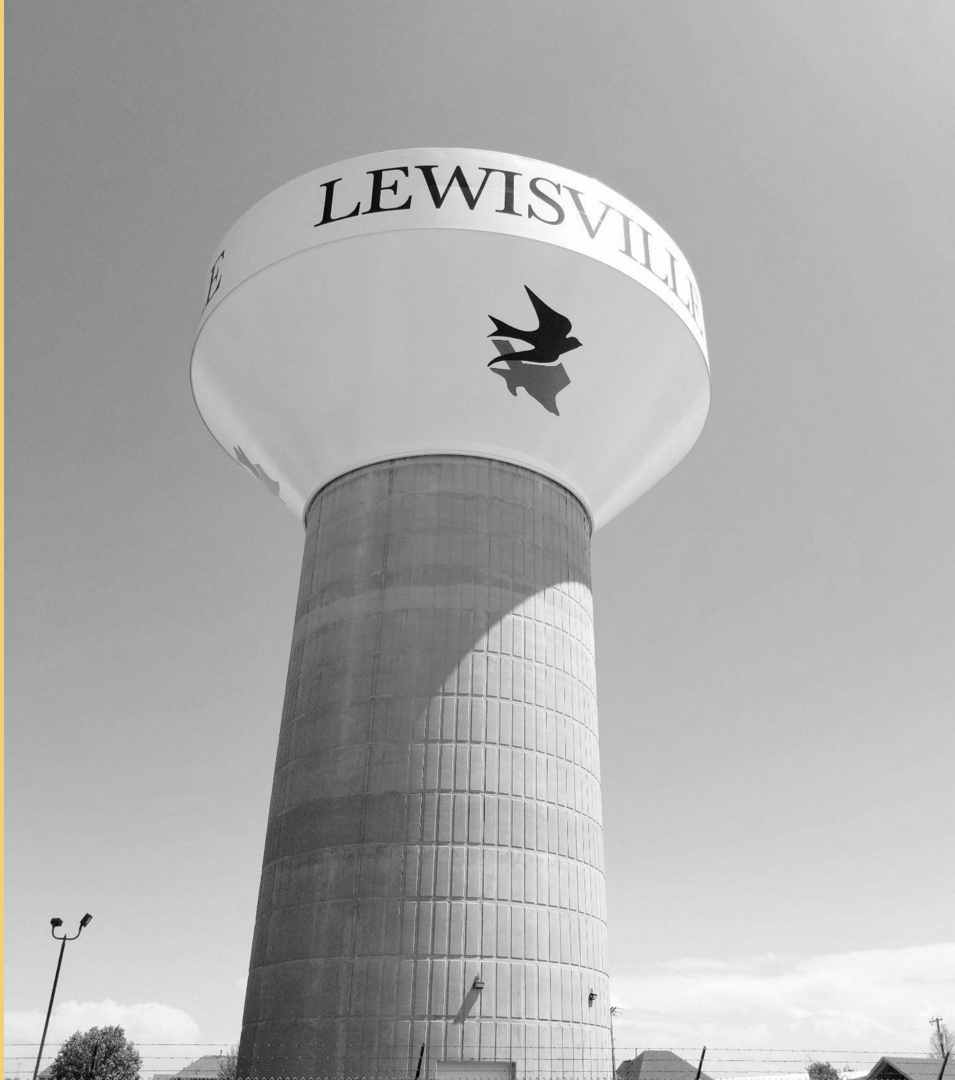
New Funding by Big Move and Strategic Move

Connected City

Police Recruiting Software	$14,400
Wireless Infrastructure Cloud Migration	$28,054
Public Safety CAD Pieces	$274,448
Network Switch Replacements	$108,000
Phone Provider Replacements	$40,060
Printer Replacements	$11,500
Library Wayfinding Improvements	$30,715

StackMap Software and Hardware for City Hall Lobby	$4,850
Traffic Signal Funding	$650,000
Corridor Signal Progression	$75,000
New Traffic Controllers and Cabinets	$100,000
Street Light Knockdowns/Maintenance	$200,000
Online Library Cards	$8,000

City Infrastructure and Facilities



INFRASTRUCTURE FUNDING - UPDATE

- Refresh of infrastructure funding study presented to City Council at annual retreat in March
- Impacts from additional capital projects and funding requests
- Refining of “Other” Category of annual capital spending plan
  - Removed items included in other capital funding plans (vehicles, technology)
  - Removed items determined to be one-time expenditures (design studies)
  - Removed items with original cost of < $25,000
- Ongoing review of infrastructure needs
- Additional ongoing replacement funding in proposed budget $1.2M
  - Does not include capital funding from the unfunded list

ANNUAL CONTRIBUTIONS TO CAPITAL

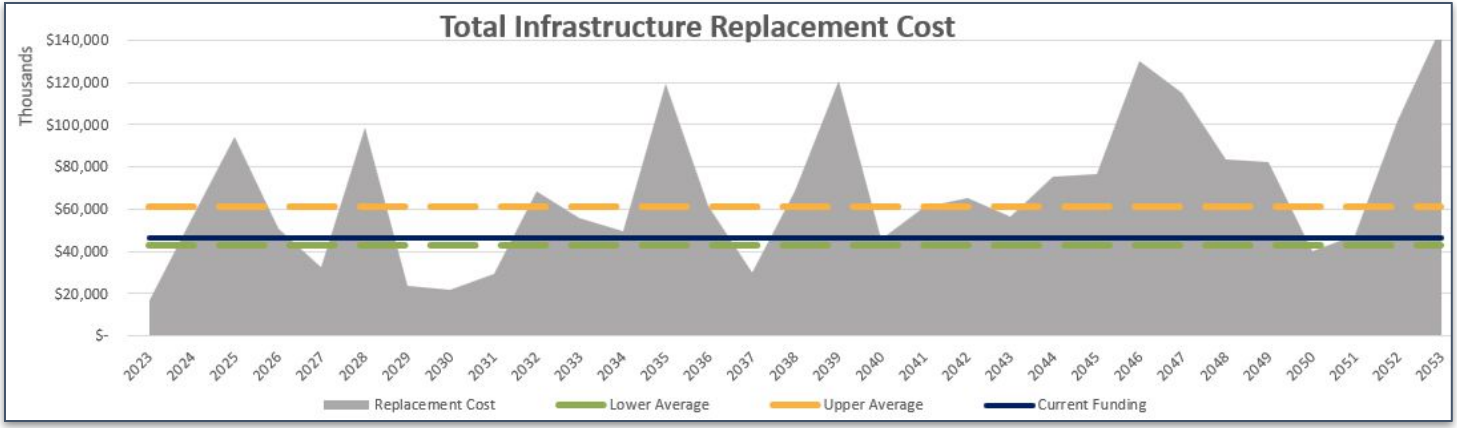
- Current Capital Replacement Contribution based on recent historical average annual spending by capital asset category (Excluding Stormwater)
  - Cash Funding (FY 2020 – FY 2023)
    - Average: $25,352,000
    - FY 2023 Cash Funding: $34,334,000
  - Historical Bond Funding (FY 2016 – FY 2023)
    - General Obligation Bond
      - Infrastructure: $14,375,000
      - Parks (Other): $2,500,000
    - Water and Sewer Revenue Bond
      - Annual Average: $14,131,000
  - Total Historical Average Capital Replacement Funding
    - Annual Average: $56,358,000

LOWER/UPPER BOUND AVERAGES

- Lower/upper bound averages determine the levels of funding needed to support capital asset replacement
  - Lower bound average is the minimum annual funding needed to support capital asset replacement projected over the next ten years
  - Upper bound average is the minimum level of funding needed to support capital asset replacement projected over the next twenty years (thirty years for water and wastewater capital)
- Current funding is the average annual amount of spending by capital asset category (infrastructure, water, wastewater, and other)

TOTAL CAPITAL SPENDING NEEDS

- Identifying Gaps in Funding and Forecasted Capital Replacements
  - Total Forecasted Annual Capital Replacement Spending Needs for City (Excluding Stormwater)
    - Current Funding: $46,574,000
    - Lower Bound Average: $42,891,000
    - Upper Bound Average: $61,417,000

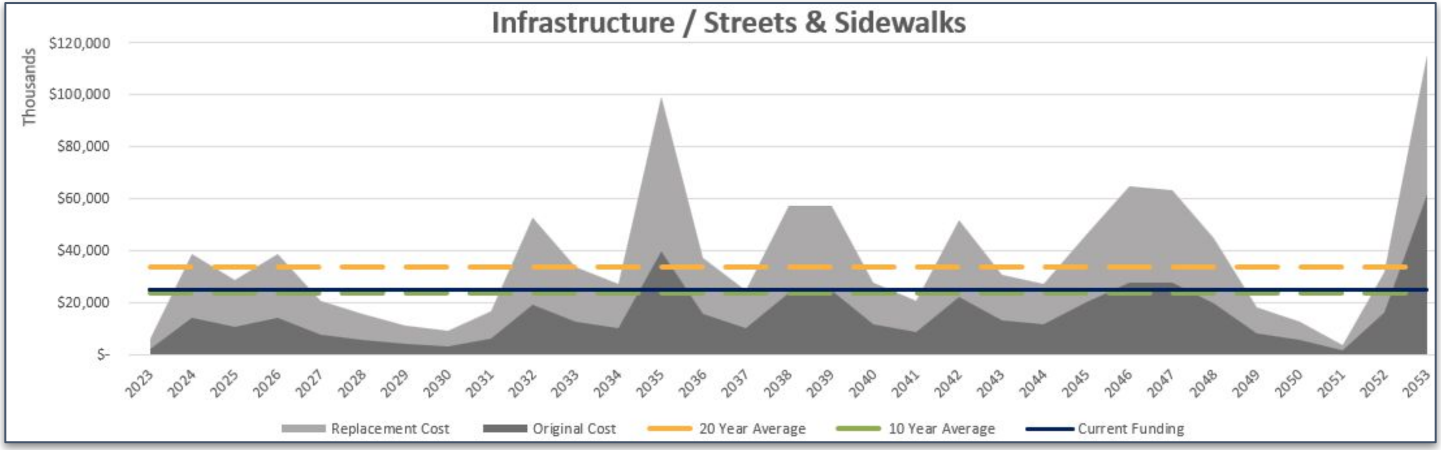


CAPITAL SPENDING NEEDS - INFRASTRUCTURE

–Infrastructure / Streets & Sidewalks

*** $200,000 additional funding for streetlights***

- Current Funding: $24,912,000
  - **Additional Funding: $200,000***
- Lower Bound Average: $23,833,000
- Upper Bound Average: $33,740,000



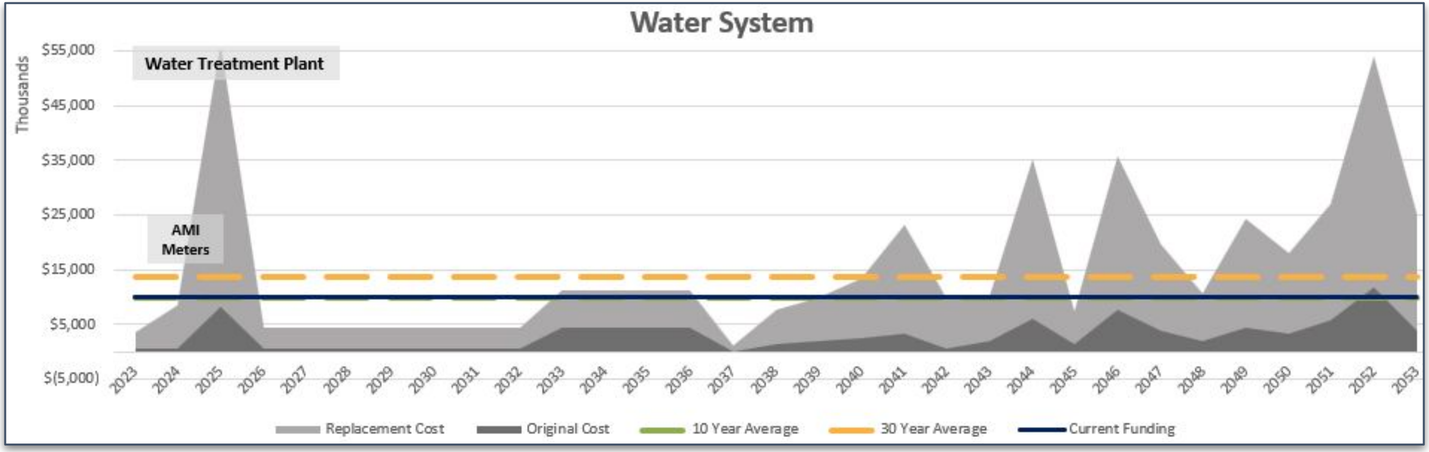
CAPITAL SPENDING NEEDS - WATER

– Water System

- Current Funding: $9,944,000
  - **Additional Funding: $375,000***
- Lower Bound Average: $9,906,000
- Upper Bound Average: $13,647,000

**** $375,000 additional funding for meter replacement (additional funding of $375,000 for FY 2025)***

Note: In periods where no major retirements are forecasted, study assumes a level of capital funding required to maintain existing system and keep in a state of good repair.

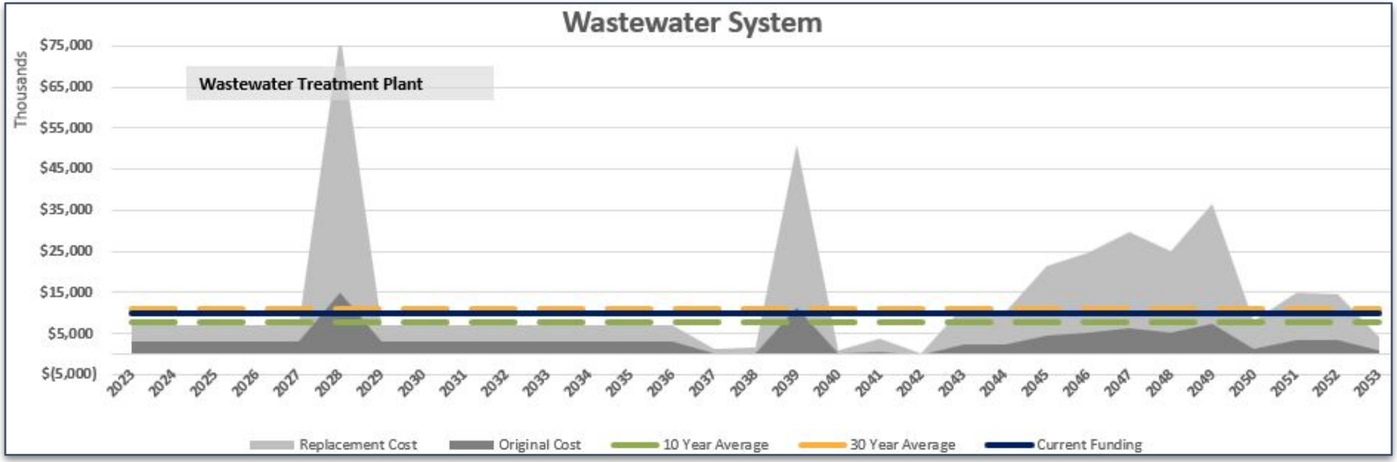


CAPITAL SPENDING NEEDS - WASTEWATER

– Wastewater System

- Current Funding: $9,944,000
- Lower Bound Average: $7,806,000
- Upper Bound Average: $11,135,000

Note: In periods where no major retirements are forecasted, study assumes a level of capital funding required to maintain existing system and keep in a state of good repair.

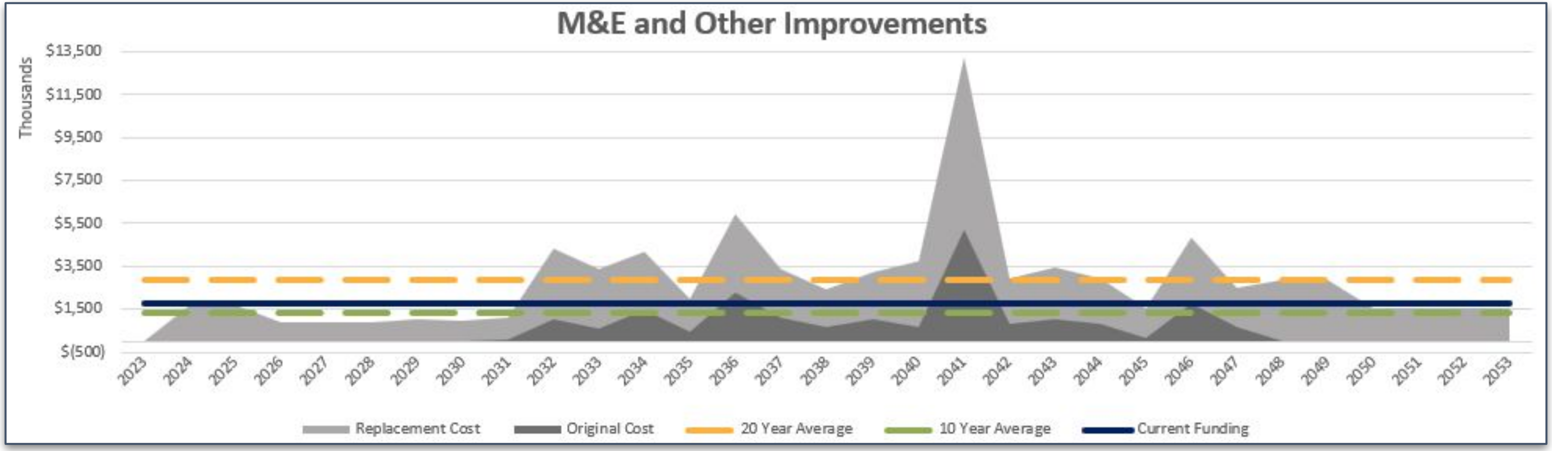


CAPITAL SPENDING NEEDS - OTHER

–M&E and Other Improvements

- Current Funding: $1,774,000
  - **Additional Funding: $627,739***
- Lower Bound Average: $1,346,000
- Upper Bound Average: $2,986,000

**** $627,739 additional funding for radios (additional funding of $337,261 for FY 2025)***



SUMMARY

- Continued review and refining of capital assets program
- Determination of how existing CIP funding balances impact spending needs
- Current funding is sufficient to meet the lower bound average
- Long-term strategy to be followed
  - Smartly increase funding commitment towards upper bound average
  - Move from reactive to predictive
  - Enhance data collection, gain efficiencies
- Report to Council at a future date

Portable Radio Replacement - $3,093,183*

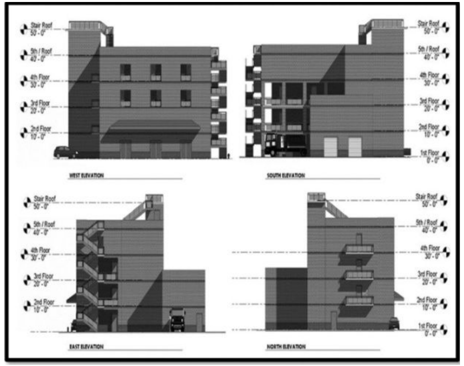
This Action Step will fund a portion of the cost to replace all portable radios city-wide, including public safety radios deemed end-of-life in December 2023. The remainder of the cost will be budgeted in FY 2025. The radios being replaced belong to various departments:

- Police
- Fire
- Public Services
- Parks and Recreation
- Neighborhood and Inspection Services

*FY 2024 total includes $2,465,444 in one-time costs and $627,739 in ongoing costs (Total one-time cost of program is $4.9M with an annual ongoing cost of $965K)

Additional Funding for Fire Training Tower - $1,000,750

The Fire Training Tower project is a joint effort between Lewisville, Flower Mound, and Highland Village to build a new tower on the existing training field site. Construction costs have come in higher than anticipated. This funding represents Lewisville's share.



Replacement of Temporary Construction Meters - $123,550

The temporary construction meters that are checked out to construction contractors are aging and are losing the ability to accurately measure the water that passes through them. This funding will replace the meters with more accurate digital meters, backflow prevention assemblies, and ongoing testing of the assemblies.

DWU and UTRWD Purchased Water Rate Increases - $1,948,374

Dallas Water Utilities will increase the Untreated Volume Rate by 7.7%, the Treated Volume Rate by 13.9%, and the Demand Rate by 2.3%. Upper Trinity Regional Water District will increase the Treated Volume Rate by 6.4% and the Demand Rate by 7%.

WWTP Odor Control Media Replacement - $73,356

The odor control units at the Wastewater Treatment Plant and Timber Creek Lift Station were installed in 2016 and are overdue for a replacement. The media with help resolve nuisance odors that will reach the public.

Automated Meter Infrastructure + Lead Service Lines

Issues

- **EPA Revised Lead and Copper Rule**
  - October of 2024
  - 10,507 Service Lines - Unknown Material
- **Meter Reading**
  - Residential Meters Read by Contract - $308k Annually
  - Commercial Meters - Drive by Meter Reading
    - 80 Labor Hours per Month
- **Meter Availability**
  - Average Lead Time for Analog Meter is 6-8 weeks
- **Limited Customer Service**
- **Some Meters Difficult to Locate**

Proposal

- **Identify Unknown Water Service Material**
  - Physically Inspect all Unknown Materials
- **Geocode Every Meter**
- **Upgrade Meter Registers**
  - Advanced Metering Infrastructure (AMI)

Overall Total Cost - $9,548,647

Lewisville 2025

Sustainability

- Water Conservation
  - Provides Analytic Tools to City and Customer
- Fuel Conservation
  - Eliminates Drive-by Readings

Data Driven

- Enhanced Data Availability
  - Actionable
- Enhanced Communication

Diverse & Thriving Neighborhoods

- Helps quickly find leaks during storms

Water Conservation

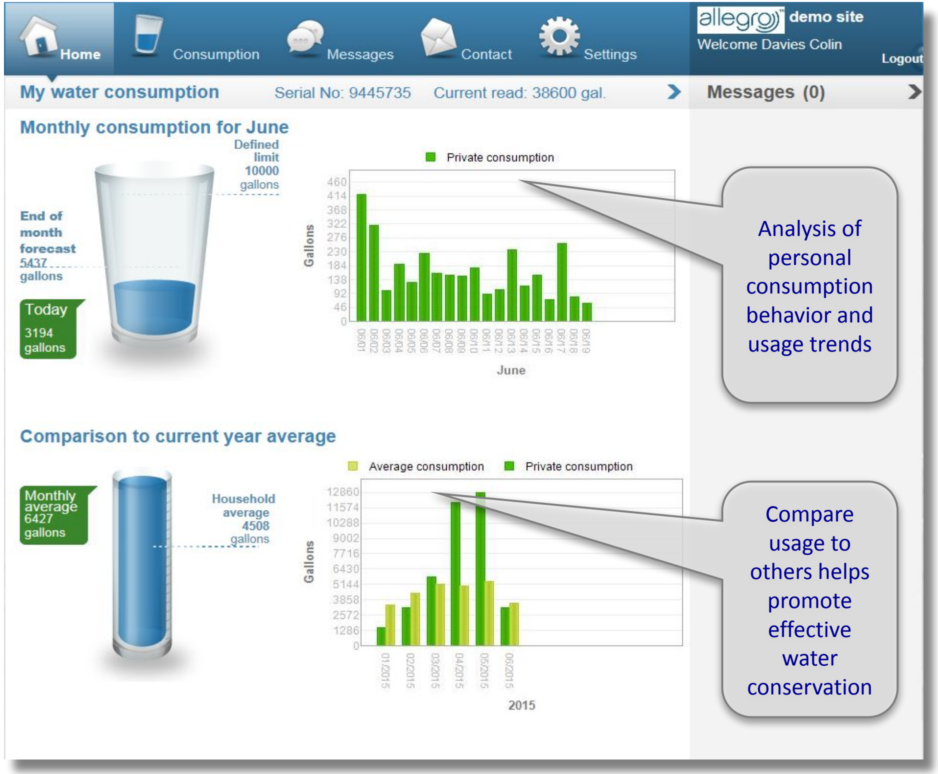
Leak Alert Handling-Severity GPH-GPD

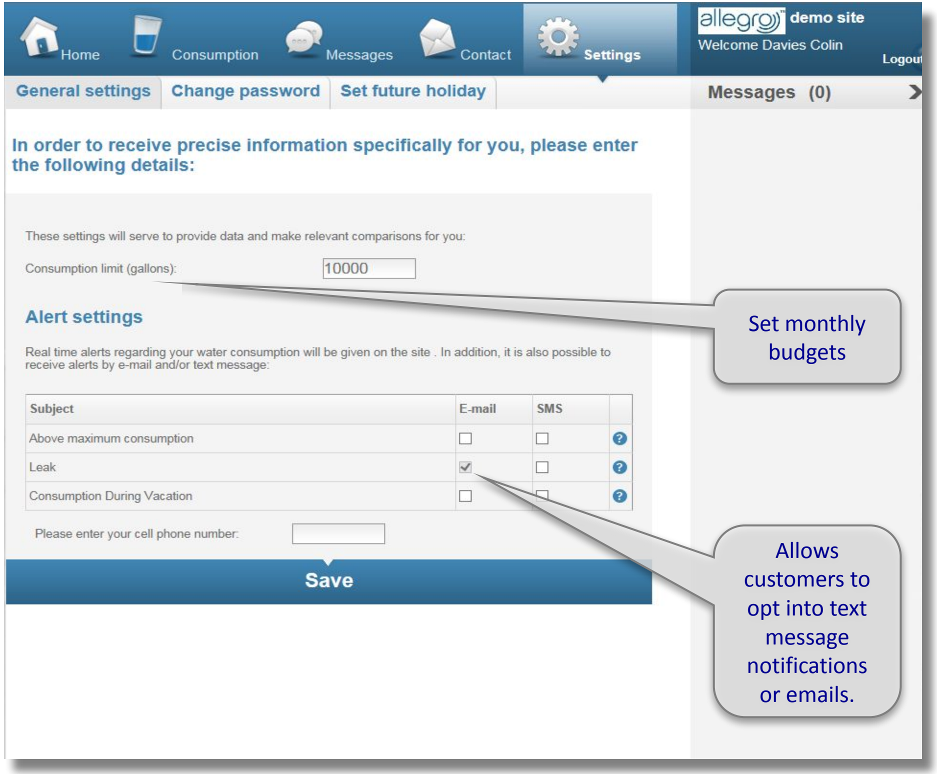
Severity	Meter ID	Serial Number	Location Address	Alert Time	Last Received	Letters Sent	Comment	SMS Sent	Email Sent	Date Snoozed	Date Snooze Expires	Leak Level (Gallons/Hour)	Daily Consumption (Gallons)
Norm:	All	All	All	All	All	All	All	All	All	All	All	All	All
	00006795560	7466618		5/27/2021 1:01:00 PM	5/28/2021 1:00:00 PM	0	WORK ORDER ISSUED FOR 5/28/21. MYGOV ISSUED.	0	2	5/28/2021 7:46:00 AM	6/11/2021 12:46:00 PM	274.0	8962.7
	00008754436	11441134		5/26/2021 3:41:00 PM	5/31/2021 12:56:00 PM	0	Email sent 05/27/2021	0	2	5/27/2021 8:45:00	6/10/2021 1:45:00		
	00007460585	8452779		5/26/2021 7:16:00 AM	5/31/2021 1:00:00 PM	0	Email sent 05/27/2021	0	2				
	00006963935	7464897		5/15/2021 1:00:00 AM	5/31/2021 1:00:00 PM	0	EMAIL SENT 5/17/21.	0	1				

Source: Master Meter

Water Conservation

Customer Engagement | Personal Portal





Source: Master Meter

Customer Mobile Applications

SMS | Leak | Budget
ALERTS

Source: Master Meter

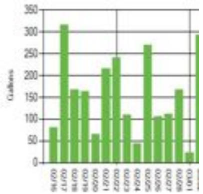
Water Conservation
Meter Testing

- Current Meter Reading
  - 80 Labor Hours per Month
  - Reduce to 15 Hours per Month

- Reallocate hours to meter testing
  - Increased Revenue

Enhanced Data

- 2 Way Communication allows Utility to access on demand reads
- Round the Clock access to customer data
- Time synchronized readings, over the air programming/remote firmware updates



- 15 Minute usage/consumption data
- Data and events are time stamped
- End to End Security

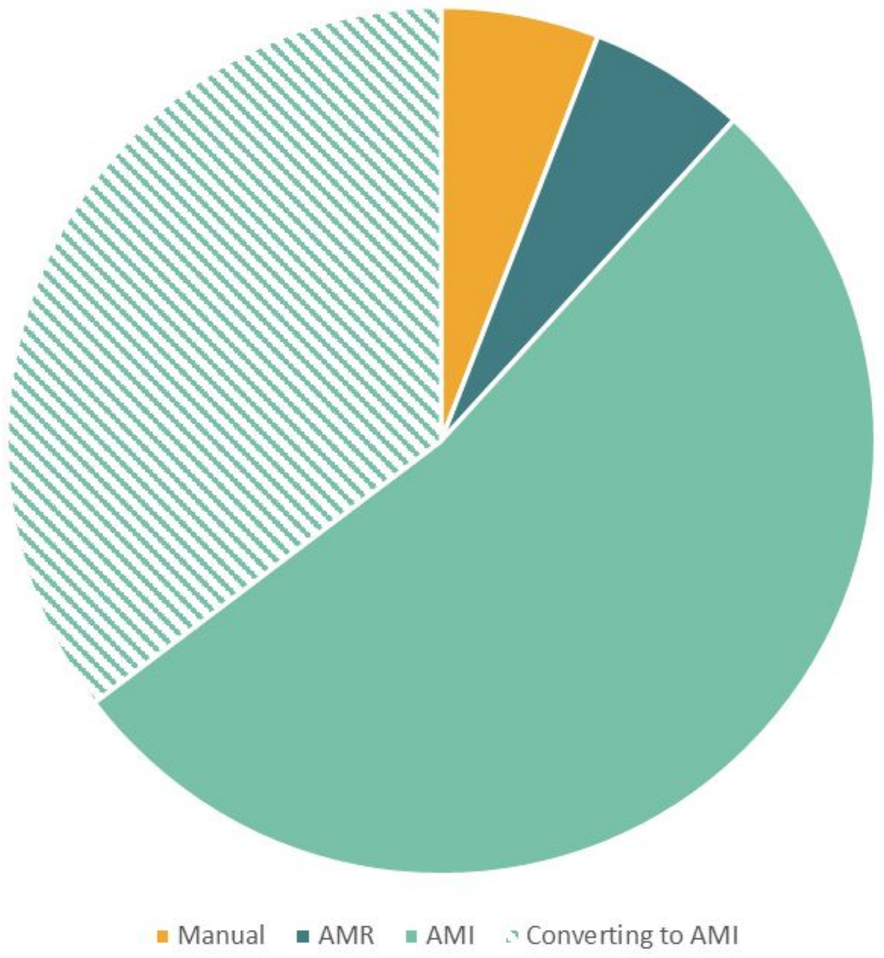
- Empowers City to manage water meter assets, analyze water system consumption demand
- Enables the consumer to take charge of conservation efforts

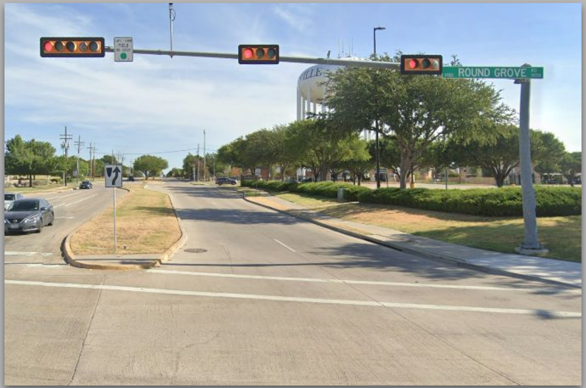
Source: Master Meter

Comparison Cities and AMI

All of our comparison cities have either AMI, AMR, or are in the process of converting to AMI.

- AMI – Allen, Coppell, Fort Worth, Frisco, Grand Prairie, Irving, McKinney, Mesquite, and Plano
- Actively converting to AMI – Arlington, Grapevine, Richardson and Carrollton
- Converting to AMI soon – Dallas and Denton
- AMR – Flower Mound





Additional Storm Sewer Inspection Funding - $312,300

This funding will allow for the inspection of 90,000 linear feet of the storm sewer system per year and will help meet the City's goal to inspect the entire system within ten years. Current contract pricing has risen from $2.50/LF to $5.69/LF.

Traffic Signal Funding - $650,000

This funding will allow for the design and construction of two traffic signals, as warranted by traffic studies. Possible locations include Valley Ridge Boulevard at Kealy Avenue and Summit Avenue at Civic Circle Parkway.

Corridor Signal Progression - 75,000

Request will fund a third-party consultant to perform a traffic signal progression analysis on FM 3040, which includes 10 signalized intersections. The analysis will allow for better coordination among traffic signals in this corridor, including the creation of different timing plans for days or the week and location within the corridor.

Summit Ave. Streetscape Drainage Design - $150,000

Funding provides for schematic design and conceptual Corps of Engineers approval for pond improvements at the northeast quadrant of Summit Avenue and Grandy's Lane, as well as for a pedestrian bridge over the wetlands west of Summit Avenue in accordance with the Coy Talley landscape plan for the Northern Gateway.

Traffic Signal Controllers and Cabinets - $100,000

The City has identified about 100 signalized intersections that are 20-30 years old and nearing end-of-life. To replace the entire system, the projected cost is about $2M. In FY 2023, $500,000 was funded to address a percentage of these intersections. This additional funding will continue to allow staff to address intersections proactively.

Street Light Repair, Maintenance, and Replacement - $200,000

This funding is dedicated for street light repairs, maintenance, and replacement as needed. Maintenance would include both standard street lights and high mast street lights. As existing non-LED bulbs burn out, the City replaces them with LED bulbs.

Public Safety CAD Pieces - $274,448

This funding will support the costs related to new public safety software. Request includes funding for the Central Square software interface, electronic citation ongoing maintenance, and a final payment to Zuercher.

Enterprise Data Storage System Replacement - $173,587

The City's Tier 2 data storage infrastructure includes two separate systems - one for disaster recovery data and one for backup data. Both systems have reached end-of-life as specified by the manufacturer. This funding will replace both systems with a single enterprise data storage system.

Network Switch Replacements - $108,000

Funding to purchase ten network switches that have reached end-of-life. In the event of a hardway failure, no computer, telephone, camera, or access point support by the affected switch would have access to the network until a replacement is installed. This request is a part of the City's 5-Year Technology Plan.

PC Replacements - $377,481

Funding to replace 197 computers that will enter their fifth year of service to ensure employees have desktop or laptop computers capable of utilizing the latest technology. Replacement will also help eliminate latency and other hardware issues. This request is a part of the City's 5-Year Technology Plan.

Capital Projects Transfer (PAYGO) - $5,000,000

The Capital Improvement Program for FY 2023-24 is being funded with $5,000,000 sourced from the Utility Fund's fund balance.

An additional $16.7M will be added in utility bond funding

Software Refresh - Accounting / Purchasing / Utility Billing - $1,145,000

The current vendor for the City's financial software has announced that there will be no more new-development efforts directed at the current software. This funding will be used to identify and purchase a new financial software. The majority of these costs are one-time in nature ($1,020,000), with the remaining ongoing costs dedicated to annual software subscriptions and maintenance.

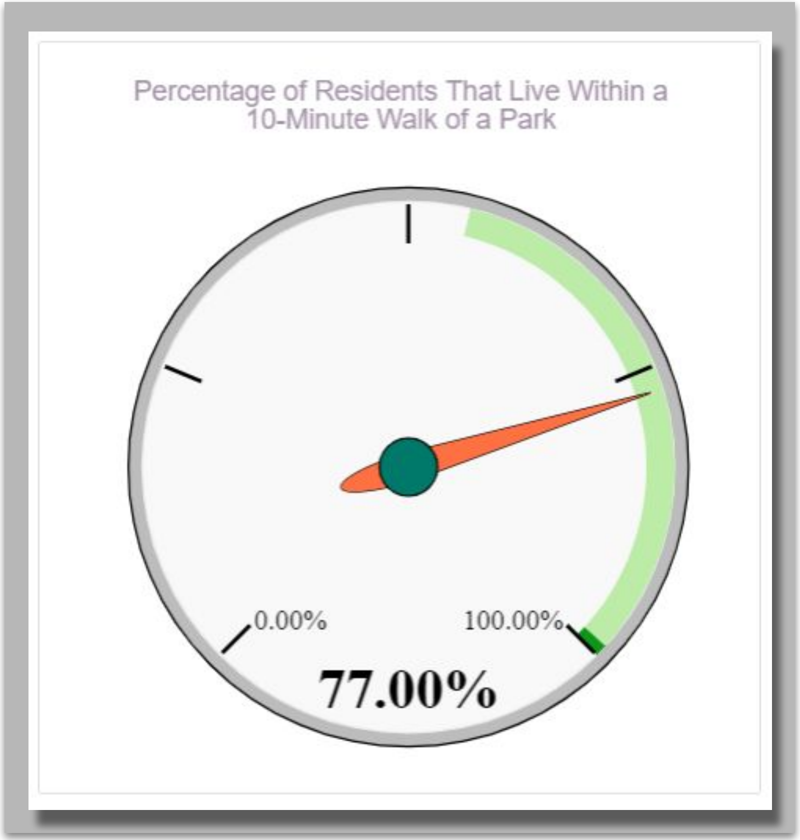
Software Refresh - Payroll and Benefits - $1,125,000

The current vendor for the City's payroll and benefits software has announced that there will be no more new-development efforts directed at the current software. This funding will be used to identify and purchase a new payroll and benefits software. The majority of these costs are one-time in nature ($1,000,000), with the remaining ongoing costs dedicated to annual software subscriptions and maintenance.

10-Minute Walk to a Park

While our current value is over the national average of 55%, Lewisville is making plans to increase this number to 85% by 2025 and to 100% by 2035.

Across all age groups, greater access to parks is associated with lower body mass index and reduced risk of obesity. Children's use of neighborhood parks increases by 400% when parks are closer to home.



4B Improvements and Healthy Infrastructure Projects - $777,500

This Action Step will fund the following 4B and Healthy Infrastructure Plan projects.

- Wayfinding signage
- Updated signs
- LISD playground support
- Partnership support
- Playground replacement
- LLELA kayak launch redesign
- Increases to annual replacement funds
- Creation of replacement funds for Outdoor Aquatics, Herring, and Hedrick

Park Development and Dedication Fee Increases - $738,997

Each year, Park Development and Park 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 are inconsistent from year to year. This $738,997 reflects the increase in fees from current fiscal year to the proposed year. Funding is used for various park improvements.

Castle Hills Park Improvements ($1,844,780 using existing Castle Hills CIP funding)

- **$255,640** - Bridge Replacement (2) - Tear Drop Park
- **$127,820** - Bridge Replacement - Fitness Park
- **$111,320** - Bridge Replacement - Train Park
- **$250,000** - ADA Trail Improvements - throughout Castle Hills
- **$1,000,000** - Irrigation Conversion and Repairs - throughout Castle Hills
- **$100,000** - Queen Margaret Park Improvements - Queen Margaret Park

Employee Recruitment, Development, and Retention

Compensation Study Implementation - $2,683,468

Funding will allow for the full implementation of the Compensation Study for both full-time and part-time employees. This funding is in addition to the $3M approved last year.

Compensation Plan - Market Adjustment - $1,332,744

This funding will provide a market adjustment to all employees in order to keep up with market changes that have occurred in the past year.

Compensation Plan - Job Family Progressions - $466,912

Based on the Compensation Study's findings, job family progressions have been devised for specific positions, enabling greater responsibilities within each role. The implementation of these progressions is scheduled to commence in FY 2024, following a two-phase approach. However, to fully execute the program, additional funding will be required during FY 2024-25.

Lateral Pay - Fire Department

Implementation of lateral pay for Fire (already available for Police). This will be absorbed into the Fire Department's base budget.

$113,690	GIS Developer dedicated to Police Department
$93,405	Executive Assistant – City Manager's Office
$123,981	Aquatics Technician – Parks and Recreation
$186,494	Battalion Chief – Fire Department
$161,461	FIT Captain – Fire Department

Justice, Equity, Diversity, Inclusion

Neighborhood Empowerment Zone # 2 Programs - $50,000

Funding is dedicated for two grant incentives for homeowners within the designated Neighborhood Empowerment Zone #2.

Property Enhancement Program (PEP) Plus

- $30,000
- Encourages reinvestment through exterior renovations of owner-occupied single-family homes
- Grant up to 25% of costs

Code Abatement Program

- $20,000
- Provides assistance to low and extremely low-income homeowners for essential repairs related to code violations
- Reimbursement of 100% of costs between $250 - $7,500

Colorpalooza Expansion - $31,450

Colorpalooza continues to evolve into one of the City's most beloved events. This funding will allow for further development and expansion of the event mainly through the addition of two cultural pods for the Chin and Korean cultures, plus some funding for expanded art installations in Wayne Ferguson Plaza.

Online Library Cards - $8,000

This funding will allow for the creation and implementation of an online library card application. This will allow Lewisville residents, some of whom may not have access to reliable transportation, the ability to apply for a card online and instantly access the library's digital resources.

Flexibility and Work/Life Balance

Benefits of Organizational Holidays

- Designated time off is important flexibility for employees
- Organizational holidays reflect values
- Enhance competition for talent

Paid Holidays			
Holiday	***Lewisville***	Metroplex Survey Avg (14)	Lewisville above/below Avg
New Year's Day	Yes	100%	
Martin L. King	Yes	93%	
President's Day	No	14%	
Good Friday	No	7%	
Memorial Day	Yes	100%	
Independence Day	Yes	100%	
Labor Day	Yes	100%	
Thanksgiving Day	Yes	100%	
Day after Thanksgiving	Yes	100%	
Christmas Eve	Yes	79%	
Christmas Day	Yes	100%	
Juneteenth Holiday	No	43%	
Indiginous Peoples' Day	No	7%	
Veterans Day	No	7%	
Spring Holiday	No	7%	
Personal/Float Holiday	No	64%	
TOTAL	*9*	*10.5*	*-1.5*

Compensation study consultant found our comparison cities average 10 holidays

Flexibility and Work/Life Balance

Recommendation

- **Add two organizational holidays**
    - Increase from 9 to 11 holidays annually
        - Juneteenth Holiday
        - Cultural Appreciation Day
            - Floating
            - Accrued at start of fiscal year
    - Aligns with market trends and with Council JEDI goals
    - Financial impact minimal – Added holidays increase some overtime expense when holidays are used, dependent on department operations and individual workweek hours. However, recent overtime data shows no consistent impact of holiday on overtime spend.

Old Town Development

Replacement of Vortek Motor Drives
$140,000

This funding is designated for the replacement of individual motor drives on 21 Vortek line sets in the fly loft at Lewisville Grand Theater. One drive has failed and all drives have exceed their life expectancy.

Western Days Main Stage Funding
$84,000

Funding will allow more flexibility with booking main stage entertainment at Western Days.

LEWISVILLE WESTERN DAYS

Small Area Plan Implementation
$100,000

Funds will aid in the implementation of adopted small area plans:

- Branding campaign for Old Town North
- Creative mix area of Old Town North
- Round Grove Design Overlay
- College Street Design Overlay or extending boundary of Old Town
- Trail design, sidewalks, or lighting

OTL Landscaping and Pocket Park
$1,450,000

In March 2023, City Council gave direction to move forward with a concept plan presented by Studio Outside focused on bringing landscape improvements to City Hall, The Grand, Visitor Information Center, and Poydras Plaza. In addition, these funds will also be used for designing and constructing the pocket park to be located south of Sullivan Old Town BBQ.

Summary of Base Budget

New funding and the use of fund balance for Fiscal Year 2023-24 is being used primarily to implement the City Council's priority regarding ***City Infrastructure and Facilities*** at 54% of expenditures.

The second highest category of expenditures is related to the City Council priority of ***Employee Recruitment, Retention, and Development*** at 18%.

The remaining 28% is spread throughout the other City Council priorities.

Residential Municipal Cost of Service Comparison

OVERALL RANK	CITY	POP.[2]	VALUE[3]	HOMESTEAD VALUE	TAX RATE	HOMESTEAD EXEMPTION	CITY SALES TAX RATE	ANNUAL PROPERTY TAXES[3]	ANNUAL WATER CHARGE[4]	ANNUAL SEWER CHARGE[4]	ANNUAL DRAINAGE CHARGE[5] [6]	ANNUAL SANITATION CHARGE [7]	TOTAL ANNUAL CHARGE	COMBINED WATER & SEWER	SALES TAX
1	Lewisville	132,620	$ 437,553	1.000	0.443301	0%	1.25%	1,940	$ 677	$ 326	$48	$ 170	$ 3,161	$ 1,003	0.0825
2															
3															
4															
5															
7	Allen	104,870	$ 437,553	0.950	0.421200	5%	2.00%	1,751	844	794	42	222	3,653	1,638	0.0825
6	Farmers Branch	38,140	$ 437,553	0.800	0.589000	20%	1.00%	2,062	1,043	575	0	0	3,680	1,618	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	Irving	261,350	$ 437,553	0.800	0.589100	20%	1.00%	2,062	689	521	102	422	3,796	1,210	0.0825
10	Arlington	399,560	$ 437,553	0.800	0.599800	20%	2.00%	2,100	550	810	102	240	3,802	1,360	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	0.712500	20%	1.00%	2,494	720	751	69	227	4,261	1,471	0.0825
13	McKinney	206,460	$ 437,553	1.000	0.457485	0%	2.00%	2,002	1,112	883	48	220	4,265	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	0.745800	20%	1.00%	2,611	687	741	89	465	4,593	1,428	0.0825
17	The Colony	45,900	$ 437,553	1.000	0.645000	0%	2.00%	2,822	906	698	48	264	4,738	1,604	0.0825
18	Garland	247,590	$ 437,553	0.900	0.716692	10%	1.00%	2,822	1,446	665	54	280	5,267	2,111	0.0825
19	Mesquite	152,020	$ 437,553	1.000	0.658140	0%	2.00%	2,880	1,249	804	60	315	5,308	2,053	0.0825

1 Lewisville 132,620 $ 437,553 1.000 0.443301 0% 1.25%

*Study conducted by the City of Carrollton

Discuss Recommendation for Unfunded Items

Unfunded – General Fund

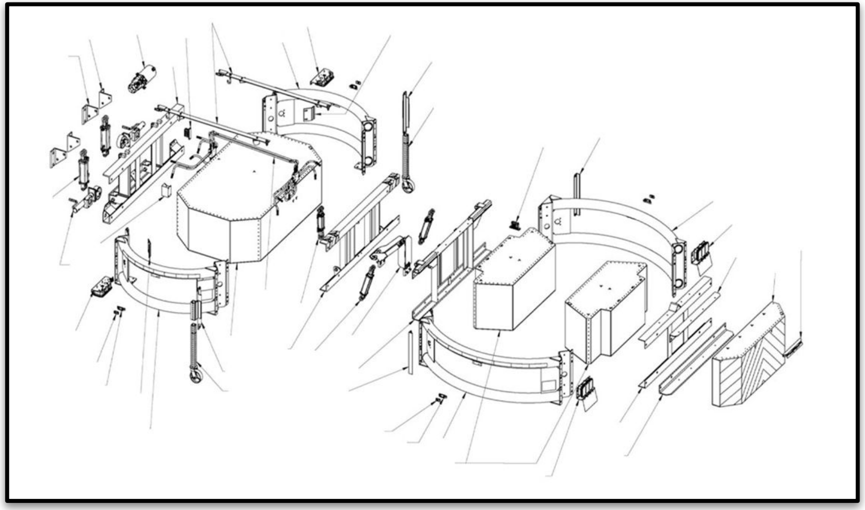
Diverse and Thriving Neighborhoods

City Infrastructure and Facilities

Unfunded Item - Blocking Apparatus

Amount	Item	Description
$262,027 One-time - $219,693 Ongoing - $42,334	Blocking Apparatus	The Fire Department's current blocking apparatus is an old engine that is not designed to absorb the impact of another vehicle crashing into it. The requested blocker is specifically designed for traffic control and the possibility of being struck by another vehicle.

Proposed Blocking Apparatus



Unfunded Item - 2024 Compensation Plan - 3% Merit Increase - $864,073

Values-Driven Organization

Employee Recruitment, Development, & Retention

Amount	Item	Description
$854,647*	3% Merit Increase - Full-Time	Merit increase that would be given once a full-time employee receives a satisfactory annual performance review.
$9,426*	3% 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 $1,526,695 (Comp Study Implementation), $1,112,000 (Market Increase), and $381,294 (Job Family Progressions)

Unfunded Item – 2024 Compensation Plan – 3% Merit – Impact to Other Funds

Total Cost – $1,164,826

Fund	Merit (3%)
230	$3,760
235	$1,268
255	$2,274
280	$5,993
285	$37,055
286	$108,044
402	$99,446
430	$11,775
503	$10,687
794	$20,451

Unfunded Item - Records Management Analyst - City Secretary's Office

Data-Driven Organization

Amount	Item	Description
$81,127 One-time - $1,920 Ongoing - $79,207	Records Management Analyst - City Secretary's Office	Based on an analysis performed by Weaver and Tidwell, LLP, a Records Management Analyst is being recommended for the City Secretary's Office. This positions will facilitate and monitor the city's records retention program.

Unfunded Item - Employee Engagement Partnership

Values-Driven Organization

Employee Recruitment, Development, & Retention

Amount	Item	Description
$32,700 One-time - $9,200 Ongoing - $23,500	Ongoing Employee Engagement Survey	This request would create an ongoing partnership with a third party that allows the City to continuously check in with employees and take action to enhance the work experience, employee engagement, and employee retention.

Unfunded Item - Increase Street Infrastructure CIP Funding

Connected City

City Infrastructure and Facilities

Amount	Item	Description
$4,633,128	Funding for Street and Alley Infrastructure Maintenance	This request would increase maintenance funding for concrete, asphalt, sidewalks, screening walls, pavement, alley, and traffic improvements to meet expected contract increases of 7% - 7.5% as well as add funding to help extend the life of existing pavement that has not yet reached end-of-life, which is defined as a Pavement Condition Index of 55 or lower.

Streets/Traffic Infrastructure Funding Trend

Additional Funding Options

- The City of Lewisville has an estimated 781 lane miles of public streets.
  - The majority of streets (93%) and alleys (94%) are above the PCI failure rating of 55.

- Any level of increased funding could be utilized to extend the life of streets and alleys that have not yet dropped to a PCI of 55.

Unfunded Item - Certification Pay Increases for Public Safety

Values-Driven Organization

Employee Recruitment, Development, & Retention

Amount	Item	Description
$121,512*	Certification Pay Increases for Public Safety	Currently the City of Lewisville offers the highest of either certification or education pay. This action step would make this level of pay more competitive by offering both. Eleven of the city's survey cities offer both with only one survey city offering one or the other.

*General Fund only – Impact to the Crime Control Fund would be $732 and the impact to the Fire Control Fund would be $1,464

Unfunded Item - Certification Pay Increases for Public Safety

- Current offerings
  - Highest of the two
  - Monthly amounts

Type	Certification		
Level	Intermediate	Advanced	Masters
Police	$ 50	$ 100	$ 150
Fire	$ 50	$ 100	$ 150

Type	Education		
Level	Associate's	Bachelor's	Master's
Police	$ 50	$ 100	$ 150
Fire	$ 50	$ 100	$ 150

- What the compensation study data says
  - Levels of pay are competitive
  - Most comparison cities offer both education & certification (11 survey cities offered both), we offer one or the other (1 survey city also does this).

Unfunded Item - Missing Sidewalk Segments

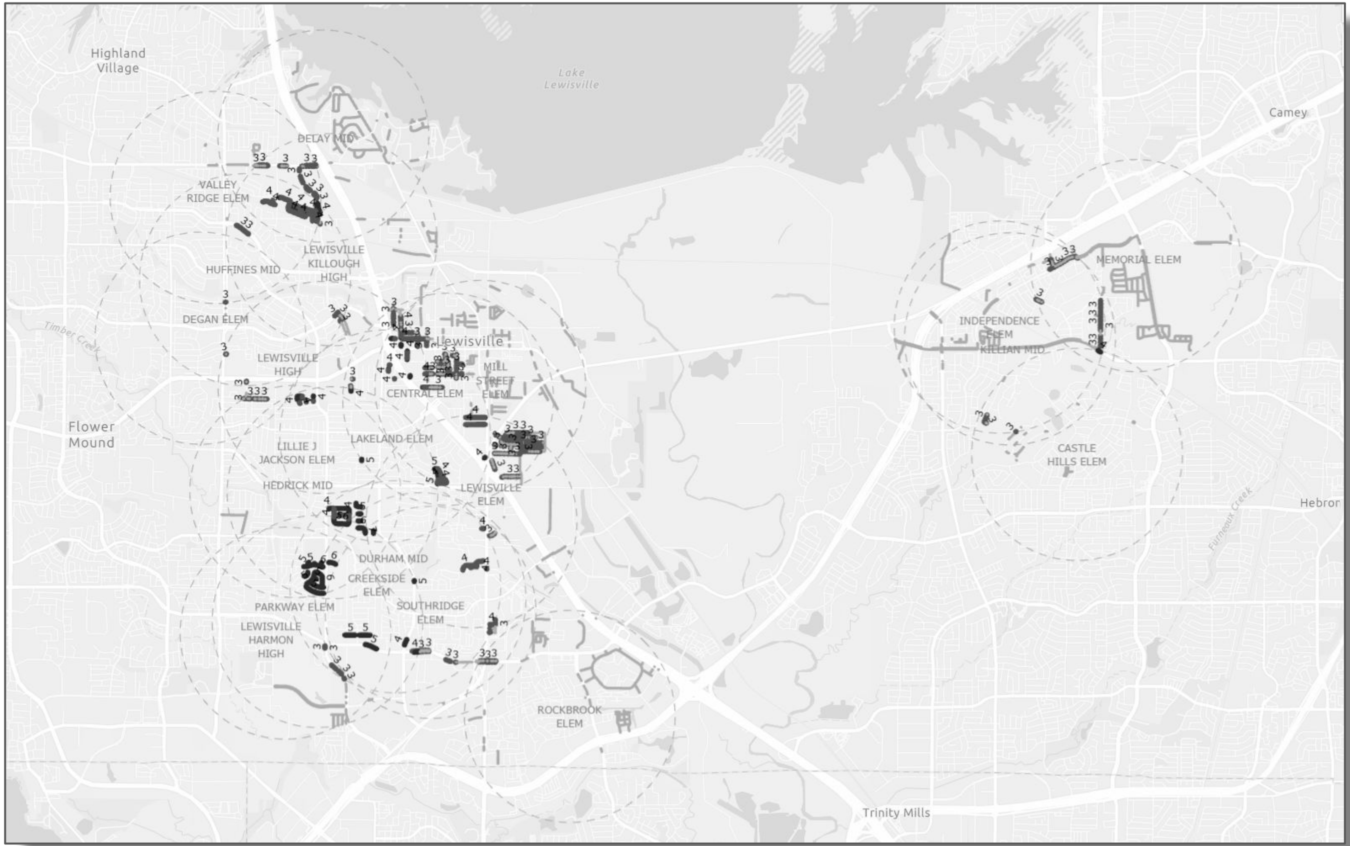
Diverse and Thriving Neighborhoods

Connected City

City Infrastructure and Facilities

Amount	Item	Description
$125,000	Missing Sidewalk Segments	Funding to install missing sidewalk segments throughout the city. Highest priority would be given to missing sidewalk segments close to schools, parks, and trails.

Unfunded Item - Missing Sidewalk Segments



Unfunded Item – Traffic Calming – King Arthur Blvd

Diverse and Thriving Neighborhoods

Connected City

City Infrastructure and Facilities

Amount	Item	Description
$675,000	Traffic Calming – King Arthur Blvd from Morgan Lefay Lane to Lady Lore Lane	Speeding on King Arthur Blvd has been reported as a constant problem, confirmed by staff via a speed study. This request would fund paint striping to create parking spaces, bump outs at intersections, and possible bike lanes to narrow the through lanes and provide better direction. Additional speed limit signage would also be added.

Traffic Calming - King Arthur Blvd

Unfunded Item – Support Funding for Nonprofits

Diverse and Thriving Neighborhoods

Justice, Equity, Diversity, and Inclusion

Amount	Item	Description
$50,000	Support Funding for Nonprofits (i.e. United Way and Serve Lewisville)	To meet the needs in our community, the City can work with partners that can provide additional resources to our community members. Backbone support organizations work with direct service providers and help manage overall operations and implementation of work. This funding will provide a pilot program for one year of services.

Identity, Place and Communications

Unfunded Item - Website Chat Feature

Amount	Item	Description
$36,640 One-time - $9,990 Ongoing - $26,650	Website Chat Feature	This request would create a new way for residents to interact quickly with the City at any time through the website to get help with issues. This automated, fully integrated web assistant automates customer service and increases resident engagement while providing timely and efficient communication.

Unfunded - Hotel Motel Fund

Identity, Place and Communications

Old Town

Old Town Development

Unfunded Item - Rocktober Halloween Event

Amount	Item	Description
$36,100	Restore Rocktober Halloween Event	This request would provide funding for a one-night Halloween concert event. This event would include stage entertainment and children's activities, and would likely draw participation from downtown merchants.

GENERAL FUND

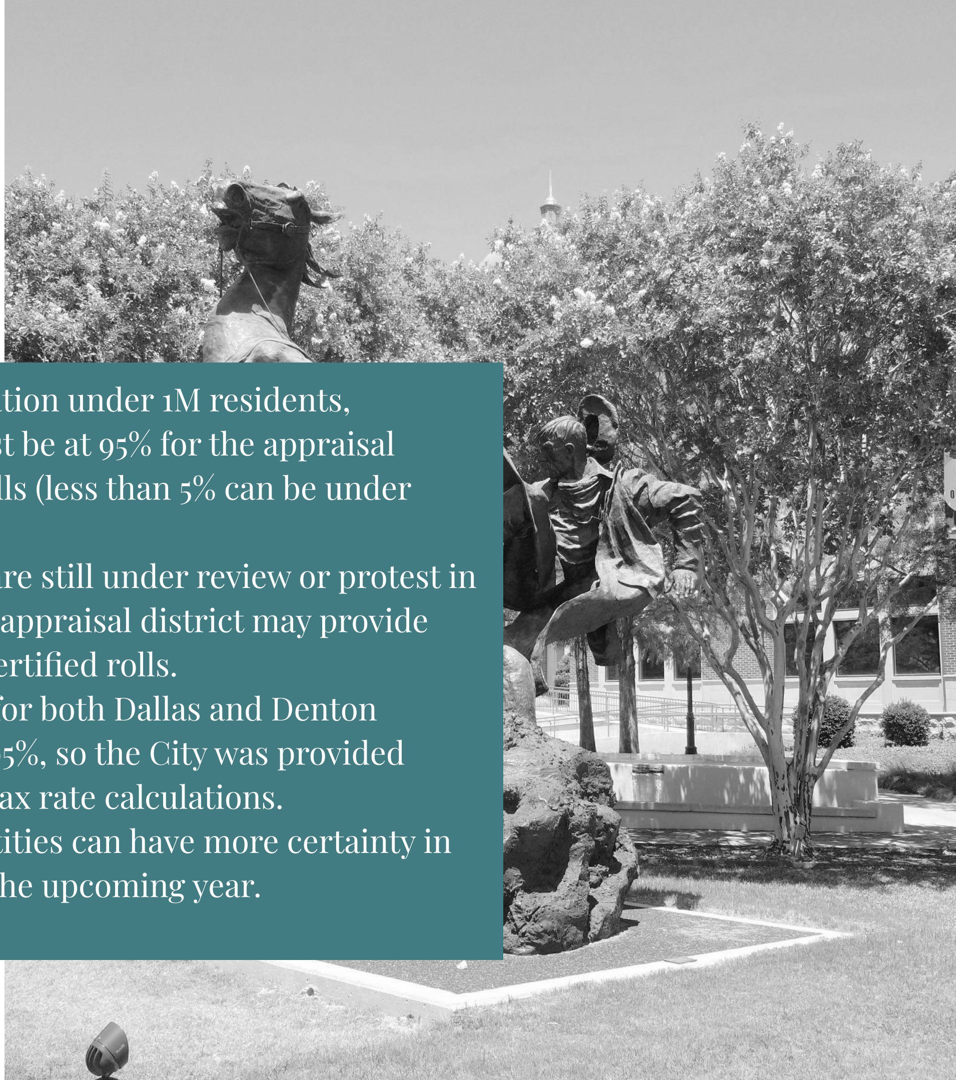
- Blocking Apparatus – $262,027
- 2024 Compensation Plan – 3% Merit Increase – $864,073
- Records Management Analyst – $81,127
- Employee Engagement Partnership – $32,700
- Funding for Streets & Alley Infrastructure – $4,633,128
- Certification Pay Increases Public Safety – $121,512
- Missing Sidewalk Segments – $125,000
- Traffic Calming – King Arthur Blvd – $675,000
- Support Funding for Nonprofits – $50,000
- Website Chat Feature – $36,640

HOTEL MOTEL FUND

- Rocktober Halloween Event – $36,100

Tax Rate Information

Certified Rolls vs. Certified Estimates



- In a county with a total population under 1M residents, approved property values must be at 95% 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 in Denton County on July 25, the appraisal district may provide certified estimates in lieu of certified rolls.
- For FY 2024, approved values for both Dallas and Denton Appraisal Districts exceeded 95%, so the City was provided certified rolls to perform the tax rate calculations.
- This means that the taxing entities can have more certainty in projecting property taxes for the upcoming year.

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 Rate
  - Rate that provides the City with the same amount of revenues as the previous year on properties taxed in both years - 2023 No-New-Revenue Rate: **.392761**

- 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% - 2023 M&O Voter-Approval Rate: **.296117**
  - Debt Service (I&S) portion = debt payments/property values - 2023 I&S Rate: **.122320**
    - Debt payments can be offset with other resources (fund balance, 4B, UF, TIRZ funds)

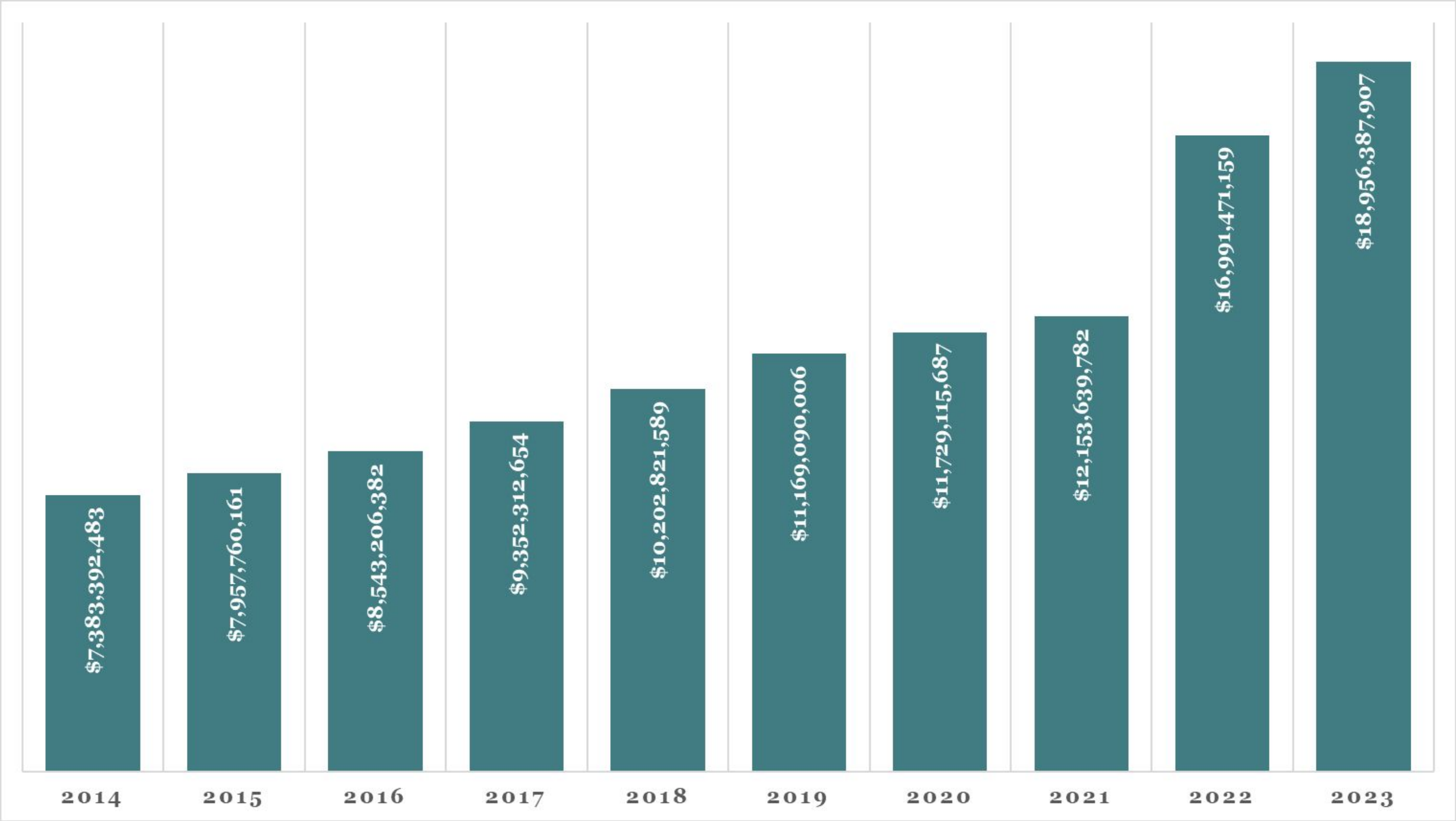
- Voter-Approval Rate - Adjusted for Unused Increment
  - Unused increment is the rate equal to the difference between the adopted and voter-approval rate
  - Unused increment available for 2023: **.000642**
  - 2023 M&O Voter Approval Rate, including unused increment: **.419079**

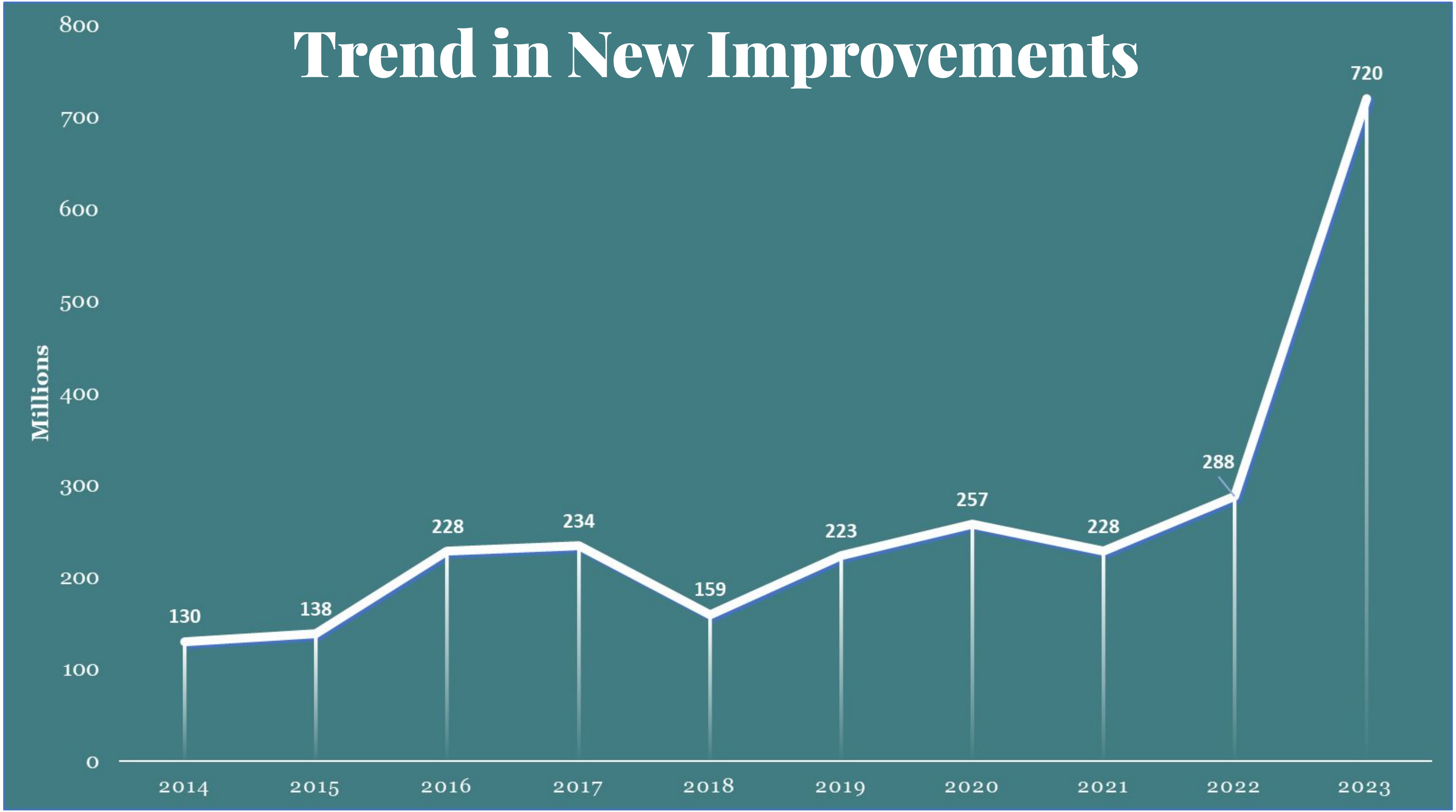
Property Net Tax Value Increased by 11.56%

Values		
2022-23 Certified Net Taxable	$16,991,471,159	
2022-23 Final Taxable Value (includes supplemental roll adjustments)	$16,552,117,665	
2023-24 Certified Net Taxable	$18,956,387,907	*+11.56%* *+14.53%*
11.56% above 22-23 Certified Roll and 14.53% above Final Roll		

New Value - Improvements	
2021-22	$287,848,586
2022-23	$719,788,145

Lewisville Net Taxable Assessed Value



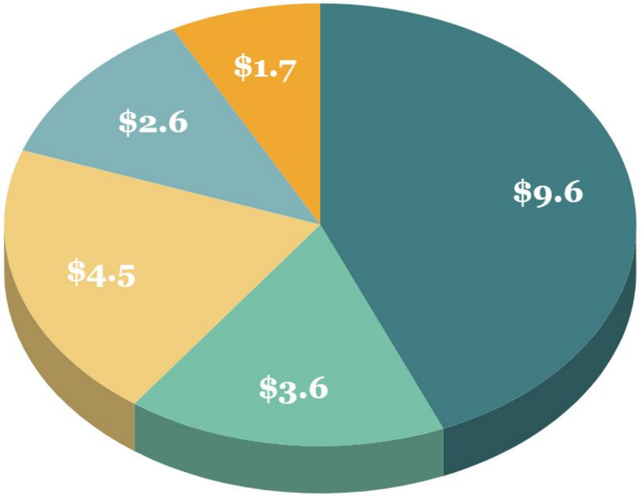

Trend in New Improvements
Millions
800
700
600
500
400
300
200
100
0
130
138
228
234
159
223
257
228
288
720
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023

Diversified Tax Base

PROPERTY USE CATEGORY	2022 APPROVED	2022 UNDER REVIEW	2022 TOTAL	% 2022 Base	2023 APPROVED	2023 UNDER REVIEW	2023 TOTAL	DIFFERENCE 2021 vs. 2020	% CHANGE CATEGORY	% 2023 Base
A: Real, Single-Family Residential	8,662,740,525	902,637,552	9,565,378,077	43.81%	11,504,626,175	177,503,375	11,682,129,550	2,116,751,473	22.13%	46.04%
B: Real, Multi-Family Residential	3,364,805,371	212,291,542	3,577,096,913	16.38%	3,979,897,740	240,277	3,980,138,017	403,041,104	11.27%	15.69%
C: Real, Vacant Lots & Tracts	294,210,596	21,493,673	315,704,269	1.45%	303,911,810	1,237,399	305,149,209	(10,555,060)	-3.34%	1.20%
D: Real, Qualified Open Space & Impr	93,035,256	6,327,691	99,362,947	0.46%	71,133,114	-	71,133,114	(28,229,833)	-28.41%	0.28%
E: Real, Non-Qualified Rural Land & Impr	25,755,709	5,284,294	31,040,003	0.14%	36,901,763	2,463,850	39,365,613	8,325,610	26.82%	0.16%
F: Real, Commercial & Industrial	3,766,443,201	686,284,518	4,452,727,719	20.40%	4,948,865,218	28,772,834	4,977,638,052	524,910,333	11.79%	19.62%
G: Real, Oil, Gas, & Other Mineral Interests	899,942	-	899,942	0.00%	1,268,490	-	1,268,490	368,548	40.95%	0.00%
H: Tangible Personal, Vehicles & GIT	-	-	-	0.00%	-	-	-	-		
J: Real & Intangible Personal, Utilities	187,772,727	2,117,306	189,890,033	0.87%	248,859,095	-	248,859,095	58,969,062	31.05%	0.98%
L: Personal Property, Business	2,338,303,468	245,160,890	2,583,464,358	11.83%	2,935,914,210	7,906,594	2,943,820,804	360,356,446	13.95%	11.60%
M: Personal Property, Mobile Homes & Othe	18,231,577	-	18,231,577	0.08%	18,245,189	-	18,245,189	13,612	0.07%	0.07%
N: Intangible Personal Property	-	-	-	0.00%	-	-	-	-		
O: Real, Residential Inventory	73,111,482	-	73,111,482	0.33%	52,471,595	-	52,471,595	(20,639,887)	-28.23%	0.21%
S: Special Inventory	95,160,187	-	95,160,187	0.44%	95,740,719	-	95,740,719	580,532	0.61%	0.38%
Total Appraised Value	18,920,470,041	2,081,597,466	21,002,067,507	96.20%	24,197,835,118	218,124,329	24,415,959,447	3,413,891,940	16.26%	96.23%
Total Exempt Property	829,073,233	462,432	829,535,665	3.80%	956,356,754	-	956,356,754	126,821,089	15.29%	3.77%
Total Market Value on Roll Totals Page	19,749,543,274	2,082,059,898	21,831,603,172	100.00%	25,154,191,872	218,124,329	25,372,316,201	3,540,713,029	16.22%	100.00%

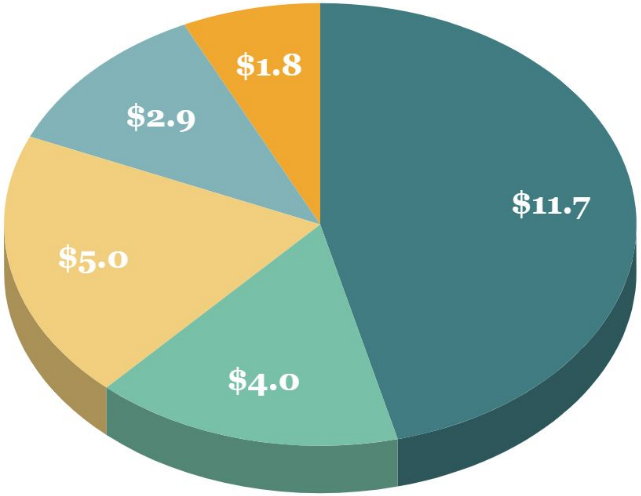
Diversified Tax Base - Market Values

2022-23 Market Value
(in Billions)



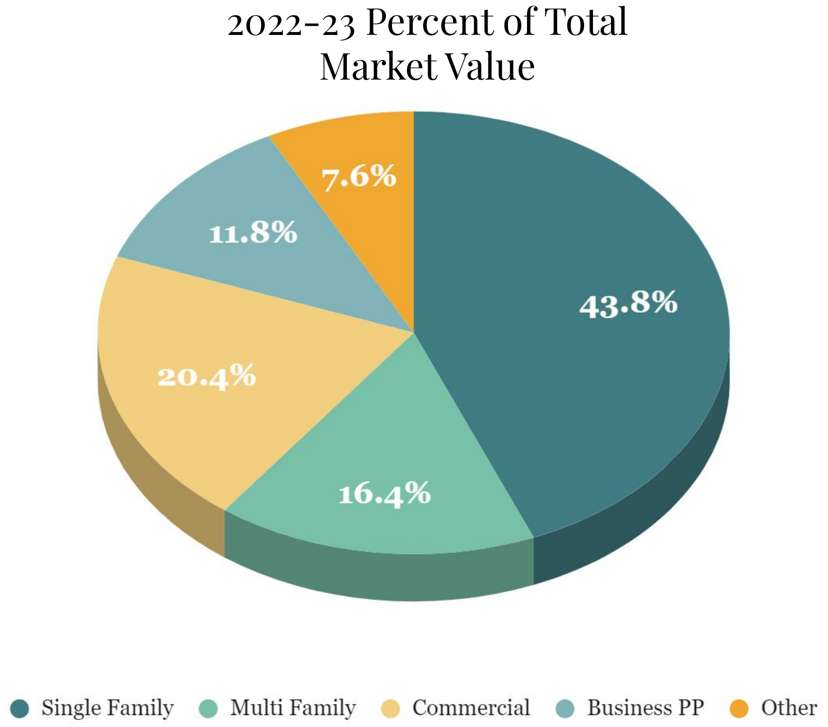
Single Family · Multi Family · Commercial · Business PP · Other

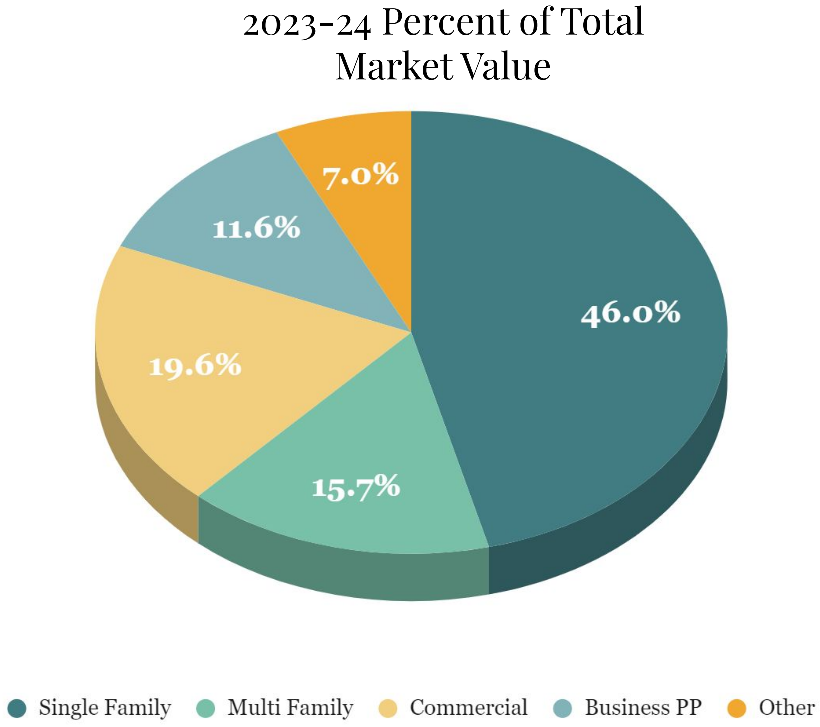
2023-24 Market Value
(in Billions)



Single Family · Multi Family · Commercial · Business PP · Other

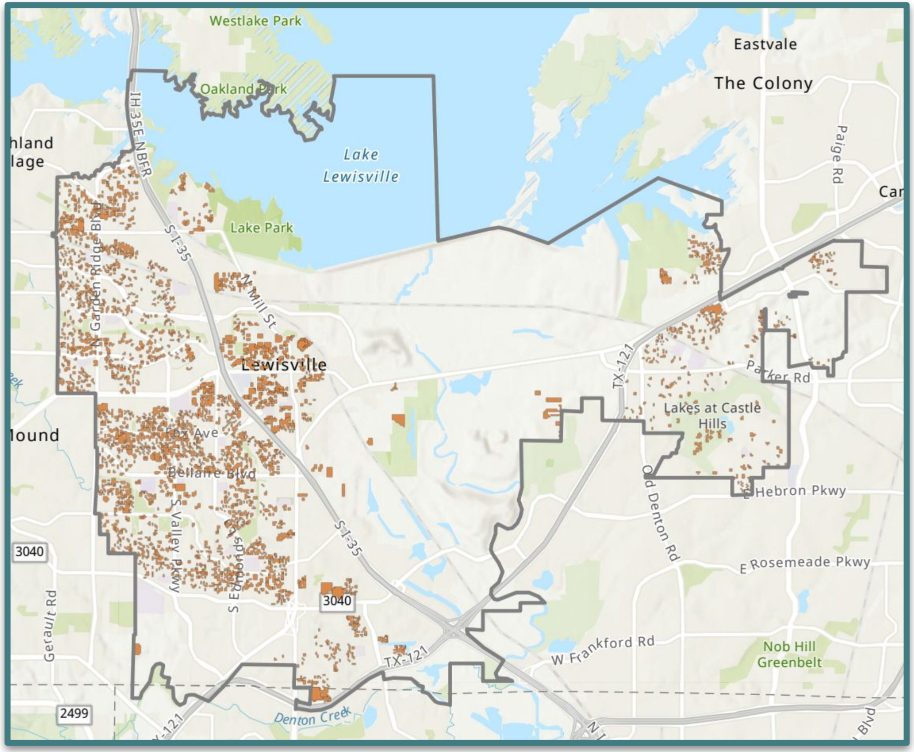
Diversified Tax Base - Percent of Market Value



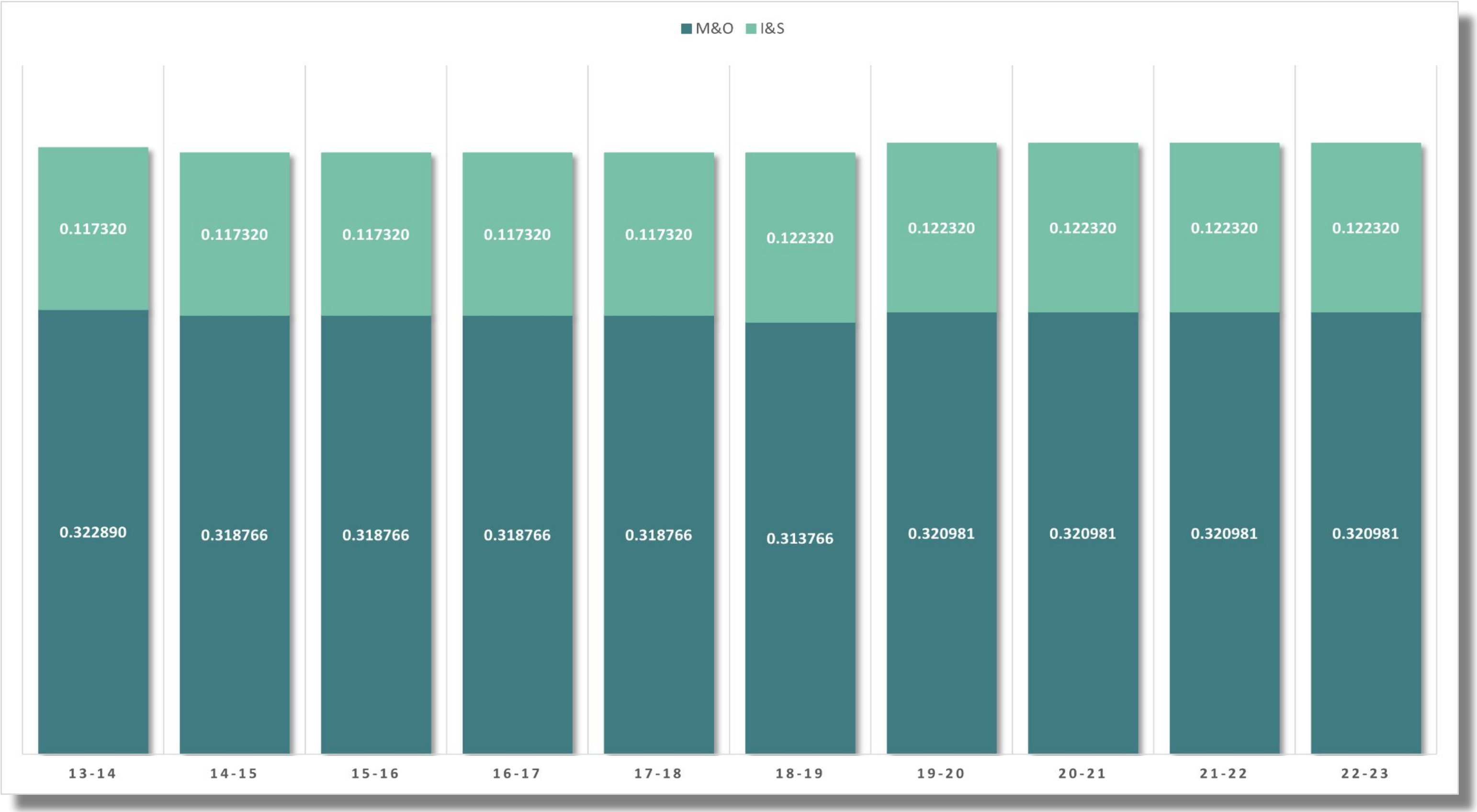


Residential Parcels

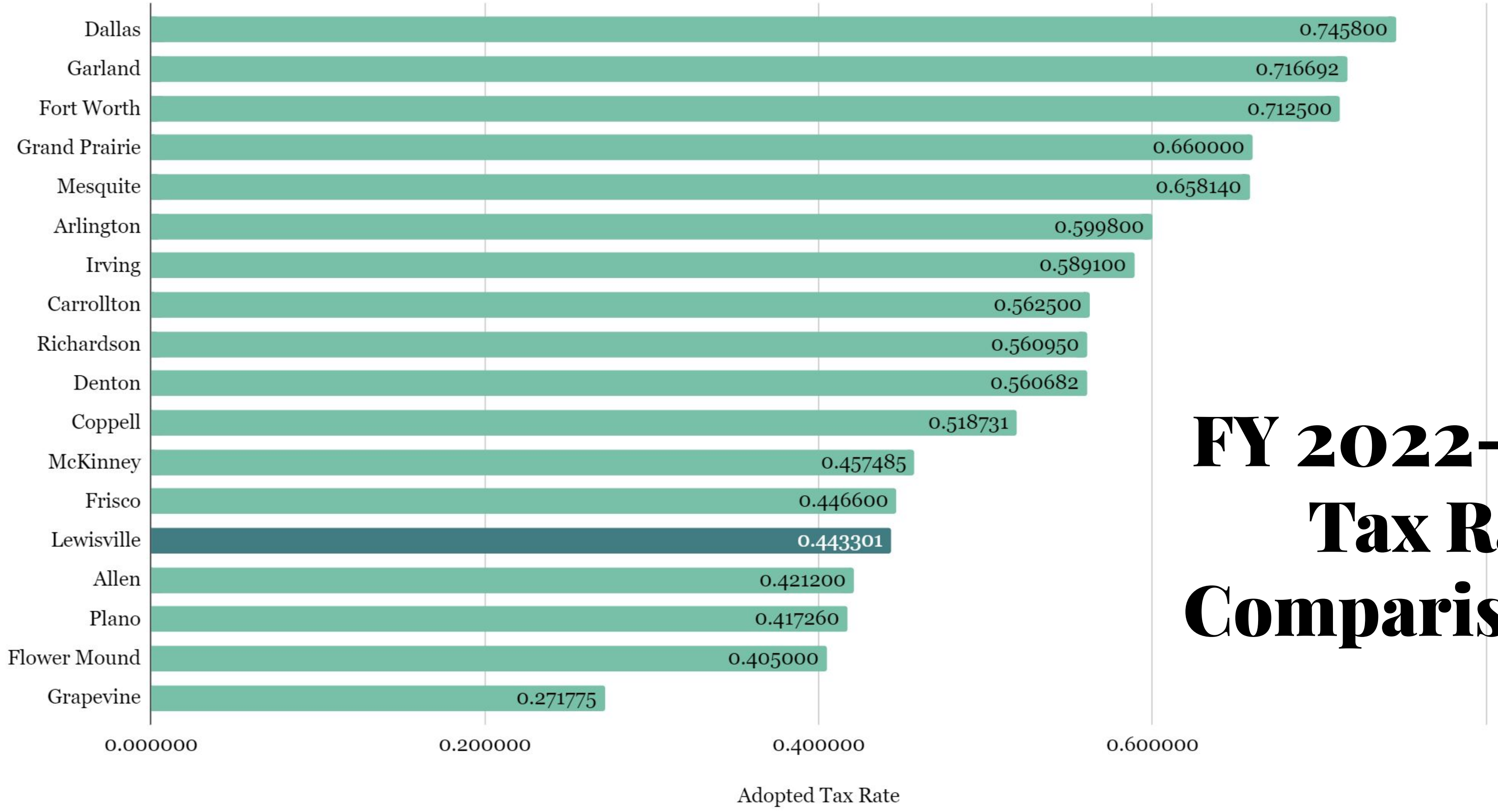
- Total SF Residential parcels - 26,093
  - Non-Rental - 21,209 (81%)
  - Rental - 4,884 (19%)
    - 1,535 (31%) corporate owned
    - 3,349 (69%) individual owned



Stable Property Tax Rate

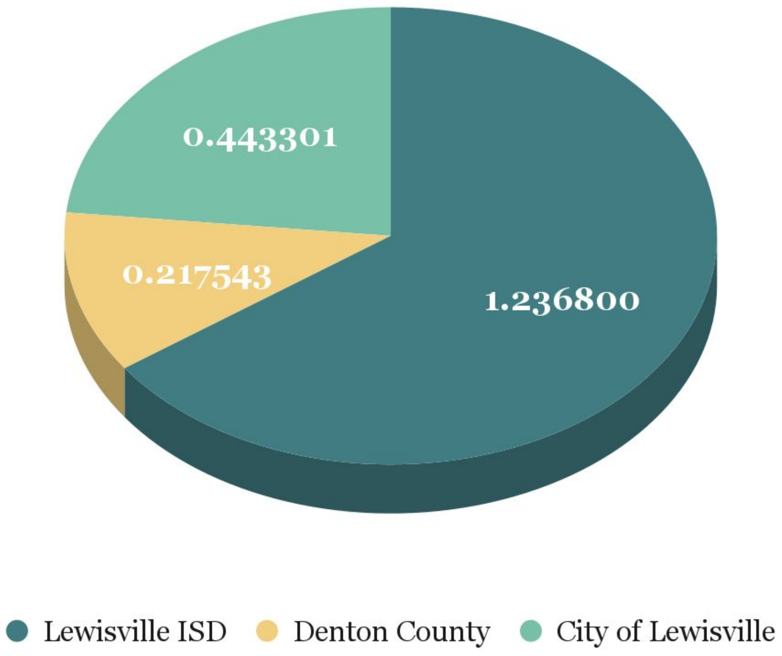


FY 2022-23 Tax Rate Comparison



2022 Tax Rates

Entity	M&O	I&S	Total
Lewisville ISD	0.85590	0.380900	1.236800
Denton County	0.167502	0.050041	0.217543
City of Lewisville	0.320981	0.122320	0.443301



Each 1 cent =

City revenue annually = $1,954,000
Impact to average home annually = $3.96

(approximate, depending on the tax rate)

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 Fund	Combined Tax Rate	Additional GF Revenue	Debt Fund (FB Used) FB Increase
Base O/M; Current Debt	0.286514	0.122320	60,350,337	1,705,732	7,506,058	54,550,011	23,180,581	0.408834	0	536,855
Current Rate	0.320981	0.122320	67,393,087	1,762,352	8,471,927	60,683,512	23,180,581	0.443301	6,133,501	536,855
Total No-New-Revenue Rate	0.286104	0.106657	60,035,291	1,772,995	7,506,058	54,302,229	20,212,322	0.392761	(247,782)	(2,431,404)
Voter-Approval (VAR)	0.296117	0.122320	62,312,579	1,722,445	7,996,752	56,038,271	23,180,581	0.418437	1,488,260	536,855
Voter-Approval - with Unused Increment*	0.296759	0.122320	62,443,760	1,723,535	8,009,020	56,158,274	23,180,581	0.419079	1,608,263	536,855

**** Unused increment available for 2023 is 0.000642***

Sample Tax Bill Comparison

Home Value 2022-2023: **$365,510**
Home Value 2023-2024: **$405,143**

	Tax Rate Options	2022-2023 Tax Value	2023-2024 Tax Value	$ Change	% Change
Base O/M; Current Debt	0.408834	1,494.33	1,656.36	162.03	10.84%
Current Rate	0.443301	1,620.31	1,796.00	175.69	10.84%
Total No-New-Revenue Rate	0.392761	1,435.58	1,591.24	155.66	10.84%
Voter-Approval (VAR)	0.418437	1,529.43	1,695.27	165.84	10.84%
Voter-Approval - with Unused Increment*	0.419079	1,531.78	1,697.87	166.09	10.84%

Staff Recommendation

- Staff recommendation is to levy the voter-approval rate (with unused increment) - .419079.
  - 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:
    - .296759 O&M
    - .122320 I&S

- This rate provides $1,608,263 in ongoing revenue to be allocated.

STAFF RECOMMENDATIONS - GENERAL FUND - OPERATING BUDGET - $1,608,263

- Blocking Apparatus – $42,334
- 2024 Compensation Plan – 3% Merit Increase – $864,073
- Records Management Analyst – $79,207
- Employee Engagement Partnership – $23,500
- Funding for Streets & Alley Infrastructure – $450,987
- Certification Pay Increases Public Safety – $121,512
- Website Chat Feature – $26,650

STAFF RECOMMENDATIONS - GENERAL FUND - FUND BALANCE - $1,090,803

- Blocking Apparatus – $219,693
- Records Management Analyst – $1,920
- Employee Engagement Partnership – $9,200
- Missing Sidewalk Segments – $125,000
- Traffic Calming – King Arthur Blvd – $675,000
- Support Funding for Nonprofits – $50,000
- Website Chat Feature – $9,990

STAFF RECOMMENDATIONS - HOTEL MOTEL FUND - OPERATING BUDGET - $36,100

1

Rocktober Halloween Event - $36,100

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 (proj.)	$52.74	$28.67	$81.41	4.30%

Updated rate plan prepared by NewGen Strategies indicates the need for a 4.3% change for FY 2023-24. 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	$30.30	$94.97	
2023	$64.67	$30.30	$94.97	0.00%
2024 (proj.)	$64.67	$30.30	$94.97	0.00%

The proposed rate plan presented at Council Retreat in March 2021 by NewGen Strategies anticipates holding rates flat through FY 2023-24. 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. The updated rate plan projects rates to remain flat until FY 2027-28.

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

	Legacy Lewisville		Castle Hills Area	
	Base Rate	**Monthly Customers**	**Base Rate**	**Monthly Customers**
Base Charge				
¾” or less	$ 22.16	*22,531*	$ 34.75	*2,036*
1”	23.77	*754*	34.75	*2,286*
1 ½”	73.88	*429*	115.72	*20*
2”	118.20	*1,157*	185.22	*145*
3”	221.63	*177*	405.53	*8*
4”	369.39	*61*	729.75	*14*
6”	738.77	*12*	1,621.78	-
8”	1,182.06	*6*	2,780.00	-
10”	1,707.31	*3*	4,401.78	-

CURRENT WATER RATES COMPARISON

Volumetric Rate

	Legacy Lewisville		Castle Hills Area	
	Residential	**Commercial**	**Residential**	**Commercial**
Per 1,000 gal				
2,001 – 15,000	$ 3.51	$ 3.51	$ 3.74	$ 4.00
15,001 – 25,000	3.66	3.51	4.24	4.50
25,001 – 35,000	3.66	3.51	5.06	5.71
35,001 – 45,000	4.23	3.51	6.06	6.71
45,001 – 50,000	4.23	3.51	7.06	7.71
50,001 – 55,000	4.84	3.51	7.06	7.71
55,001 +	4.84	3.51	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.

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 (used to determine appropriate fixed charge rate based on meter size)
- ***Volumetric Charge***
  - –Continue process of implementing conservation-based rate structure for Residential Class (increasing conservation signal)
- ***Continue to Monitor Customer Affordability/ Mitigate Rate Shock***
  - –Next Adjustment October 2023

CURRENT SEWER RATES COMPARISON

	Legacy Lewisville		Castle Hills Area	
	Residential	**Commercial**	**Residential**	**Commercial**
Minimum Charge	$ 10.08	$ 11.17	$ 10.70	$ 16.45
Volumetric Rate				
2,000 gallons +	$4.44	$ 4.44	$ 4.90	$ 5.38

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

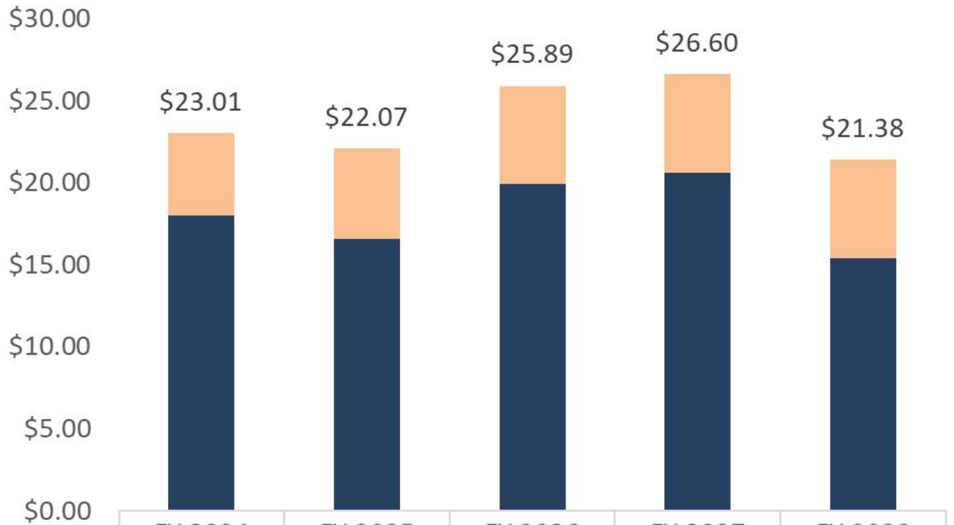
SEWER RATES STRATEGY

- ***Fixed Charge***
  - Maintain 2,000 gallons in minimum bill to protect fixed income customers
- ***Volumetric Charge***
  - Maintain structure and continue rate plan
- ***Continue to Monitor Customer Affordability/ Mitigate Rate Shock***
  - Next Adjustment October 2023

FINANCIAL / CAPITAL PLANNING

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”
- From FY 2024 to FY 2028, estimated capital needs for the utility total over $118 million
  - The City should continue to evaluate its planned capital funding going forward and, where possible, carefully balance its use of cash and debt



	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Cash Funded	$5.00	$5.50	$6.00	$6.00	$6.00
Bond Funded	$18.01	$16.57	$19.89	$20.60	$15.38
Total Combined	$23.01	$22.07	$25.89	$26.60	$21.38
% Cash Funded	21.73%	24.92%	23.17%	22.55%	28.07%
% Bond Funded	78.27%	75.08%	76.83%	77.45%	71.93%

PROJECTED CIP FUNDING

($ Millions)

WATER AND SEWER RATE PLAN

PROPOSED LEGACY LEWISVILLE CITY WATER RATES – MINIMUM CHARGE

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Charge						
¾” or less	$ 22.16	$ 24.18	$26.77	$29.66	$32.77	$36.21
1”	23.77	24.18	26.77	29.66	32.77	36.21
1 ½”	73.88	80.52	89.14	98.77	109.12	120.58
2”	118.20	128.88	142.68	158.09	174.66	193.00
3”	221.63	241.80	267.70	296.60	327.70	362.10
4”	369.39	403.09	446.28	494.47	546.33	603.69
6”	738.77	805.92	892.24	988.57	1,092.22	1,206.88
8”	1,182.03	1,289.52	1,427.64	1,581.77	1,747.62	1,931.08
10”	1,707.31	1,853.88	2,052.46	2,274.03	2,512.48	2,776.22

PROPOSED LEGACY LEWISVILLE CITY VOLUMETRIC WATER RATES PER 1,000 GALLONS

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
2,001-15,000	$ 3.51	$ 3.57	$ 3.72	$ 3.83	$ 3.86	$ 3.88
15,001-35,000	3.66	3.78	4.28	4.40	4.44	4.46
35,001-50,000	4.23	4.53	5.13	5.28	5.55	5.80
50,001+	4.84	5.36	6.41	6.60	7.21	7.54
Commercial						
2,001 +	$ 3.51	$ 3.57	$ 3.76	$ 3.96	$ 4.17	$ 4.39
Industrial						
2,001 +	$ 3.51	$ 3.57	$ 3.72	$ 3.83	$ 3.86	$ 3.88

PROPOSED CASTLE HILLS AREA WATER RATES – MINIMUM CHARGE

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Charge						
¾” or less	$34.75	$34.75	$34.75	$34.75	$34.75	$36.21
1”	34.75	34.75	34.75	34.75	34.75	36.21
1 ½”	115.72	115.72	115.72	115.72	115.72	120.58
2”	185.22	185.22	185.22	185.22	185.22	193.00
3”	405.53	405.53	405.53	405.53	405.53	405.53
4”	729.75	729.75	729.75	729.75	729.75	729.75
6”	1,621.78	1,621.78	1,621.78	1,621.78	1,621.78	1,621.78
8”	2,780.00	2,780.00	2,780.00	2,780.00	2,780.00	2,780.00
10”	4,401.78	4,401.78	4,401.78	4,401.78	4,401.78	4,401.78

Adjustment to Minimum Charge not anticipated until FY 2028

PROPOSED CASTLE HILLS AREA VOLUMETRIC WATER RATES - PER 1,000 GALLONS

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Residential						
2,001-15,000	$ 3.74	$ 3.74	$ 3.74	$ 3.83	$ 3.86	$ 3.88
15,001-25,000	4.24	4.24	4.28	4.40	4.44	4.46
25,001-35,000	5.06	5.06	5.06	4.40	4.44	4.46
35,001-45,000	6.06	6.06	6.06	6.06	6.06	6.06
45,001-55,000	7.06	7.06	7.06	7.06	7.06	7.06
55,001+	8.06	8.06	8.06	8.06	8.06	8.06
Commercial						
2,001-15,000	$ 4.00	$ 4.00	$ 4.00	$ 4.00	$ 4.17	$ 4.39
15,001-25,000	4.50	4.50	4.50	4.50	4.50	4.50
25,001-35,000	5.71	5.71	5.71	5.71	5.71	5.71
35,001-45,000	6.71	6.71	6.71	6.71	6.71	6.71
45,001-55,000	7.71	7.71	7.71	7.71	7.71	7.71
55,001+	8.71	8.71	8.71	8.71	8.71	8.71

Alignment adjustments to Volumetric Charges anticipated to begin in FY 2025

PROPOSED LEGACY LEWISVILLE SEWER RATES

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Charge						
Residential	$ 10.08	$10.23	$10.46	$10.70	$11.24	$11.80
Commercial / Industrial	11.17	11.88	12.89	13.98	15.16	16.45
Volumetric Charge per 1,000 gallons						
Residential						
2,000+ gals.	$ 4.44	$ 4.61	$ 4.70	$ 4.85	$ 5.09	$ 5.34
Commercial / Industrial						
2,000+ gals.	$ 4.44	$ 4.39	$ 4.48	$ 4.62	$ 4.99	$ 5.38

- Billed sewer flow for Residential Customers based on Winter Average water use
- Billed sewer flow for Commercial Customers based on actual water use

PROPOSED CASTLE HILLS AREA SEWER RATES

	Current	FY 2024	FY 2025	FY 2025	FY 2027	FY 2028
Base Charge						
Residential	$ 10.70	$ 10.70	$ 10.70	$ 10.70	$ 11.24	$ 11.80
Commercial	16.45	16.45	16.45	16.45	16.45	16.45
Volumetric Charge per 1,000 gallons						
Residential						
All volumes	$ 4.90	$ 4.90	$ 4.90	$ 4.90	$ 5.09	$ 5.34
Commercial						
All volumes	$ 5.38	$ 5.38	$ 5.38	$ 5.38	$ 5.38	$ 5.38

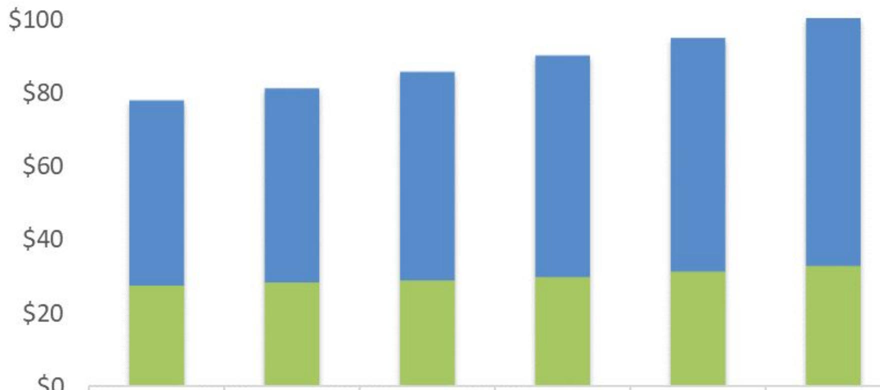
- Billed sewer flow for Residential Customers based on Winter Average water use
- Billed sewer flow for Commercial Customers based on actual water use

COMBINED WATER AND SEWER BILL IMPACT

RESIDENTIAL CUSTOMER MONTHLY BILL IMPACT - LEWISVILLE

¾” Meter

10,000 gallons water/ 6,000 gallons sewer



	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water	$50.24	$52.74	$56.53	$60.30	$63.65	$67.25
Sewer	$27.84	$28.67	$29.26	$30.10	$31.60	$33.16
Total Bill	$78.08	$81.41	$85.79	$90.40	$95.25	$100.41
Water Variance		$2.50	$3.79	$3.77	$3.35	$3.60
Sewer Variance		$0.83	$0.59	$0.84	$1.50	$1.56
Total Variance		$3.33	$4.38	$4.61	$4.85	$5.16

RESIDENTIAL CUSTOMER MONTHLY BILL IMPACT - LEWISVILLE

¾” Meter

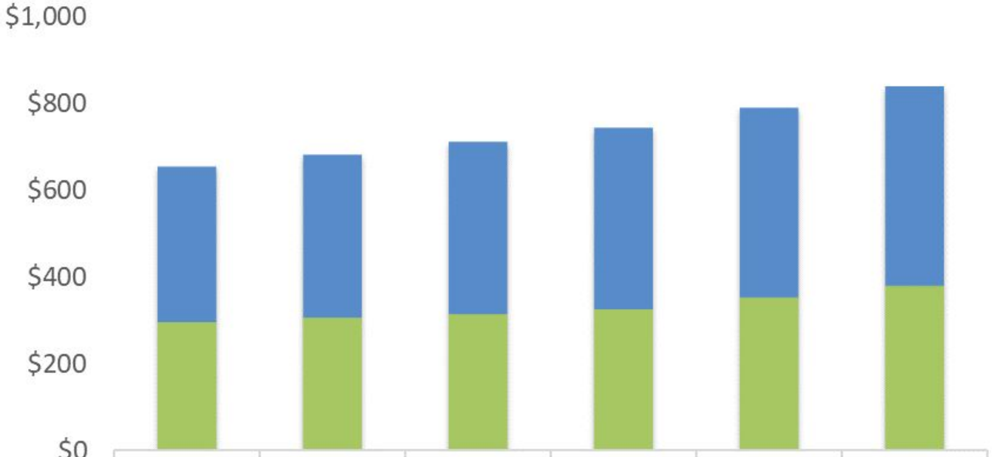
10,000 gallons water/ 6,000 gallons sewer

	Current	2024	2025	2026	2027	2028
Water	$50.24	$52.74	$56.53	$60.30	$63.65	$67.25
Sewer	27.84	28.67	29.26	30.10	31.60	33.16
Total Bill	$78.08	$81.41	$85.79	$90.40	$95.25	$100.41
% Increase		4.3%	5.4%	5.4%	5.4%	5.4%

COMMERCIAL CUSTOMER MONTHLY BILL IMPACT - LEWISVILLE

2” Meter

70,000 Gallons

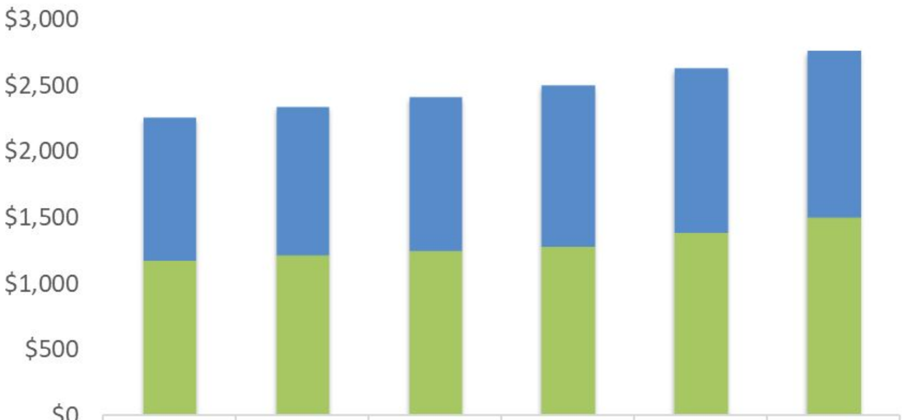


	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water	$356.88	$371.64	$395.64	$418.53	$437.14	$456.84
Sewer	$298.13	$310.40	$317.53	$328.14	$354.48	$382.29
Total Bill	$655.01	$682.04	$713.17	$746.67	$791.63	$839.13
Water Variance		$14.76	$24.00	$22.88	$18.62	$19.70
Sewer Variance		$12.27	$7.13	$10.61	$26.34	$27.80
Total Variance		$27.03	$31.13	$33.50	$44.96	$47.50

INDUSTRIAL CUSTOMER MONTHLY BILL IMPACT - LEWISVILLE

2” Meter

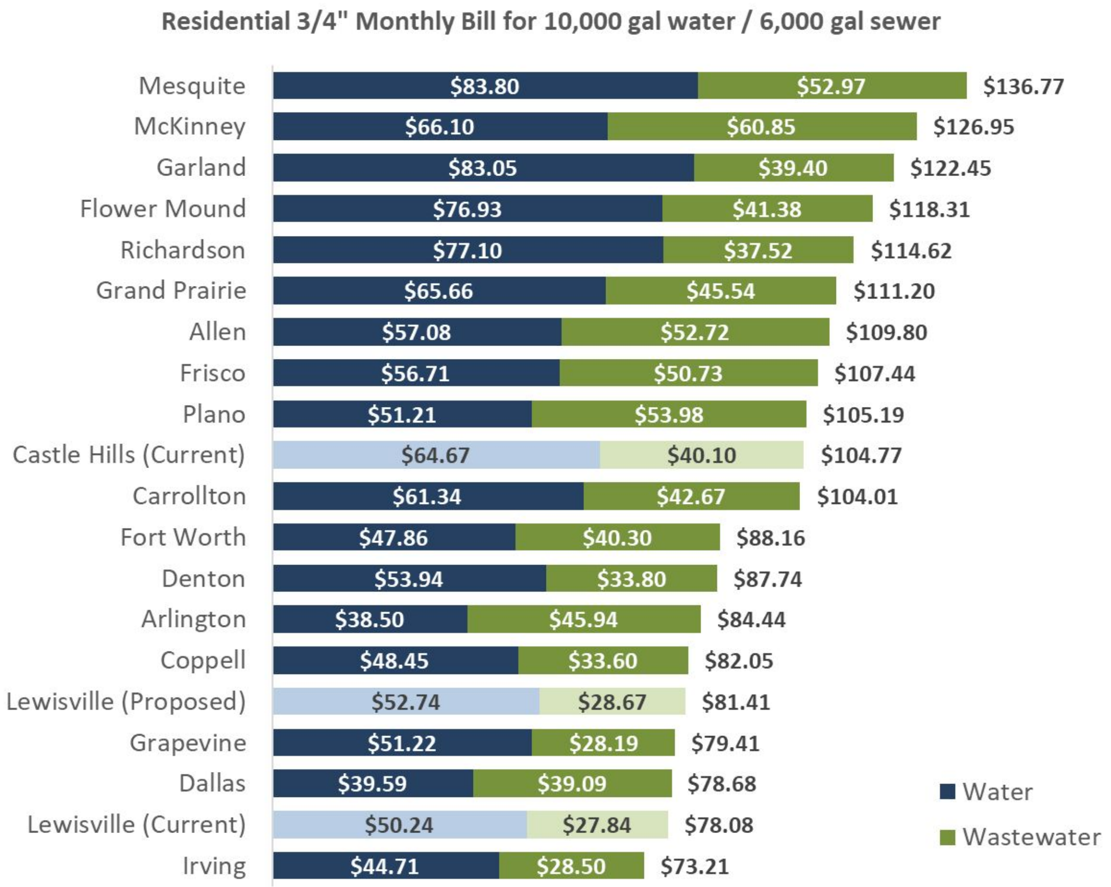
278,000 Gallons



	Current	2024	2025	2026	2027	2028
Water	$1,086.96	$1,114.20	$1,169.40	$1,215.17	$1,240.02	$1,263.88
Sewer	$1,175.89	$1,223.52	$1,249.37	$1,289.10	$1,392.40	$1,501.33
Total Bill	$2,262.85	$2,337.72	$2,418.77	$2,504.27	$2,632.43	$2,765.21
Water Variance		$27.24	$55.20	$45.76	$24.86	$23.86
Sewer Variance		$47.63	$25.85	$39.73	$103.30	$108.92
Total Variance		$74.87	$81.05	$85.50	$128.16	$132.78

REGIONAL COMPARISON

Average Residential Customer Bill



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.
    - Cost of projects as of May 2022 was $66 million
    - Blue Ribbon Committee currently reviewing projects submitted by staff in order to prioritize funding
    - Final Blue Ribbon recommendation to Council expected Fall of 2023

Stormwater Drainage Fees

- Second year of three-year plan for rate adjustments.

- Current rates:
  - Single-Family Residential - $5.00 per month
  - Non-Single-Family - $1.79 per 1,000 square feet of impervious area

- Proposed rates:
  - Single-Family Residential - $6.00 per month
  - Non-Single-Family - $2.14 per 1,000 square feet of impervious area

Capital Projects - 1 to 10 Years

Project Name	Base Cost
College Street Drainage Capacity Improvements (RR Street to Valley Ridge)	$1,725,000
College Street Culverts @ DART ROW	3,000,000
Railroad Culvert Upgrade Under DCTA Rail North of College Street	4,000,000
Timber Creek Channel Improvements (Erosion) - Valley Parkway to Edmonds Lane	6,000,000
High School Drive and Mill Street Improvements (Channel and Culvert Crossings)	1,000,000
Lewisville Valley 2 - Juniper and Laramie Storm Sewer Capacity	1,700,000
Channel Improvements East of Mill Street to Sycamore*	1,150,000
McKenzie Street to Purnell Street and along Sycamore Street Channel Improvements	1,000,000
Old Town Drainage - Phase III (b) Improvements	4,500,000
Timber Creek Channel Improvements (Erosion) - Edmonds Lane to SH 121 Bus	7,100,000
Valley Vista 1 - Camelot and Little Den Storm Sewer Capacity Improvements	1,200,000

*Project may be replaced with a higher priority project

Capital Projects - 1 to 10 Years

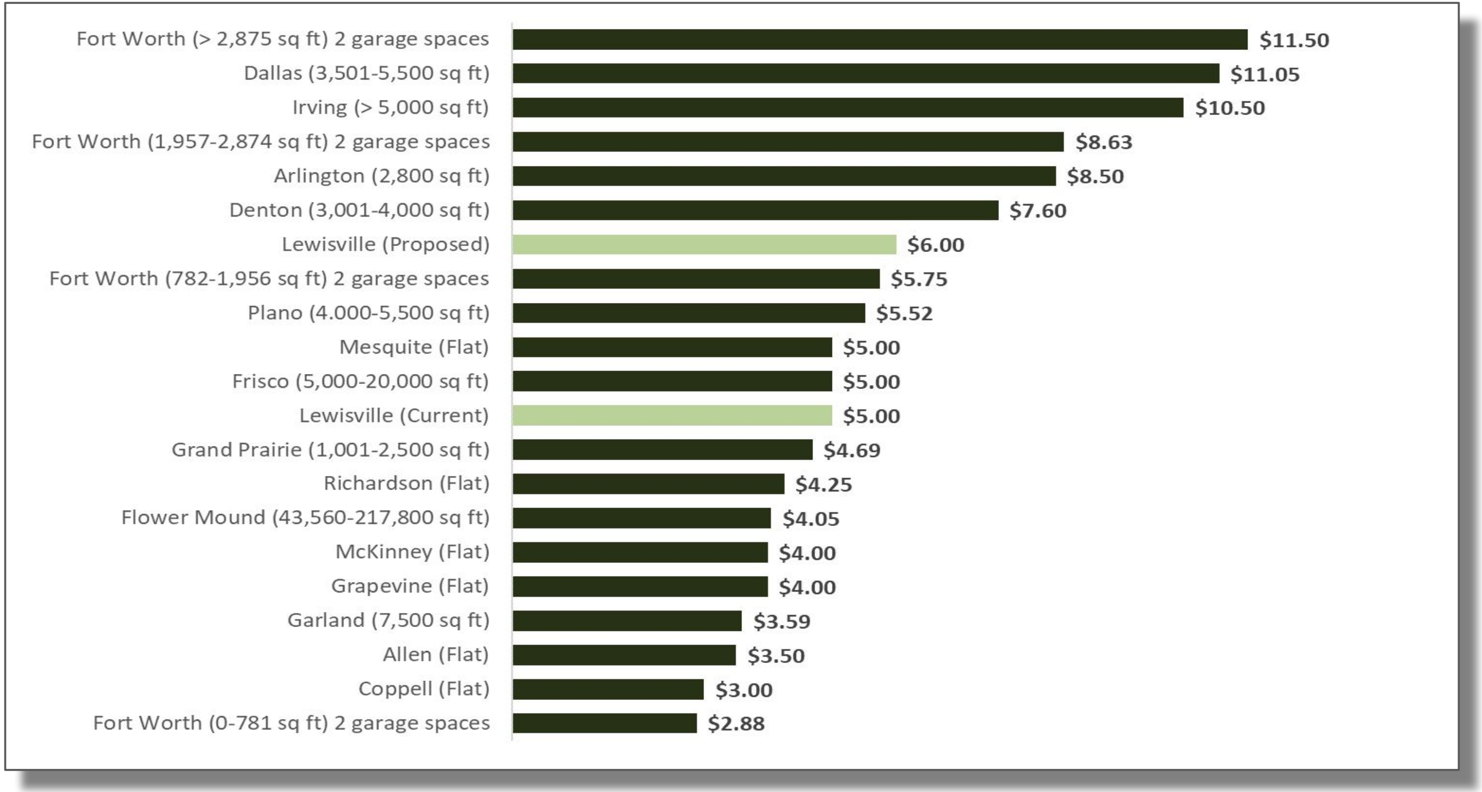
Project Name	Base Cost
Milestone Creek - Channel Improvements (Private Property)	1,600,000
Channel along KCS ROW - West of McGee Lane to I-35 *	1,000,000
Bennett Lane Culvert Improvements	1,000,000
Channel Improvements between DCTA Maint. Facility and Bennett Lane (Private Property)	2,000,000
Timber Creek Channel Dredging East of I-35 (Public/Private Property)	12,400,000
Timber Creek Channel Improvements (Erosion) - SH 121 Bus to I-35E (Public/Private Property)	7,100,000
Timber Creek Channel Improvements (Erosion) - SH 121 Bus to I-35E (Public/Private Property)	1,150,000
Lewisville Valley 4 Rehab (drainage portion) Selling GO Bonds this year	3,000,000
Lewisville Valley 1 Rehab (drainage portion) Part of 2015 Bond Program	2,000,000
Railroad Street Reconstruction, Main to Business 121 (drainage portion) Selling GO Bonds this year	1,000,000
Meadow Glen Rehab, 2015 Bond Program. (drainage portion)	1,500,000
Total	**$66,125,000**

*Project may be replaced with a higher priority project

Capital Projects - Long-Term

The Highlands Phase 2 Channel Improvements (between Cripple Creek and Aspen) Erosion & Cleaning	$2,850,000
Tributary of Prairie Creek (located between Main Street and College Pkwy) Old Orchard to Prairie Creek Erosion & Cleaning	$4,000,000
Tributary of Timber Creek Channel Improvements, Erosion & Cleaning – The Reserve at Timber Creek	$2,000,000
Sylvan Creek Channel Improvements, Erosion & cleaning – Kingston South to Timber Creek	$1,500,000
Tributary of Timber Creek Channel Improvements, Erosion & Cleaning – The Reserve at Timber Creek	$6,250,000
Tributary of Timber Creek Channel Improvements – Old Orchard at Babbling Brook North to Timber Creek, erosion & cleaning	$2,675,000
Vista Ridge Estates Channel Improvements – South to SH 121, Erosion & Cleaning	$2,000,000
Tributary of Prairie Creek Channel Improvements – Mill Street North of College Street to Prairie Creek, Erosion & Cleaning	$700,000
McDonnell, Pine, and Yates – Ditches, Culverts, and Channel Improvements	$2,100,000
Tributary of Prairie Creek Channel Improvements – I-35E at KCS Crossing to Prairie Creek, Erosion (pending development on east side of channel)	$2,100,000
TOTAL	**$26,175,000**

Regional Drainage Bill Comparison* (Residential Medium Sq Ft)



** Comparison based on data available as of August 2023*

Stormwater Drainage Fees - Impacts to Non-Residential

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

	2023	2024	Change	Current Monthly Fee	New Monthly Fee	Increase
Total Increase of $1.07 per 2,800 of impervious surface over three-year period (2023-2025)						
Small Parcel (Starbucks)	$1.79	$2.14	$0.35	$7.70	$9.20	$1.51
Medium Parcel (Toyota)	$1.79	$2.14	$0.35	$494.54	$591.24	$96.70
Large Parcel (Sam's Club/WM)	$1.79	$2.14	$0.35	$1,364.52	$1,631.32	$266.81
Projected Future Increase: Year Three (FY2025) - $0.36						

Stormwater Drainage Fees - Recommendation

- Continue with year two increase (of three-year plan) of stormwater fee to allow for needed capital investment.
  - 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.
  - **$1,079,000**

Council Action