



TOWN OF LEWISVILLE

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June 14, 2018

To: Mayor Mike Horn
Mayor Pro Tempore Sandra Mock
Council Member Robert Greene
Council Member Jeff Zenger
Council Member Ed Smith
Council Member Fred Franklin
Council Member Marci Gallman

Subject: Fiscal Year 2018-2019 Budget Message

Honorable Mayor and Town Council:

Budget Message for Budget as Adopted

Executive Summary

As Town Manager, I am pleased to present the proposed General Fund budget of \$4,526,243 for fiscal year 2018-2019. The budget as proposed includes maintaining the current tax rate of 17.7 cents per \$100 of valuation. This budget shows an increase in the General Fund budget from the previous year budget, as adopted for July 1, 2017, of \$106,337 or 2.41%. This budget as proposed is balanced with \$99,373 in fund balance from the General Fund. This fund balance appropriation represents the costs associated with projects that are not recurring operational costs.

According to the Forsyth County Tax Appraisers, the total tax value for the Town of Lewisville for the upcoming fiscal year is estimated at \$1,361,726,206. This produces estimated Ad Valorem tax revenue of \$2,337,950 with one cent of the tax rate equaling approximately \$132,088.

The Town of Lewisville also collects a levy for a municipal service district. The current tax rate is 4.5 cents per \$100 of valuation. The proposed tax rate for the municipal service district for fiscal year 2018-2019 is unchanged at 4.5 cents per \$100 valuation.

Once again, in the face of a challenging economic environment, the Town Council has been diligent and used sound financial planning to continue its commitment to the citizens of Lewisville to provide the highest standard of services. They have done this while maintaining a level of fund balance to secure future funding opportunities. The unassigned fund balance was \$4,362,069 as of June 30, 2017. This represents a fund balance at approximately 96.37% based on the projected upcoming fiscal year budget for 2018-2019.

As for another notable point for the economic outlook of the Town, the North Carolina League of Municipalities is predicting increases in sales tax revenue in the State. They report that near-term economic projections are generally positive and consumer confidence in the economy is high. Based on current analysis, we are projecting a 2.50% increase in sales tax for the Town.

Town Services

The Town of Lewisville stays committed to the continuation of all of its existing services for the upcoming fiscal year to include, parks and recreation, finance, administration, planning and zoning, public works, residential garbage and recycling, storm water management, community policing, and beautification. All services are proposed to continue at current service delivery levels for the upcoming fiscal year with the exception that the Town will assume maintenance and care of the perennial garden and other landscaped areas at Jack Warren Park that were previously maintained by volunteers.

Capital Reserve Funds

The Town has four capital reserve funds. Currently, annual appropriations to all these funds total \$415,000.

At the Town Council capital planning retreat, recently held on January 20, Council re-affirmed its desire to proactively support the development of the downtown area, and road and sidewalk improvements throughout the Town, as well as its desire to develop future capital facilities such as a new community center.

During fiscal year 2017-2018, the Town Council learned that the North Carolina Department of Transportation plans to assume financial responsibility for the remaining work to be done on the Great Wagon Road to include design, right-of-way acquisition, and construction. Thus, we are proposing a \$10,000 decrease in the annual appropriation to the Great Wagon Road ROW/Construction Capital Reserve Fund. This decrease allows us to fund annual maintenance work needed for the perennial garden at Jack Warren Park as described under town services above. As construction of the Great Wagon Road progresses, we anticipate that the Town of Lewisville will participate financially with the NC Department of Transportation on enhancements such as sidewalks, trees, and streetlights.

Funding for all of the capital reserves is proposed to be changed as follows:

	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Storm Water Capital Reserve	\$95,000	\$95,000	
GWR ROW/Construction Capital Reserve	\$125,000	\$115,000	(-\$10,000)
Sidewalks/Bike Paths/Greenways Capital Reserve	\$25,000	\$25,000	
Municipal Buildings/Land Capital Reserve	\$170,000	\$170,000	
Total	<u>\$415,000</u>	<u>\$405,000</u>	

Capital Projects

The Capital Projects that remain in the budget during Fiscal Year 2018-2019 are as follows.

Active Projects

Great Wagon Road ROW/Construction
Gateway Project
Heritage Drive Regional Storm Water Pond #1

Non-Active Projects

JWP Maintenance Facility/Playground Expansion

Transportation Projects

The Town will continue design work on the Gateway Project in the coming fiscal year with right of way and construction work planned in future years. This project is a roadway project to make improvements from the Highway 421 Interchange on Williams Road with improvements continuing on Williams Road between the interchange and the newly constructed roundabout at Shallowford Road and Williams Road. This is a project utilizing federal STP-DA funds. This project has an estimated cost of approximately \$1.5 million. The project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town. The Town's contribution is expected to be approximately \$298,936.

The Town has also been approved for a CMAQ (Congestion Mitigation & Air Quality) project to extend the sidewalk along Lewisville-Clemmons Road from Jack Warren Park to Leons Way. The project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town. The total cost of the project is estimated at \$726,645 which includes the Town's participation of \$145,329.

The Town has also been awarded funding for another CMAQ project to extend the sidewalk along Lewisville-Vienna Road from Riverwood Drive to Robinhood Road. As with the other sidewalk project mentioned above, the project will be paid for with 80% of the expected costs coming from federal aid with a 20% match from the Town. The total cost of the project is estimated at \$1,234,411 which includes the Town's participation of \$246,882.

Planning

In the recent months, the Planning Board working with staff and the Town Council has completed a planning process that has resulted in the presentation and acceptance by Council of the Northeast Area Plan. This plan has been years in development ahead of a new public middle school in the vicinity of the intersection of Lewisville-Vienna and Robinhood Road. This new school is anticipated to have a significant impact on the growth and development of the northeast area of the Town. This plan will serve as a template or guide to help plan for and guide future developmental and transportation activities in this area.

Now that this has been completed, the Planning Board and staff desire to engage in work related to three core project areas. The first area would be preliminary work ahead of the Town's next 5 year Comprehensive Plan update. The second area would be to develop a small area plan for the downtown. This is seen as especially important in anticipation of the construction of the Great Wagon Road project that is scheduled to begin inside the next 5 years. The final area of work would provide what they feel are

significant enhancements to Lewisville's Unified Development Ordinance. It is envisioned that all of this proposed work once completed, would go to improve the overall land development processes for the Town.

After Council deliberation and discussion, it was agreed to include funding in the budget for the update of the Comprehensive Plan and funding for the enhancements to the Unified Development Ordinance.

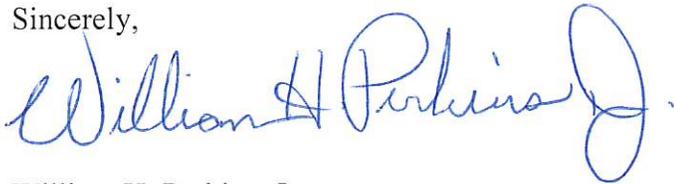
Conclusion

In conclusion, this budget reflects the desire of Council to address the needs of the Town, while being cognizant of economic conditions. Choices made in expenditures were done to meet the priorities and goals of the Council established during the year with the assistance of numerous advisory boards and committees. Over the past few weeks, the Council met to deliberate the budget set forth, and made adjustments as deemed necessary.

I would like to thank the staff for their assistance with the development of this budget and the Town Council for their continued guidance and support.

If I may be of any assistance, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "William H. Perkins, Jr." with a stylized flourish at the end.

William H. Perkins, Jr.
Town Manager