

City of Lubbock

Fiscal Year 2014-2015

Budget Cover Page

September 11, 2014

This budget will raise more revenue from property taxes than last year's budget by an amount of \$4,886,344, which is a 7.59 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,918,310.

The members of the governing body voted on the budget as follows:

FOR:	Glen C. Robertson, Mayor Jeff Griffith, District 3	Floyd Price, District 2 Jim Gerlt, District 4
AGAINST:	Victor Hernandez, District 1 Latrelle Joy, District 6	Karen Gibson, District 5

PRESENT and not voting: None

ABSENT: None

Property Tax Rate Comparison

	2014-2015	2013-2014
Property Tax Rate:	\$0.52240/100	\$0.50441/100
Effective Tax Rate:	\$0.49750/100	\$0.49068/100
Effective Maintenance & Operations Tax Rate:	\$0.38229/100	\$0.38156/100
Rollback Tax Rate:	\$0.53768/100	\$0.54255/100
Debt Rate:	\$0.11425/100	\$0.11656/100

Total debt obligation for City of Lubbock secured by property taxes:

	Principal	Interest	Total
Total	\$981,465,000	363,103,119	1,344,568,119
FY 2014-15	\$ 62,670,000	42,585,673	105,255,673



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

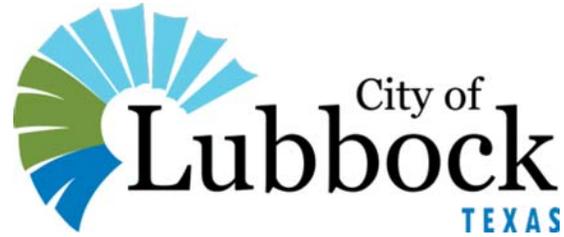
PRESENTED TO

**City of Lubbock
Texas**

For the Fiscal Year Beginning

October 1, 2013

Executive Director



Fiscal Year 2014-15
Adopted Operating Budget and Capital Program

City Council

Glen C. Robertson	Mayor
Karen Gibson	Mayor Pro Tem - District 5
Victor Hernandez	Council Member - District 1
Floyd Price	Council Member - District 2
Jeff Griffith	Council Member - District 3
Jim Gerlt	Council Member - District 4
Latrell Joy	Council Member - District 6

Senior Management

James W. Loomis	City Manager
Becky Garza	City Secretary
Chad Weaver	City Attorney
Cheryl Brock	Executive Director of Budget
Pamela Moon, CPA	Executive Director of Finance
Roger Ellis	Chief of Police
Bill Howerton	Assistant City Manager
Mike Kemp	Fire Chief
Kelly Campbell	Executive Director - Airport
Keith Smith	Director of Public Works
Scott Snider	Assistant City Manager
Quincy White	Deputy City Manager
Mark Yearwood	Assistant City Manager

Operating Budget

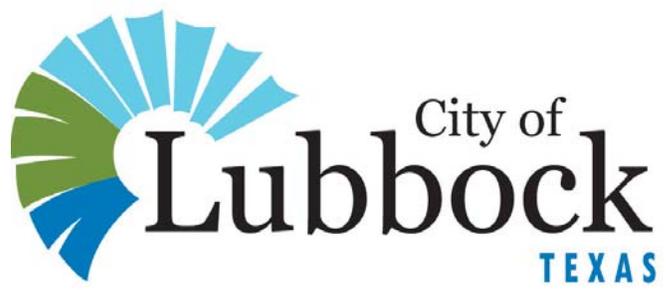


Table of Contents

Executive Summary

City Manager's Transmittal Letter	7
Executive Summary	9
Summary Tables	18
Organizational Chart	24
Economic and Demographic Statistics	25
Budget Process	26
Basis of Accounting	28
Summary of Major Funds	30
Major and Nonmajor Funds Matrix	32

General Fund Revenue

Revenue Analysis	33
Line Item Revenue Summary	36

General Fund Expenditures

Summary Tables	41
Administrative Services	43
City Attorney	45
City Council	48
City Manager	50
City Secretary	52
Facilities Management	54
Finance	56
Human Resources	60
Internal Audit	62
Non-Departmental	64
Public Information	66
Community Services	69
Building Inspection	71
Planning	73
Cultural and Recreation Services	75
Libraries	77
Museums	80
Parks and Recreation	83
Public Works	87
Engineering	89
Streets	91
Traffic	93
Public Safety and Health Services	97
Animal Services	99
Codes and Environmental Health	101
Fire	104
Municipal Court	110
Police	112
Public Health	117
Vector Control	120

Debt Service Fund

Overview	123
Debt Capacity	125
Debt Service Budget	127
Debt Ratios	128
Debt Service for Which Tax is Levied	128
Outstanding Debt - Principal and Interest	129

Master Lease Program

Master Lease Vehicle Replacement	
Schedule	131
Master Lease Five-Year Plan	133
Master Lease Equipment Replacement	
Schedule	142

Scheduled Charges

Overview	143
Scheduled Charges Matrix	146
Schedules	149

Internal Services Charges

Overview	159
Summary Tables	160
Internal Services Charges Matrix	161
Fleet Services	165
Health Benefits	173
Information Technology	183
Investment Pool	201
Print Shop and Warehouse	205
Risk Management	215

Enterprise Funds

Overview	229
Summary Tables	230
Airport Services	231
Operating Budget	234
Operating Model	235
Passenger Facility Charge Budget	236
Passenger Facility Charge Model	237
Customer Facility Charge Budget	238
Customer Facility Charge Model	239
Department Overview	240
Revenue Summary	243
Cemetery	247
Operating Budget	249
Department Overview	250
Revenue Summary	251

Enterprise Funds cont.

Civic Centers	253
Operating Budget	256
Department Overview	257
Revenue Summary	259
Lake Alan Henry	261
Operating Budget	263
Department Overview	264
Revenue Summary	265
Lubbock Power & Light	267
Operating Budget	269
Department Overview	270
Revenue Summary	276
Solid Waste	277
Operating Budget	280
Rate Model	281
Department Overview	282
Revenue Summary	284
Storm Water	287
Operating Budget	290
Rate Model	291
Department Overview	292
Revenue Summary	294
Transit	297
Operating Budget	300
Department Overview	302
Grants Overview	304
Revenue Summary	309
Wastewater	313
Operating Budget	317
Rate Model	318
Department Overview	319
Revenue Summary	322
Water	325
Operating Budget	329
Rate Model	330
Department Overview	331
Revenue Summary	335

Special Revenue Funds

Overview	339
Summary Tables	340
Abandoned Vehicle	343
Animal Assistance	347
Cable Services Fund	351
Central Business District TIF	355

Special Revenue Funds cont.

Community Development	359
Criminal Investigation	367
Department of Justice Asset Sharing	369
Economic Development	371
Emergency Management	373
Gateway Streets	377
Financial Model	379
Revenue Source Summary	380
Hotel Occupancy Tax	381
Revenue Source Summary	383
Lubbock Business Park TIF	385
Lubbock Economic Development Alliance	387
Municipal Court	389
Revenue Source Summary	391
North East Lubbock Neighborhood & Infrastructure	393
Revenue Source Summary	395
North Overton Public Improvement District	397
North Overton TIF	399
North Point Public Improvement District	403
Quincy Park Public Improvement District	405
Valencia Public Improvement District	407
Vintage Township Public Improvement District	409

Component Units

Lubbock Economic Development Alliance	411
Market Lubbock, Inc.	415
Civic Lubbock, Inc.	421

Related Entities

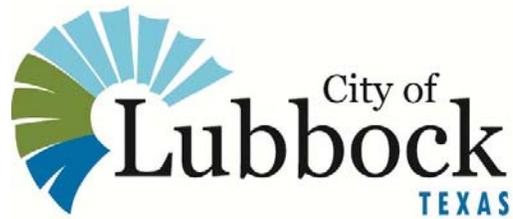
Vintage Township Public Facilities Corporation	425
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Financial Policies

Financial Policy	427
Investment Policy	437
Debt Policy	451

Appendices

Budget Ordinance	461
Truth in Taxation Resolution	497
Property Tax Rate Resolution	499
Tax Rate Ordinance	501
Hotel Occupancy Tax Resolution	504
Glossary of Terms	507
Acknowledgements	512



October 1, 2014

Honorable Mayor Glen C. Robertson and
Members of the City Council, and Citizens of Lubbock:

Staff is pleased to provide the Adopted Fiscal Year 2014-15 Operating Budget and Capital Program (Adopted Budget), fulfilling the requirements of Texas Local Government Code Section 102.002.

The Adopted Budget incorporates a 1.799¢ increase in the property tax rate, which is related to the cash funded capital projects and the remaining 15 new firefighter positions for staffing of Fire Station 19. The adopted property tax rate, totaling 52.24¢ per \$100 valuation, should generate \$68.5 million in total property taxes, an increase of \$4.8 million compared to the prior year. This revenue projection is based on an assessed value estimate from Lubbock Central Appraisal District (LCAD) of \$14.1 billion.

Funding sources for all funds total \$713.8 million, representing a decrease of \$1.1 million, or 0.16 percent, compared to the FY 2013-14 Amended Budget. Funding sources for all funds, except the Debt Service Fund, total \$680.9 million, representing an increase of \$19.5 million, or a 3.0 percent increase, compared to the FY 2013-14 Amended Budget. The increase is primarily a result of additional property and sales tax revenues, a volume rate increase in Wastewater, a volume rate increase in Water, a rate increase in Lubbock Power and Light, a change in the residential and non-residential rate structure in Storm Water, and an increase in the tipping fees in Solid Waste. Wastewater includes a \$0.20 increase in the volume rate, with the base rate remaining level with FY 2013-14. Water includes a five percent increase in the volume rate, with the base rate remaining level with FY 2013-14. Lubbock Power and Light includes a 5.75 percent increase in rates. The rate structure for the Storm Water charge has been restructured and is now based on modified impervious surface rather than the number of water meters. The Solid Waste tipping fee increased \$3.75 per ton, with the residential rate remaining level with FY 2013-14.

The Adopted Budget appropriates a total of \$710.9 million, which is an increase of \$4.4 million, or 0.6 percent, compared to the FY 2013-14 Amended Budget. The total Adopted Budget appropriation, without the Debt Service Fund, is \$678.0 million, which is an increase of \$25.0 million, or 3.8 percent, compared to the FY 2013-14 Amended Budget. Cost increases reflected in the General Fund are driven by the Compensation Study market adjustments, step increases in Fire and Police civil service positions, reallocation of staff back to their cost centers, increase in the transfer to Citibus to fund operations, increases in most operational costs, and the inclusion of \$2.1 million in cash-funded capital projects, such as Facility Renovations/Upgrades, Facility Demolition, Facility Maintenance Fund, Facility Roof Replacements, Major Repairs at Fire Facilities, Municipal Square Renovations, and Transportation Improvements. The Facility Renovations/Upgrade project has additional funding for FY 2014-15 for the design of the next phase of buildings to be renovated. Cost increases reflected in utilities are driven by increasing operating costs and capital projects costs, such as the Runway 17R/35L Reconstruction Project, Aircraft Rescue and Firefighting Facility, Northwest Lubbock and Maxey Park

Storm Drainage project, Northwest Water Reclamation Plant, Southeast Water Reclamation Plant Solids Handling Facility Improvements, South Lubbock Sanitary Sewer System Expansion, Major Sanitary Sewer Mains Rehabilitation, Bailey County Wellfield Improvements, Bailey County Wellfield Disinfection System, and Pump Station 10. Operational increases experienced in all funds are related to escalating costs for electric utilities, increases in fuel costs, and increased costs for Information Technology software and hardware maintenance agreements, communication systems for P25 compliance, and computer and server replacements.

In accordance with City Council policy, this budget assumes the Police and Fire Departments maintain their ranking as top-ten paid departments in the State of Texas, and annual step increases for eligible police officers and fire fighters are incorporated.

The City continues to face operational challenges with the implementation of the Affordable Care Act which instituted a tax of \$63 per employee and additional fees. Both the Fire Department and Emergency Management were impacted by the discontinuation of the Metropolitan Medical Response System grant. Other grant reductions from the State and Federal governments include cuts to some Community Development grants and an additional reduction in the Public Health STD grant which increased the impact to the General Fund. Fuel also increased, both from the new projected price and number of gallons utilized by City Departments. Programs will be reduced or eliminated as the City is notified of grant reductions in Citibus, Libraries, Community Development, Public Health, and Emergency Management.

Reflecting the priorities and goals of the City Council, this budget serves as a financial road map for the City. The Adopted Budget continues the practice of conservative and prudent fiscal planning in an uncertain economic climate. This Budget was developed with continuing emphasis placed on the provision of quality municipal services in the most cost-conscious manner possible.

Respectfully,

A handwritten signature in black ink, reading "James W. Loomis". The signature is written in a cursive style with a large, looping initial "J".

James W. Loomis
City Manager

Executive Summary

FY 2014-15 Operating Budget and Capital Program Highlights

The City of Lubbock organization is made up of many talented employees who perform a range of important functions for the citizens of Lubbock. The many important functions served by the City's employees are identified and described in detail in the Fiscal Year (FY) 2014-15 Operating Budget and Capital Program. There are many core services, such as public safety, transportation infrastructure, and water supply; yet all functions performed by the organization are important to the success and viability of Lubbock. Following are the major drivers of the FY 2014-15 Operating Budget:

I. General Fund Revenues

For FY 2014-15, the estimated funding sources for the General Fund total \$160.95 million, an increase of \$2.1 million, or 1.3 percent, from the FY 2013-14 budget amount. A portion of the increase is related to additional operations and maintenance property tax revenue of \$2.1 million which is a result of increased property valuations including new property added to the tax roll, additional property tax revenues of \$469,069 from the reallocation of 0.39 of a cent of the economic development tax rate to the operations and maintenance rate, and additional property tax revenues of \$2.4 million as a result of the operations and maintenance (O&M) tax increase. Also included in the increase is additional sales tax revenues, totaling \$2.2 million and higher transfers into the General Fund, totaling \$2.6 million. The increase is partially offset by a decrease of \$8.3 million in utilization of net assets. The major changes in budgeted revenues are highlighted below:

- Property Tax \$4,886,344**
 This section incorporates discussion, and the increase, in the complete tax rate including the interest and sinking property tax rate revenues, economic development rate revenues, and the operations and maintenance property tax rate revenues. The total increase in the property rate at 99 percent collection equals \$4,837,480. This budget incorporates a 1.799 cent property tax rate increase, which brings the tax rate to 52.240 cents per \$100 valuation.

The portion of the tax rate increase attributed to the cash funded capital projects totals 0.982 cent. The cost of the cash funded capital would have generated a 1.58 cent increase but due to an increase in the property tax value and other revenues, the actual increase to the tax rate is 0.598 less.

The portion of the tax rate attributable to the addition of 15 fire fighters for Fire Station No. 19 totals 0.817 of a cent. A resolution was passed by the City Council on August 12, 2010, that amended the

Lubbock Truth-in-Taxation revenue cap calculation. The resolution states the following: "Whereas, accurate and responsible budgeting requires that operations and maintenance costs for new capital projects be included in the Allowable Growth on Existing Taxable Property component of the revenue cap calculation, so as to account for the true cost required for new facilities." The resolution also states that "...for the purposes of calculating the Allowable Growth on Existing Taxable Property component of the Lubbock 'Truth in Taxation' revenue cap calculation, an Operations and Maintenance cost factor for new capital projects shall be included."

The property tax rate distribution is illustrated in the following table:

Tax Rate Distribution	2013	2014	Increase
General Fund	36.080¢	38.500¢	2.420¢
Debt Service Fund	11.656¢	11.425¢	(0.231)¢
Economic Development	2.705¢	2.315¢	(0.390)¢
Total Tax Rate	50.441¢	52.240¢	1.799¢

- Sales Tax \$ 2,160,648**
 Sales tax revenues are expected to increase 3.7 percent compared to the budgeted FY 2013-14 amount. When compared to the re-forecasted FY 2013-14 sales tax amount of \$58.7 million, the FY 2014-15 projection is 3.0 percent greater than the previous year.
- Payments in Lieu of Franchise Fee \$1,209,125**
 Payments in lieu of franchise fees increased 6.1 percent for FY 2014-15. These payments are received as transfers from the LP&L, Water, Wastewater, Storm Water, and Solid Waste Enterprise Funds. Franchise fee payments are based on 5 percent of metered revenues for LP&L and 6 percent of gross revenues for all other municipal utilities.
- Payments in Lieu of Property Tax \$ 736,381**
 Payments in lieu of property taxes from the LP&L, Water, Wastewater, Storm Water, and Solid Waste Enterprise Funds increased 9.1 percent as a result of higher revenues for Lubbock Power and Light, and higher capital asset values and the increased property tax rate for all other municipal utilities.
- Utilization of Net Assets \$ (8,345,338)**
 Utilizing appropriable net assets is not planned for FY 2014-15.
- A more thorough discussion of General Fund revenues is included in the "General Fund Revenue" section of this document.

Executive Summary

II. General Fund Expenditures

For FY 2014-15, the estimated expenditures for the General Fund total \$160.85 million, an increase of \$0.5 million or 0.3 percent from FY 2013-14. The major changes in expenditure levels are highlighted below:

- **Compensation** **\$ 4,375,044**
Compensation increased 5.5 percent with the addition of 31 positions, including the addition of 15 firefighters for Station 19, relocation of two cost centers back to General Fund, the transfer of several employees being paid from other funds to the General Fund, and an additional position added to Public Health by the City Council; market adjustments for employees affected by the compensation study, effective October 1, 2014; and, step increases for all eligible firefighters and police officers. The City Council also approved the addition of steps to the Police Plan. The total compensation increase for the Fire and Police Departments totals \$2.7 million. The increase for the remainder of the General Fund totals \$1.6 million. The positions that were added to the General Fund for FY 2014-15 include 15 firefighters, one Building Maintenance Technician, one Project Manager, one Landscape Architect, one Health Facilitator/Coordinator, three Public Information positions moved from IT, four 3-1-1 Call Center positions moved from IT, one Senior Financial Analyst moved from Water, one Senior Financial Analyst added, and three positions moved from GIS. Three additional positions approved through budget amendments in FY 2013-14 were Attorney I, Attorney III and Assistant City Manager.
- **Benefits – Health Insurance** **\$ 427,399**
Health Benefits costs increased 3.2 percent for FY 2014-15, due to the addition of new positions and the relocation of positions from other funds to the General Fund.
- **Benefits – Pension** **\$586,338**
Pension costs increased 3.8 percent of which 44.4 percent is related to the market adjustments as outlined in the compensation study and 43.6 percent is related to increases in both overtime and number of positions in the Fire Department. The contribution rate decreased from 19.02 percent of payroll to 18.68 percent of payroll for Police and non-Civil Service employees who are members of TMRS, and decreased from 22.63 to 22.34 percent of payroll for firefighters, who are in the City's Fire Pension Fund. The decrease in the rates is attributed to an actuarial valuation that reflect a change in post-retirement mortality assumptions, actuarial cost method, and amortization policy. The TMRS Board changed the actuarial cost method for funding purposes from the Projected Unit Credit (PUC) method to the Entry Age

Normal (EAN) method. This change meets two objectives; lower funded ratios that minimize the contribution rate volatility and meets Governmental Accounting Standards Board (GASB) Statement No. 67.

- **Supplies – Fuel** **\$ 233,470**
Unleaded and diesel fuel costs increased 9.3 percent for FY 2014-15. The bulk of the increase was in the Police department. The increase is due to projected increased contracted fuel prices and usage projections in line with historic levels.
- **Maintenance – Motor Vehicle** **\$ 434,565**
Motor vehicle maintenance increased 21.6 percent for FY 2014-15. The largest increases were in the Parks, Fire, and Police departments. The increases were due to increased vehicle maintenance costs relative to historic expenditure levels.
- **Professional Services** **(\$143,315)**
Professional Services decreased 2.4 percent due mainly to a decrease in the cleaning services contract amount.
- **Other Charges** **(\$619,638)**
Other Charges decreased 23.4 percent due to a decrease in the Godeke Branch Library lease as the branch moves to a new location, a decrease in the number of undercover vehicles leased by Special Operations, and a decrease in the Non-Departmental special projects account mainly resulting from no planned elections for the upcoming year.
- **Scheduled Charges – IT** **\$ 286,156**
Data processing charges increased 7.0 percent. The majority of the increase was due to increases in the cost of software maintenance contracts and hardware upgrades.
- **Scheduled Charges – Liability** **\$ 229,393**
Liability claims increased 21.4 percent based on 2014 actuarial projections performed by the City's Actuary, Glicksman Consulting, LLC. The actuarial study, completed in FY 2013-14, looked at current payroll, exposure, and loss history in formulating expected costs in this area.
- **Scheduled Charges – Electricity** **\$ 382,063**
Electric charges increased 27.3 percent, for FY 2014-15. Electric charges were allocated among City funds to reflect electricity usage and account for a proposed rate increase in the LP&L Fund.

Executive Summary

- **Master Lease** **\$ 584,222**

The annual payment for the City's Master Lease Program increased 11.5 percent, for FY 2014-15. Purchases of 131 fleet items and 655 equipment replacement items in FY 2013-14 increased the master lease payment by \$584,222. The bulk of this increase is related to the replacement of 68 police vehicles and one ladder and one platform truck for the Fire Department's new stations.

- **Transfer to Capital Program** **(\$3,276,987)**

Eight capital projects are funded on a pay-as-you-go basis in FY 2014-15, five of them related to the ongoing maintenance of existing City facilities. Additional funding was added for the continued upgrades and renovations of the community and senior centers, for improvements to the Silent Wings Museum in the Facility Maintenance Fund, for street maintenance, to continue the maintenance and repairs of the existing fire stations, and for the facility demolition project. New projects were added for roof replacements on city facilities that have roofs that need to be replaced, renovations for Municipal Square, and miscellaneous transportation improvements.

III. Other Budget Impacts

- There have been a number of changes in General Fund positions as follows:
 - The addition of 15 firefighters to staff new Fire Station No. 19.
 - The transfer of a Management Coordinator position from Fiscal Policy to the City Manager's office.
 - The addition of a Building Maintenance Technician and Project Manager position to Facilities Maintenance.
 - The addition of one Landscape Architect to Parks.
 - The addition of one Health Facilitator/Coordinator to Public Health.
 - The transfer of three Public Information positions and four 3-1-1 Call Center positions from the Information Technology Fund.
 - The transfer of three GIS positions from the IT Fund to the Planning and Traffic departments.
 - The transfer of one Senior Financial Analyst position from Water Administration to Fiscal Policy and the addition of a new Senior Financial Analyst position.
- State and Federal grant funding has been reduced for the fourth consecutive year. Areas most affected by decreased awards include Community Development, Emergency Management, and Public Health. Reduced funding amounts continue to either decrease service levels or increase costs to the General Fund in

order to keep services in place. Following is an overview of cuts that the City is aware of at this time:

- *HOME and Community Development Block Grant.* The decreased award amounts reduce Community Development revenue by \$693,341, or 20.7 percent, for FY 2014-15. Community Development has experienced a decrease of \$1,037,626, or 26.9 percent, in Community Development Block Grant, HOME, and Emergency Solutions Grant funding since FY 2010-11.
- *Syphilis Elimination Texas Grant.* The decreased award amount reduces available funds by \$50,000, or 50.0 percent, for FY 2014-15. Public Health has experienced a decrease of \$100,000 in overall State grant funding since FY 2010-11.

IV. Budget Calendar

Following is the calendar of events detailing the budget process:

- 07/10: Operating and CIP budget presentation to City Council; File Proposed Budget with City Secretary
- 07/25: Last day for Chief Appraiser to certify appraisal roll
- 07/31: Budget work session meeting from 1:00 to 5:00 p.m.
- 08/14: Regular City Council Meeting – Discuss tax rate (tax rate, effective rate and rollback rate); Take vote on proposed tax rate; Schedule and announce dates for public hearings on tax rate
- 08/28: Regular City Council Meeting – First Tax Rate Public Hearing @ 5:30 p.m.; Schedule and announce date for second public hearing on tax rate and first public hearing on the budget
- 09/04: Special City Council Meeting – Budget Public Hearing @ 1:30 p.m.; Second Tax Rate Public Hearing @ 1:30 p.m.; Storm Water Rate Public Hearing @ 1:30 pm; Schedule and announce meeting to adopt rate; First reading of Budget Ordinance/Tax Levy Ordinance
- 09/11: Regular City Council Meeting – Second reading of Budget Ordinance / Tax Levy Ordinance

Executive Summary

Tax Rate Comparison

Fiscal Year	Operation & Maintenance	Interest & Sinking Fund	Economic Development	Total
2000	0.42839	0.12161	0.03000	0.58000
2001	0.42718	0.11282	0.03000	0.57000
2002	0.42844	0.11156	0.03000	0.57000
2003	0.43204	0.10796	0.03000	0.57000
2004	0.41504	0.10066	0.03000	0.54570
2005*	0.33474	0.09496	0.03000	0.45970
2006	0.35630	0.06090	0.03000	0.44720
2007	0.36074	0.07125	0.03000	0.46199
2008	0.35380	0.07125	0.03000	0.45505
2009	0.32540	0.09100	0.03000	0.44640
2010	0.33240	0.08400	0.03000	0.44640
2011	0.33240	0.09377	0.03000	0.45617
2012	0.34200	0.10200	0.03000	0.47400
2013	0.35683	0.10591	0.02937	0.49211
2014	0.36080	0.11656	0.02705	0.50441
2015	0.38500	0.11425	0.02315	0.52240

* Sales tax swap

V. Texas Truth-in-Taxation Laws

The Texas Constitution and Property Tax Code embody the concept of truth-in-taxation to require taxing units to comply with certain steps in adopting their tax rates. The truth-in-taxation requirements are contained in the Texas Constitution, Chapter 26, Property Tax Code, Article VIII, Section 21, in Senate Bill 18 of the 79th Texas Legislature and Senate Bill 567 of the 80th Texas Legislature.

Effective Tax Rate

The effective tax rate is a calculated rate that provides the City with about the same amount of revenue received during the prior year on properties taxed in both years. If property values increase, the effective tax rate will go down, and vice versa. The effective tax rate takes the amount of the 2013 tax levy adjusted for refunds and TIF values and takes those last year dollars and divides them by this year's adjustable values (take total taxable value minus new improvements and new personal property values). This calculation gives us an effective tax rate of \$0.49750.

Rollback Tax Rate

The rollback rate is a calculated maximum rate allowed by law without voter approval. The rollback rate provides the City with approximately the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra 8 percent increase for those operations plus sufficient funds to pay debts in the coming year. If the City adopts a tax rate that is higher

than the rollback rate, 10 percent of the registered voters in the City may circulate a petition calling for an election to limit the size of the tax increase.

Proposed Tax Rate

During the budget process, the City Council proposed a tax rate of \$0.52740 per \$100 valuation. The proposed tax rate exceeded the effective tax rate, but will be below the rollback tax rate.

Since the tax rate proposed by the City Council exceeded the effective tax rate, the City Council was required to follow legislative guidelines for proposing and adopting a tax rate. These legislative guidelines include:

1. The City Council votes to place a proposal to adopt the rate on the agenda of a future City Council meeting as an action item. This vote is recorded.
2. The proposal specifies the desired rate. The City Council cannot vote to adopt a proposal to increase taxes by an unspecified amount.
3. If the motion passes, the City Council schedules two public hearings on the proposal.
4. The City Council notifies the public of the dates, times and place or places for the public hearings and provides information about the proposed tax rate at least seven days before the public hearings. This notice is titled "Notice of 2014 Proposed Tax Rate for City of Lubbock"
5. After publishing the required notice, the City holds two public hearings. Taxpayers have the opportunity to express their views on the increase at each public hearing. The City Council may not adopt the tax rate at either of these hearings. At each hearing, the City Council announces the date, time, and place of the meeting at which it will vote on the tax rate.
6. The Tax Code requires that the City Council adopt the tax rate no less than three days, but no more than fourteen days, after the second public hearing. If the City does not adopt during this time period, then it republishes the second notice of the meeting to adopt the tax rate, with the new date, time, and location to adopt the rate.

Adopted Tax Rate

Following the two required public hearings, the City Council adopted a tax rate of \$0.52240 per \$100 valuation. The adopted tax rate was \$0.005 lower than the proposed rate and the adopted rate is \$0.01799 per \$100 valuation higher than the FY 2013-14 adopted tax rate.

Executive Summary

I. Airport Budget Highlights

Airport revenues are expected to increase \$0.46 million, or 4.6 percent, from FY 2013-14. The increase is due to increases in landing, hangar, terminal, and parking revenues along with an increase in the transfer from the Passenger Facility Charge (PFC) Fund to cover the debt service on projects funded with PFC revenue. Utilization of net assets totaling \$19,956 is projected for FY 2014-15.

Expenses for the fund are expected to increase \$0.6 million, or 6.2 percent, from FY 2013-14. The budgetary increases include the increase to maintenance to upgrade network video recording system and routine and preventative maintenance of airport, other charges to fund

Airport Master Plan, debt service payment, transfer to the General Fund for Aircraft Rescue Fire Fighting staff, as well as transfer to Airport Capital to fund an Airport capital project.

The operating model incorporates many variables including interest rates, inflation rates, number of enplanements, PFC rates, Customer Facility Charge rates, and changes in the cost or priority of capital projects.

	Budget		Forecast			
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues	\$ 10,590,483	9,934,101	10,704,750	10,810,875	10,937,380	11,189,789
Use of Net Assets	19,956	568,599	438,058	612,556	738,165	879,799
Total Funding Sources	10,610,440	10,502,700	11,142,808	11,423,432	11,675,545	12,069,588
Operating Expenditures	6,185,013	6,167,338	6,332,193	6,504,497	6,684,812	6,873,756
Fund Level Expenditures	4,425,427	4,335,362	4,810,615	4,918,935	4,990,733	5,195,832
Total Expenditures	\$ 10,610,440	10,502,700	11,142,808	11,423,432	11,675,545	12,069,588

Executive Summary

II. Solid Waste Utility Budget Highlights

For FY 2014-15, the landfill tipping fee is \$32.00 and the monthly residential rate is \$15.25. There is a \$3.75 per ton tipping fee increase. The residential rate will remain level for FY 2014-15.

Revenues for the fund increased \$1.89 million or 9.7 percent, from FY 2013-14. The revenue increase is due to proposed increase in tipping fees and transfer from North Overton TIF. Approximately \$1.4 million in appropriable net assets are used as a rate stabilizer to smooth rate increases over time.

Expenses for the fund increased \$0.9 million or 4.0 percent, from FY 2013-14. The budgetary increases include \$0.5 million in compensation and benefits

including compensation study market adjustments, \$0.2 million in supplies due to increased fuel costs, \$0.13 million in maintenance, and \$0.3 million in transfer to solid waste capital to fund a new project. These increases are partially offset by a \$0.16 million decrease in capital outlay as well as \$0.4 million decrease in master lease debt service.

The rate structure incorporated in the model is subject to change depending on many variables. Some of these variables may include competition with smaller, arid exempt landfills, interest rates, commodity prices, inflation rates, and changes in the cost or priority of capital projects.

	Budget	Forecast				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues	\$ 21,448,804	23,404,772	24,691,924	25,142,150	26,442,654	26,752,422
Use of Net Assets	1,426,715	58,637	246,573	532,577	-	-
Total Funding Sources	22,875,518	23,463,410	24,938,497	25,674,727	26,442,654	26,752,422
Operating Expenditures	13,252,995	13,603,430	13,969,757	14,353,183	14,755,025	14,927,706
Fund Level Expenditures	9,622,523	9,859,980	10,968,739	11,321,545	11,583,209	10,680,542
Total Expenditures	\$ 22,875,518	23,463,410	24,938,497	25,674,727	26,338,234	25,608,247
Landfill Tipping Fee - Per Ton	\$ 32.00	34.00	36.00	38.00	38.00	38.00
Monthly Residential Collection Fee	15.25	16.50	17.00	18.00	19.00	19.00
Commercial Rate - 2 Cubic Yard Container	40.57	43.90	45.23	47.89	50.55	50.55
Commercial Rate - 3 Cubic Yard Container	60.14	65.07	67.04	70.98	74.92	74.92
Commercial Rate - 4 Cubic Yard Container	79.70	86.24	88.85	94.08	99.30	99.30
Commercial Rate - 6 Cubic Yard Container	115.38	124.84	128.62	136.19	143.75	143.75
Commercial Rate - 8 Cubic Yard Container	151.06	163.44	168.40	178.30	188.21	188.21

Executive Summary

III. Storm Water Utility Budget Highlights

A new tiered rate structure has been developed for Storm Water in FY 2014-15. The rate structure is based upon impervious surface area rather than number of water meters. This is scheduled to be implemented January 1, 2015.

Revenues are expected to increase \$4.6 million, or 24.1 percent, from FY 2013-14 due to the change in rate structure.

Expenses are expected to increase \$3.3 million, or 17.4 percent, from FY 2013-14. Budgetary increases include

an additional \$0.4 million for a transfer to the Storm Water Capital Fund for three capital projects, a \$2.6 million increase in the transfer to the Debt Service Fund, and a \$0.3 million increase in cost of business transfer to General Fund due to increased revenues.

The rate structure incorporated in the model is subject to change depending on many variables. Some of the variables may include interest rates, commodity prices, inflation rates, and changes in the cost or priority of capital projects.

	Budget	Forecast				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues	\$ 23,950,523	25,671,353	25,929,513	25,010,942	25,260,060	24,297,758
Use of Net Assets	-	-	206,072	73,601	476,749	-
Total Funding Sources	23,950,523	25,671,353	26,135,585	25,084,544	25,736,809	24,297,758
Operating Expenditures	2,946,813	2,953,980	3,045,920	3,142,986	3,245,607	3,354,257
Fund Level Expenditures	19,693,317	21,939,703	23,089,664	21,941,558	22,491,201	20,131,989
Total Expenditures	\$ 22,640,129	24,893,683	26,135,585	25,084,544	25,736,809	23,486,247

Residential Rate Structure

Residential Rate - Monthly (Tier 1)	8.80	8.80	8.80	8.40	8.40	8.00
Residential Rate - Monthly (Tier 2)	13.48	13.48	13.48	12.86	12.86	12.25
Residential Rate - Monthly (Tier 3)	17.05	17.05	17.05	16.28	16.28	15.50
Residential Rate - Monthly (Tier 4)	25.58	25.58	25.58	24.41	24.41	23.25

Commercial Rate Structure

Commercial Rate - Monthly	25.58	25.58	25.58	24.41	24.41	23.25
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Executive Summary

IV. Wastewater Utility Budget Highlights

The monthly wastewater volume rates will increase \$0.20 to \$2.45, however the base rate will remain flat for FY 2014-15.

Revenues are expected to increase \$1.8 million, or 5.0 percent, from FY 2013-14. The increase is primarily due to an expected increase in customer growth along with the proposed increase in volume charge. Utilization of net assets totaling \$1.3 million is projected for FY 2014-15.

Expenses for the fund are expected to increase \$2.9 million, or 8.2 percent, from FY 2013-14. The largest

increases include approximately \$1 million in operational costs, \$1 million in new debt service, and \$0.6 million in transfer to Wastewater Capital to fund two new projects.

The modeled expenses continue the implementation of the strategic Wastewater Master Plan and currently planned projects. The rate structure incorporated in the model is subject to change depending on many variables. Some of these variables may include wastewater volumes, interest rates, commodity prices, inflation rates, operational impact of new facilities, any activities or projects as a result of the Wastewater Master Plan, and changes in the cost or priority of capital projects.

	Budget	Forecast				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Revenues	\$ 36,869,641	40,829,609	45,292,334	48,234,716	49,797,694	50,175,263
Use of Net Assets	1,333,630	4,124,799	1,605,611	-	-	-
Total Funding Sources	38,203,271	44,954,408	46,897,945	48,234,716	49,797,694	50,175,263
Operating Expenditures	12,569,703	12,860,587	13,163,097	13,478,067	13,806,408	14,149,115
Fund Level Expenditures	25,633,568	32,093,821	33,734,848	33,471,956	34,020,575	34,908,966
Total Expenditures	\$ 38,203,271	44,954,408	46,897,945	46,950,023	47,826,983	49,058,080
Base Charges						
Meter Size (in inches)						
Residential No Meter	\$ 53.00	60.57	68.14	68.14	68.14	68.14
0.75	14.00	16.00	18.00	18.00	18.00	18.00
1.00	17.06	19.49	21.93	21.93	21.93	21.93
1.50	24.66	28.18	31.71	31.71	31.71	31.71
2.00	33.81	38.64	43.47	43.47	43.47	43.47
3.00	55.19	63.07	70.95	70.95	70.95	70.95
4.00	85.68	97.92	110.16	110.16	110.16	110.16
6.00	161.94	185.07	208.21	208.21	208.21	208.21
8.00	253.43	289.64	325.84	325.84	325.84	325.84
10.00	360.21	411.67	463.13	463.13	463.13	463.13
Volume Charge	2.45	2.67	2.90	3.15	3.25	3.35

Executive Summary

V. Water Utility Budget Highlights

For FY 2014-15 the model keeps the base rate level at \$18.00, while increasing the volume rate by 5.0 percent. Going forward, the base rate remains constant with corresponding increases in the volume rate. Given the future estimated operational growth, equipment replacement, and capital program requirements, future rate increases are needed. The projected rates are identified in the table below.

Revenues are expected to increase \$1.7 million, or 2.1 percent, from FY 2013-14. The increases include an additional \$1.7 million in metered sales revenue due to increase in volume rate. Utilization of net assets totaling \$1.4 million is projected for FY 2014-15.

Expenses for the fund are expected to increase \$2.8 million, or 3.5 percent, from FY 2013-14. The largest increases are related to \$1.4 million increase in compensation and benefits due to the addition of two positions, funding the market adjustments and the prior year cost of living adjustment. There is also a \$1.1 million increase in scheduled charges due to increases in electric and CRMWA costs. Debt Service increased \$0.2 million and transfer to Water Capital increased \$0.8 million due to cash funding projects. The miscellaneous account decreased \$0.9 million due to cash funding master lease equipment in FY 2013-14.

The modeled expenses continue the implementation of the strategic water plan and currently planned projects. The rate structure incorporated in the model is subject to change depending on many variables. Some of these variables may include water volumes, interest rates, commodity prices, inflation rates, operational impact of new facilities, and changes in the cost or priority of capital projects.

	Budget	Forecast				
Revenues	\$ 79,761,686	82,717,093	86,346,251	87,789,118	88,735,418	89,735,688
Use of Net Assets	1,361,304	242,942	1,131,086	3,378,611	4,646,578	3,213,682
Total Funding Sources	81,122,990	82,960,035	87,477,337	91,167,729	93,381,996	92,949,370
Operating Expenditures	28,729,404	29,396,349	30,089,208	30,809,795	31,560,087	32,342,245
Fund Level Expenditures	52,393,587	53,563,686	57,388,129	60,357,934	61,821,909	60,607,126
Total Expenditures	\$ 81,122,990	82,960,035	87,477,337	91,167,729	93,381,996	92,949,370
Base Charges						
Meter Size (in inches)						
0.75	\$ 18.00	18.00	18.00	18.00	18.00	18.00
1.00	30.05	30.05	30.05	30.05	30.05	30.05
1.50	59.91	59.91	59.91	59.91	59.91	59.91
2.00	96.30	96.30	96.30	96.30	96.30	96.30
3.00	191.97	191.97	191.97	191.97	191.97	191.97
4.00	299.91	299.91	299.91	299.91	299.91	299.91
6.00	599.65	599.65	599.65	599.65	599.65	599.65
8.00	959.47	959.47	959.47	959.47	959.47	959.47
10.00	1,379.38	1,379.38	1,379.38	1,379.38	1,379.38	1,379.38
Volume Charges						
Block 1	4.53	4.66	4.90	4.90	4.90	4.90
Block 2	6.18	6.36	6.68	6.68	6.68	6.68
Block 3	7.41	7.63	8.02	8.02	8.02	8.02

Funding Source Summary - General Fund

	Actual	Actual	Actual	Amended	Budget	% Change
TAXES	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Forecast
Property Taxes	\$ 38,820,278	40,874,500	43,811,898	45,565,927	50,512,908	10.9
Delinquent Taxes/Penalties & Interest	1,029,708	766,265	934,270	885,000	851,650	(3.8)
Sales Tax	49,200,038	52,528,476	57,062,628	58,300,785	60,461,433	3.7
Mixed Beverage Sales Tax	-	-	-	266,664	-	(100.0)
Mixed Beverage Tax	978,651	853,461	961,161	445,071	1,155,000	159.5
Bingo Tax	326,501	307,193	305,217	310,000	267,140	(13.8)
TOTAL TAXES	90,355,175	95,329,895	103,075,174	105,773,447	113,248,131	7.1
FRANCHISE FEES/RIGHT OF WAY						
Suddenlink	1,077,399	1,103,626	1,188,541	1,200,000	1,230,360	2.5
Xcel Energy	209,967	-	1,613	-	1,613	-
Atmos	1,440,115	1,293,381	1,335,211	1,125,000	1,355,850	20.5
South Plains Electric Coop.	566,846	544,919	579,726	562,500	550,000	(2.2)
West Texas Gas	4,670	3,716	4,098	3,750	3,750	-
Telecom ROW	1,687,940	2,875,161	2,046,282	2,025,000	1,715,100	(15.3)
TOTAL FRANCHISE FEES/RIGHT OF WAY	4,986,937	5,820,803	5,155,471	4,916,250	4,856,673	(1.2)
FEES FOR SERVICES						
Development Services	142,308	153,632	185,520	141,450	186,559	31.9
General Government	75,813	81,966	83,452	72,500	68,561	(5.4)
City Secretary	369,346	312,934	309,009	315,118	305,048	(3.2)
Public Safety	1,057,854	1,062,170	1,150,289	1,122,040	1,063,061	(5.3)
Public Works	101,354	66,909	106,249	53,900	52,900	(1.9)
Public Health	107,208	16,405	16,228	15,610	14,010	(10.2)
Animal Shelter	121,489	129,777	132,662	116,600	130,000	11.5
Cultural/Recreational	1,032,354	1,054,730	1,017,933	1,022,754	1,029,184	0.6
Museum	217,972	217,152	228,978	214,850	226,650	5.5
TOTAL FEES FOR SERVICES	3,225,697	3,095,676	3,230,320	3,074,822	3,075,973	0.0
FEES AND FINES						
Licenses and Permits	2,075,041	2,395,666	2,619,662	2,497,045	2,807,540	12.4
Intergovernmental	297,802	339,677	353,441	336,854	345,972	2.7
Fines and Forfeitures	2,940,613	3,404,338	3,658,243	3,346,181	3,280,000	(2.0)
TOTAL FEES AND FINES	5,313,457	6,139,681	6,631,345	6,180,080	6,433,512	4.1
OTHER REVENUES						
Interest Earnings	25,379	96,249	29,389	-	-	-
Rental	4,595	7,520	8,003	9,581	9,580	(0.0)
Recoveries of Expenditures	913,331	1,333,614	877,326	789,765	803,934	1.8
Other	1,560,316	1,602,833	1,475,279	396,245	504,850	27.4
TOTAL OTHER REVENUES	2,503,621	3,040,216	2,389,997	1,195,591	1,318,364	10.3
TRANSFERS						
Transfers from Special Revenue Funds	-	299,720	299,720	299,720	299,720	-
Transfers from LP&L	8,431,721	8,248,333	8,917,997	9,033,705	10,298,612	14.0
Transfers from Water Fund	7,310,010	8,094,828	9,245,651	9,784,639	10,022,947	2.4
Transfers from Wastewater Fund	3,351,026	3,548,599	3,753,410	3,997,080	4,290,297	7.3
Transfers from Solid Waste	2,291,602	2,324,726	2,347,431	2,426,530	2,663,891	9.8
Transfers from Airport Fund	1,444,949	1,491,603	1,603,080	1,620,483	1,648,486	1.7
Transfers from Stormwater	1,911,885	2,153,478	2,138,307	2,236,258	2,796,432	25.0
Transfers from Hotel/Motel	-	-	-	-	-	-
Transfers from LEDA	-	-	-	-	-	-
Other Transfers	-	-	-	-	-	-
TOTAL TRANSFERS	24,741,193	26,161,287	28,305,596	29,398,415	32,020,385	8.9
TOTAL REVENUE SOURCES	131,126,080	139,587,558	148,787,902	150,538,605	160,953,038	6.9
Utilization of Net Assets	-	-	-	8,345,338	-	(100.0)
TOTAL FUNDING SOURCES	\$ 131,126,080	139,587,558	148,787,902	158,883,943	160,953,038	1.3
CAPITAL LEASE PROCEEDS	\$ 3,588,154	5,537,998	5,778,891	-	-	-

Funding Source Summary by Fund

	Actual	Actual	Actual	Amended	Budget	% Change
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Amended
INTERNAL SERVICE FUNDS						
Fleet	\$ 1,403,952	1,026,589	1,365,180	1,569,030	1,510,284	(3.7)
Health Benefits	27,511,669	33,265,053	32,363,111	32,076,103	30,468,762	(5.0)
Information Technology	7,765,988	8,837,980	9,400,009	10,278,720	11,177,926	8.7
Investment Pool	117,223	114,404	138,838	579,484	187,500	(67.6)
Print Shop/Warehouse	471,919	725,490	929,613	706,915	707,194	0.0
Risk Management	7,034,317	6,086,091	8,080,064	5,705,523	6,144,866	7.7
TOTAL INTERNAL SERVICE FUNDS	44,305,069	50,055,607	52,276,816	50,915,775	50,196,532	(1.4)
ENTERPRISE FUNDS						
Airport	10,196,636	11,795,503	11,127,198	10,122,672	10,610,440	4.8
Cemetery	752,394	718,284	643,826	744,205	777,618	4.5
Civic Centers	3,555,143	3,231,418	3,600,834	3,387,507	3,584,357	5.8
Lake Alan Henry	515,315	626,329	643,930	540,629	510,413	(5.6)
LP&L	225,039,398	204,602,544	213,923,122	233,428,867	240,356,388	3.0
Solid Waste	19,677,109	21,137,308	20,699,693	21,994,237	22,875,518	4.0
Storm Water	16,491,083	19,752,531	22,189,612	19,292,134	23,950,523	24.1
Transit	12,249,270	13,436,233	12,649,998	11,709,352	12,030,655	2.7
Wastewater	30,713,209	32,402,895	34,300,547	35,304,004	38,203,271	8.2
Water	75,682,691	74,526,477	82,620,406	78,371,384	81,122,990	3.5
TOTAL ENTERPRISE FUNDS	394,872,248	382,229,522	402,399,168	414,894,991	434,022,173	4.6
SPECIAL REVENUE FUNDS						
Abandoned Vehicles	495,772	728,156	718,615	725,137	570,000	(21.4)
Animal Assistance Program	-	84,317	107,536	95,000	130,000	36.8
Cable Services Fund	-	26,444	534,462	404,442	575,896	42.4
Central Business District Tax Increment	842,987	555,811	1,335,330	718,377	771,640	7.4
Community Development	3,978,512	3,758,918	3,322,556	3,491,765	2,820,886	(19.2)
Criminal Investigation Fund	285,409	753,626	274,134	845,440	-	(100.0)
Department of Justice Asset Sharing	118,486	190,131	1,430	-	-	-
Economic Development	3,605,371	3,655,818	3,707,051	3,478,006	3,096,497	(11.0)
Emergency Management	365,992	388,846	411,534	457,355	435,164	(4.9)
Gateway Streets	7,755,719	8,245,939	8,294,279	8,202,787	8,317,953	1.4
Hotel/Motel Tax	4,865,132	6,617,519	6,147,506	6,379,441	7,153,744	12.1
Juvenile Case Manager	130,754	34,044	10,753	-	-	-
Lubbock Business Park TIF	19,070	237,697	261,139	294,853	428,096	45.2
Lubbock Economic Development Alliance	4,472,731	4,775,316	5,187,512	5,292,253	5,496,494	3.9
Municipal Court	260,526	273,983	305,560	500,531	295,228	(41.0)
North and East Lubbock Fund	-	-	-	900,000	469,264	(47.9)
North Overton Public Improvement District	444,105	454,104	483,661	514,734	575,694	11.8
North Overton Tax Increment	3,298,479	3,262,271	3,274,494	3,881,280	4,029,254	3.8
North Point Public Improvement District	77,093	81,044	83,196	250,548	299,039	19.4
Quincy Park Public Improvement District	15,196	31,416	40,744	61,987	71,509	15.4
Valencia Public Improvement District	-	-	3,920	6,021	7,718	28.2
Vintage Township Public Improvement Dist.	251,887	352,082	774,607	183,309	184,580	0.7
TOTAL SPECIAL REVENUE FUNDS	31,283,222	34,507,483	35,280,018	36,683,265	35,728,658	(2.6)
SUBTOTAL ALL FUNDS	601,586,618	606,380,171	638,743,903	661,377,973	680,900,401	3.0
DEBT SERVICE FUND						
Debt Service Fund	31,382,554	38,767,263	61,873,682	53,493,826	32,850,720	(38.6)
TOTAL DEBT SERVICE FUND	31,382,554	38,767,263	61,873,682	53,493,826	32,850,720	(38.6)
TOTAL ALL FUNDS	\$ 632,969,172	645,147,434	700,617,586	714,871,799	713,751,121	(0.16)

Appropriation Summary - General Fund

	Actual	Actual	Actual	Amended	Budget	% Change
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Amended
ADMINISTRATIVE SERVICES						
City Attorney	\$ 1,700,248	1,720,114	1,797,156	1,960,450	2,034,727	3.8
City Council	442,234	472,189	292,123	248,774	276,735	11.2
City Manager	656,115	499,325	790,323	920,806	1,048,507	13.9
City Secretary	680,246	699,202	928,121	1,064,163	1,140,830	7.2
Facilities Management	3,018,425	3,029,504	3,539,148	3,092,597	3,088,355	(0.1)
Finance	2,178,699	2,246,261	2,289,755	2,512,828	2,691,426	7.1
Human Resources	341,763	340,755	389,794	548,541	520,277	(5.2)
Internal Audit	235,439	185,716	305,848	366,025	383,170	4.7
Non Departmental	5,423,718	5,559,970	6,186,174	8,292,207	6,999,465	(15.6)
Public Information	-	-	-	-	526,841	-
TOTAL ADMINISTRATIVE SERVICES	14,676,886	14,753,036	16,518,444	19,006,391	18,710,332	(1.6)
COMMUNITY SERVICES						
Building Inspection	1,464,572	1,564,301	1,642,200	1,780,396	1,800,769	1.1
Planning	911,739	458,816	561,593	523,102	652,908	24.8
TOTAL COMMUNITY SERVICES	2,376,311	2,023,117	2,203,793	2,303,498	2,453,677	6.5
CULTURAL & RECREATION SVCS						
Library	3,205,142	3,566,341	3,708,159	3,783,957	3,547,232	(6.3)
Museums	746,619	796,495	856,101	898,542	957,474	6.6
Parks and Recreation	8,279,033	8,686,802	9,197,674	9,379,824	9,939,645	6.0
TOTAL CULTURAL & RECREATION SVCS	12,230,795	13,049,638	13,761,933	14,062,323	14,444,351	2.7
PUBLIC WORKS						
Engineering	1,112,468	1,019,325	1,035,562	1,300,460	1,380,644	6.2
Streets	2,323,862	2,691,015	2,318,275	2,957,098	3,031,299	2.5
Traffic	2,726,310	2,913,739	3,167,785	3,421,923	3,618,459	5.7
TOTAL PUBLIC WORKS	6,162,640	6,624,079	6,521,622	7,679,480	8,030,402	4.6
PUBLIC SAFETY						
Animal Services	1,461,771	1,667,225	1,747,961	1,870,871	1,997,731	6.8
Codes and Environmental Health	1,730,005	1,840,467	1,878,027	2,282,913	2,432,248	6.5
Fire	33,831,932	37,157,096	40,049,928	41,666,131	44,607,264	7.1
Municipal Court	1,470,863	1,555,539	1,581,953	1,625,492	1,691,140	4.0
Police	47,799,452	51,854,573	54,487,795	57,750,878	59,602,370	3.2
Public Health	1,166,155	735,954	530,912	763,995	915,946	19.9
Vector Control	367,156	378,328	341,580	387,077	415,855	7.4
TOTAL PUBLIC SAFETY	87,827,334	95,189,182	100,618,157	106,347,356	111,662,553	5.0
OTHER						
Payroll Accrual/Other Adjustments	-	-	-	-	-	-
Transfer to Grants	296,003	332,516	389,314	428,792	435,163	1.5
Transfer to CIP (Pay-as-you-go)	1,932,748	-	1,363,964	5,355,807	2,078,820	(61.2)
Transfer to LP&L for Street Lighting	-	-	-	-	-	-
Transfer to Citibus	752,297	1,431,877	1,431,877	1,647,223	2,235,272	35.7
Transfer to Cemetery	288,159	215,976	80,234	272,205	354,618	30.3
Transfer to Civic Centers	669,786	675,000	510,084	573,349	444,972	(22.4)
Transfer to Debt Service Fund	-	-	-	2,635,789	-	(100.0)
Transfer to Special Revenue Fund	-	-	150,000	-	-	-
TOTAL OTHER	3,938,993	2,655,369	3,925,473	10,913,165	5,548,845	(49.2)
TOTAL	\$ 127,212,959	134,294,421	143,549,421	160,312,216	160,850,160	0.3
TOTAL GENERAL FUND	\$ 127,212,959	134,294,421	143,549,421	160,312,216	160,850,160	0.3
CAPITAL LEASE ASSET VALUE	\$ 5,358,269	4,474,546	5,283,642	-	-	-

Appropriation Summary by Fund

	Actual	Actual	Actual	Amended	Budget	% Change
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Amended
INTERNAL SERVICE FUNDS						
Fleet	\$ 1,330,366	1,014,853	1,365,180	1,569,030	1,461,033	(6.9)
Health Benefits	27,511,669	26,694,450	27,366,824	32,076,103	30,468,762	(5.0)
Information Technology	7,765,988	8,837,980	9,095,681	10,263,637	11,176,119	8.9
Investment Pool	115,171	108,384	138,838	579,485	186,378	(67.8)
Print Shop/Warehouse	471,919	617,956	601,040	658,307	707,194	7.4
Risk Management	4,600,169	4,548,937	8,080,064	5,705,523	6,144,866	7.7
TOTAL INTERNAL SERVICE FUNDS	41,795,282	41,822,560	46,647,627	50,852,085	50,144,353	(1.4)
ENTERPRISE FUNDS						
Airport	9,704,416	10,436,870	10,708,591	9,989,580	10,610,440	6.2
Cemetery	673,595	718,284	643,826	744,205	777,618	4.5
Civic Centers	3,227,507	3,231,418	3,300,450	3,387,507	3,584,357	5.8
Lake Alan Henry	515,315	626,329	643,930	540,629	510,413	(5.6)
LP&L	225,039,398	204,602,544	209,601,182	225,359,426	239,567,147	6.3
Solid Waste	19,507,850	21,137,308	20,699,693	21,994,237	22,875,518	4.0
Storm Water	16,069,570	17,892,397	21,623,326	19,292,134	22,640,129	17.4
Transit	12,195,550	13,436,233	12,609,933	11,699,390	12,030,655	2.8
Wastewater	26,873,404	31,022,633	31,905,784	35,304,004	38,203,271	8.2
Water	60,166,185	67,748,329	74,402,513	78,371,384	81,122,990	3.5
TOTAL ENTERPRISE FUNDS	373,972,791	370,852,344	386,139,228	406,682,496	431,922,538	6.2
SPECIAL REVENUE FUNDS						
Abandoned Vehicles	351,302	728,156	718,615	725,137	570,000	(21.4)
Animal Assistance Program	-	42,719	81,583	95,000	130,000	36.8
Cable Services Fund	-	-	-	404,442	575,896	42.4
Central Business District Tax Increment	842,987	540,293	1,335,330	410,964	580,528	41.3
Community Development	3,713,962	3,686,468	3,322,556	3,491,765	2,820,886	(19.2)
Criminal Investigation Fund	152,695	538,387	245,016	845,440	-	(100.0)
Department of Justice Asset Sharing	118,486	190,131	-	-	-	-
Economic Development	3,605,371	3,655,818	3,684,582	3,478,006	3,096,497	(11.0)
Emergency Management	365,992	388,846	415,894	457,355	435,164	(4.9)
Gateway Streets	7,755,719	8,245,939	8,294,279	8,202,787	8,317,953	1.4
Hotel Occupancy Tax	4,865,132	6,617,519	5,817,987	6,379,441	7,153,744	12.1
Lubbock Business Park Tax Increment	5,663	13,692	3,292	17,684	16,921	(4.3)
Lubbock Economic Development Alliance, Inc.	4,472,731	4,775,316	5,187,512	5,292,253	5,496,494	3.9
Municipal Court	260,526	273,983	305,560	500,531	295,228	(41.0)
North and East Lubbock Fund	-	-	-	-	469,264	-
North Overton Public Improvement District	411,690	454,104	421,993	508,152	542,448	6.7
North Overton Tax Increment	3,298,479	3,262,271	3,274,494	3,881,280	4,029,254	3.8
North Point Public Improvement District	32,394	19,469	36,357	250,548	299,039	19.4
Quincy Park Public Improvement District	3,477	6,605	7,818	61,987	63,463	2.4
Valencia Public Improvement District	-	-	3,213	4,005	7,185	79.4
Vintage Township Public Improvement Dist.	251,887	126,351	774,607	183,309	184,580	0.7
TOTAL SPECIAL REVENUE FUNDS	30,508,491	33,566,069	33,930,689	35,190,084	35,084,546	(0.3)
SUBTOTAL ALL FUNDS	573,489,524	580,535,394	610,266,964	653,036,882	678,001,596	3.8
DEBT SERVICE FUND						
Debt Service Fund	31,382,554	38,727,712	61,714,236	53,386,318	32,850,720	(38.5)
TOTAL DEBT SERVICE FUND	31,382,554	38,727,712	61,714,236	53,386,318	32,850,720	(38.5)
TOTAL ALL FUNDS	\$604,872,078	619,263,105	671,981,200	706,423,200	710,852,316	0.6

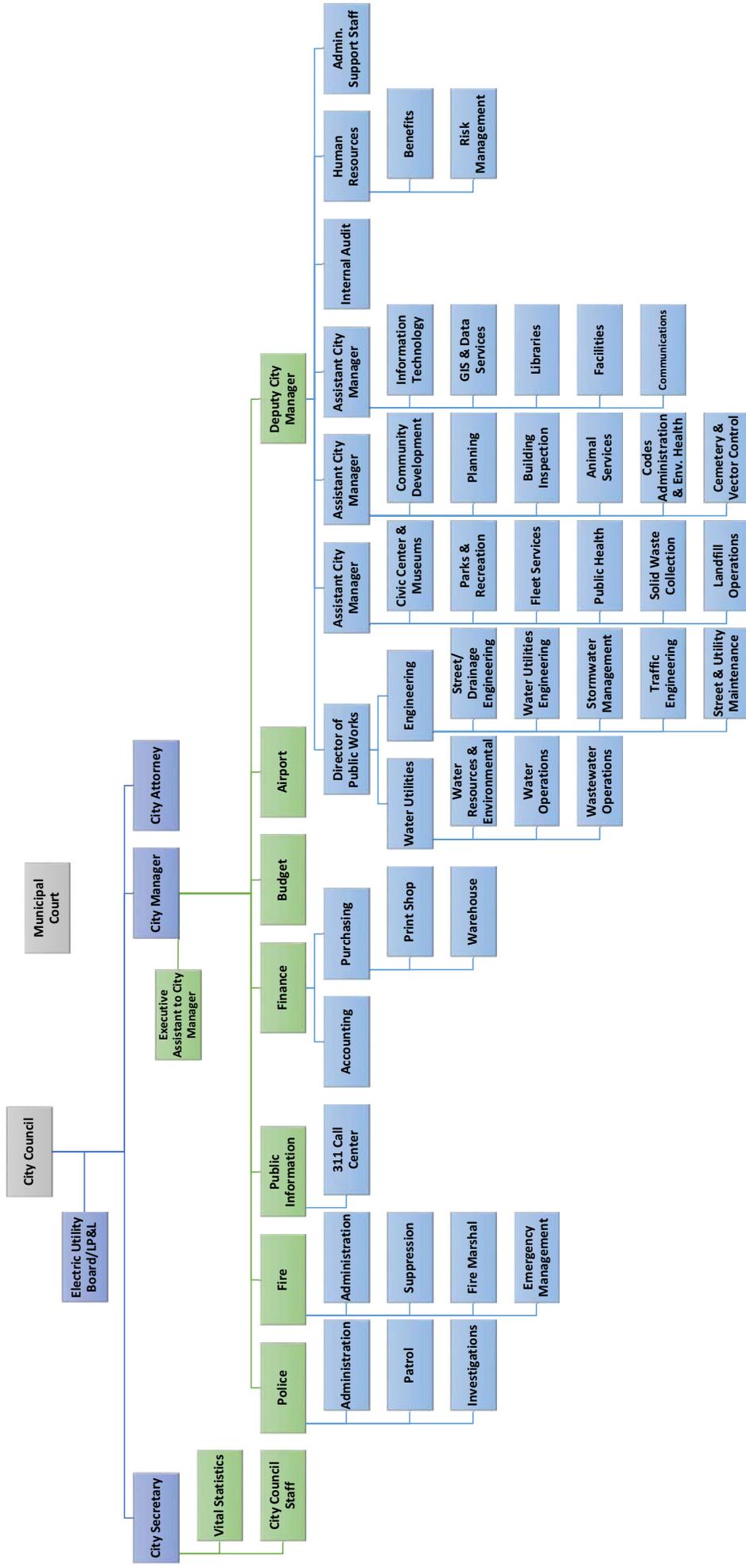
Position History - General Fund

	Actual	Actual	Actual	Amended	Budget	% Change
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Amended
ADMINISTRATIVE SERVICES						
City Attorney	15	14	14	14	16	2
City Council	4	4	1	-	-	-
City Manager	3	2	2	5	7	2
City Secretary	9	9	12	12	12	-
Facilities Management	14	14	14	14	16	2
Finance	28	28	28	29	30	1
Human Resources	7	6	6	6	6	-
Internal Audit	2	2	3	3	3	-
Non Departmental	-	-	-	-	-	-
Public Information	-	-	-	-	7	7
TOTAL ADMINISTRATIVE SERVICES	82	79	80	83	97	14
COMMUNITY SERVICES						
Building Inspection	21	21	22	24	24	-
Planning	12	5	5	5	7	2
TOTAL COMMUNITY SERVICES	33	26	27	29	31	2
CULTURAL & RECREATION SVCS						
Library	42	40	36	36	36	-
Museums	8	8	8	8	8	-
Parks	81	80	80	80	81	1
TOTAL CULTURAL & RECREATION SVCS	131	128	124	124	125	1
PUBLIC WORKS						
Engineering	18	18	17	17	17	-
Streets	37	36	36	36	36	-
Traffic	34	36	36	36	37	1
TOTAL PUBLIC WORKS	89	90	89	89	90	1
PUBLIC SAFETY						
Animal Services	22	22	24	24	24	-
Codes and Environmental Health	33	31	32	32	32	-
Fire	358	375	398	414	429	15
Municipal Court	20	20	20	20	20	-
Police	535	536	540	545	545	-
Public Health	23	20	13	13	14	1
Vector Control	7	6	6	6	6	-
TOTAL PUBLIC SAFETY	998	1,010	1,033	1,054	1,070	16
OTHER						
Transfers	-	-	-	-	-	-
Payroll Accrual/Other Adjustments	-	-	-	-	-	-
TOTAL OTHER	-	-	-	-	-	-
TOTAL GENERAL FUND	1,333	1,333	1,353	1,379	1,413	34

Position History by Fund

	Actual	Actual	Actual	Amended	Budget	Change
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	from Amended
INTERNAL SERVICE FUNDS						
Fleet	18	18	18	18	18	-
Health Benefits	3	3	3	3	3	-
Information Technology	42	51	53	53	44	(9)
Investment Pool	1	1	1	1	1	-
Print Shop/Warehouse	5	5	5	5	6	1
Risk Management	4	4	4	4	6	2
TOTAL INTERNAL SERVICE FUNDS	73	82	84	84	78	(6)
ENTERPRISE FUNDS						
Airport	48	48	48	48	48	-
Cemetery	7	7	7	7	7	-
Civic Centers	27	27	27	27	27	-
Lake Alan Henry	1	1	1	1	1	-
LP&L	284	288	289	303	303	-
Solid Waste	110	110	111	112	112	-
Storm Water	34	35	36	37	38	1
Wastewater	72	71	74	74	76	2
Water	166	166	167	168	170	2
TOTAL ENTERPRISE FUNDS	749	753	760	777	782	5
SPECIAL REVENUE FUNDS						
Abandoned Vehicles	-	-	-	-	-	-
Animal Assistance Program	-	-	-	-	-	-
Cable Services Fund	-	-	-	-	-	-
Central Business District Tax Increment	-	-	-	-	-	-
Community Development	22	18	16	16	14	(2)
Criminal Investigation Fund	-	-	-	-	-	-
Department of Justice Asset Sharing	-	-	-	-	-	-
Economic Development	2	2	2	-	-	-
Emergency Management	6	6	5	5	5	-
Gateway Streets	1	1	-	-	-	-
Hotel/Motel Tax	-	-	-	-	-	-
Juvenile Case Manager Fund	2	2	-	-	-	-
Lubbock Business Park Tax Increment	-	-	-	-	-	-
Lubbock Economic Development Alliance, Inc.	-	-	-	-	-	-
Municipal Court	2	2	2	2	2	-
North and East Lubbock Fund	-	-	-	-	-	-
North Overton Public Improvement District	-	-	-	-	-	-
North Overton Tax Increment	-	-	-	-	-	-
North Point Public Improvement District	-	-	-	-	-	-
Quincy Park Public Improvement District	-	-	-	-	-	-
Valencia Public Improvement District	-	-	-	-	-	-
Vintage Township Public Improvement District	-	-	-	-	-	-
TOTAL SPECIAL REVENUE FUNDS	35	31	25	23	21	(2)
DEBT SERVICE FUND						
Debt Service Fund	-	-	-	-	-	-
TOTAL DEBT SERVICE FUND	-	-	-	-	-	-
TOTAL ALL FUNDS	2,190	2,199	2,222	2,263	2,294	31

City of Lubbock Organizational Chart



Economic and Demographic Statistics

About the City

The City is a political subdivision and municipal corporation of the State of Texas, organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1909, and first adopted its Home Rule Charter in 1917.

The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six council members. The Mayor is elected at-large for a two-year term ending in an even-numbered year. Each of the six members of the City Council is elected from a single-member district for a four-year term of office. The terms of three members of the City Council expire in each even-numbered year. The City Manager is the chief administrative officer for the City.

Some of the services that the City provides include: public safety (police and fire protection), highways and streets, electric, water and sanitary sewer utilities, airport, sanitation and solid waste disposal, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services.

Demographic Information

2014 Population Estimate	238,706
2014 Assessed Value	\$14,101,575,930
Median Age	30.4
Median Family Income	\$56,501
Per Capita Income	\$23,880
Total Non-Ag Employment	132,350
Unemployment Rate	5.1%
Police Officers per 1,000 residents	1.74
Square Miles	122.8

Community Profile

Lubbock is the heart of West Texas and the economic center of a 25-county region that is home to more than 500,000 people. Lubbock boasts a strong, diverse economy that is grounded in agriculture, manufacturing, and wholesale and retail trade, as well as government, education, and health care.

10 Largest Tax Payers

	2013 Assessed Valuation	% of Total Assessed Valuation
Macerich South Plains LP	\$131,424,945	0.97%
United Supermarkets, LLC	73,637,214	0.54%
PYCO Industries, Inc.	47,776,508	0.35%
Atmos Energy West Texas	45,148,440	0.33%
Texland Petroleum LP	36,420,937	0.27%
Wal-Mart Real Estate	34,340,000	0.25%
1859 Management Partners, LP	33,092,375	0.24%
Southwestern Bell Telephone, LP	32,981,124	0.24%
TTUC LLC	30,694,645	0.23%
Southwestern, Public Service	29,897,770	0.22%
	\$495,413,958	3.66%

Top Employers

	Type of Business	Employment
Texas Tech University	University	5,115
Covenant Health	Hospital	4,368
United Supermarkets	Supermarket Hdqtr.	3,622
Lubbock ISD	School District	3,456
University Medical Ctr.	Hospital	3,327
TTU Health Sciences	Health Sciences Ctr.	3,280
City of Lubbock	City Government	2,256
Lubbock County	County Government	1,271
Interim Healthcare	Home Health	1,055
Frenship ISD	School District	971

Budget Process

The preparation and administration of the budget is one of the most important activities in any municipal operation. The budget process includes various elements that determine the needs of the community and City departments.

Budgetary and Accounting Basis

The City's budget is prepared on a cash basis of accounting for all fund types, which means certain transactions are recognized in the budget on a basis other than Generally Accepted Accounting Principles (GAAP), which is the basis used to prepare the City's Comprehensive Annual Financial Report (CAFR). The major differences between the budgetary and GAAP bases include:

- Certain revenues, expenditures, and transfers are not included on the budget basis, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not reported for budget basis purposes, but are presented as revenues or expenditures on a GAAP basis.
- Indirect administrative cost allocations (including in lieu of property tax and franchise fees) charges to the Enterprise Funds are accounted for as transfers in or out on the budgetary basis, but are recorded as revenues or expenses on a GAAP basis.
- Capital outlays in the Enterprise Funds are presented as expenses for budget basis, but are recorded as assets along with associated depreciation expenses on a GAAP basis.
- Debt service principal payments in the Enterprise Funds are accounted for as expenses for budget purposes, but are reported as reductions of long-term debt liability on a GAAP basis.
- Certain debt service principal and interest payments are accounted for as expenses in the General Fund for budget basis purposes, but are reported as expenses in the Debt Service Fund on a GAAP basis.
- For budget purposes the Risk Fund presents claim expenditures on a cash basis, while on a GAAP basis the claim expenditures reflect an accrual for incurred but not reported (IBNR) claims.
- All actual amounts in the budget document are shown on the budgetary basis to facilitate meaningful comparisons. Budgeted funds include the General, Special Revenue, Debt Service, Enterprise, Internal Service, and Capital Program.

Performance Benchmarks

Performance benchmarks and activity measures are developed as part of the budget process that measure and track actual performance to budget benchmarks. When performance measures are developed, resources necessary to achieve the performance are estimated and submitted to City Management staff for review and modification.

Budget Control

Annually, the City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. A Public hearing is conducted to obtain taxpayer comments, and the budget is legally enacted through passage of an ordinance by the City Council.

Budget controls are designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control is established by fund. A budget supplement, approved by the City Council is required if actual expenditures will exceed the total budget.

Budgetary control is maintained per department and by the following categories of expenditures: compensation, benefits, supplies, maintenance, professional services/training, other charges, scheduled charges, and capital outlay. All budget supplements must be approved by the City Council. Administrative transfers and increases or decreases in accounts may be made by management as long as expenditures do not exceed budgeted appropriation at the department level. Appropriation for budgeted funds lapses at year-end.

Each year, in accordance with State law, the City Council sets an ad valorem tax levy for a sinking fund (General Obligation Debt Service) which, with cash and investments in the fund, is sufficient to pay all the bonded indebtedness and interest due in the following fiscal year.

Budget Calendar

The annual budget process is scheduled in the following manner:

- **February** – The City Manager and staff develop an initial timetable for the budget process and the Executive Director of Budget meets with Department Heads and Senior Management Staff to communicate Council Goals.
- **March/April** – Departments develop a program of services, including goals and objectives, and activity and performance measures for the new fiscal year; revenue projections are prepared and provided to the City Manager; departments develop operating budget and capital program requests.
- **May/June** – The Executive Director of Budget and staff review and update financial forecasting models and Senior Management reviews budgets and all other requests with departments and Fiscal Policy.
- **July** – The City Manager establishes a proposed budget that is printed and provided to the City Council; the City Manager presents a recommended budget to the City Council in a public work session; the Fiscal Policy Department

Budget Process

files with the City Secretary; the Budget document is made available on the City's website and is also distributed to the media. Also, the notice of public hearing on the proposed budget the public hearings on the tax rate, if necessary, are published in accordance with State law.

- **August/September** – A public hearing is held on the budget and two public hearings are held on the tax rate, if necessary. First and second readings are held for the budget and tax rate ordinances. Second reading and formal adoption of the budget and tax rate ordinances occurs after the public hearings and first readings.
- **November** - The Fiscal Policy Department prints approved budgets, files with City Secretary and County Clerk and distributes to City departments.

Revenue Forecasting

The City of Lubbock uses both qualitative and quantitative methods for forecasting revenues, blending various techniques to develop conservative and prudent revenue projections. Qualitative revenue forecasting methods used by staff to develop multi-year financial plans include consensus, judgmental, and expert forecasting, while trend analysis is used as a quantitative technique. This balanced approach to revenue forecasting is strongly encouraged by the Government Finance Officers Association (GFOA), since research shows that forecasting accuracy is improved by combining qualitative and

quantitative techniques. According to the GFOA, each method by itself has inherent weaknesses: qualitative methods can be too subjective at times and may be subject to wishful thinking and selective perception on behalf of the forecaster; quantitative methods may fail to consider changing conditions inside and outside a jurisdiction and also tend to discount important historical events. By combining qualitative and quantitative methods, forecasters integrate judgmental assumptions within the forecasting framework to produce more realistic revenue projections.

To enhance the revenue forecasting process and gain the broader input into the planning process, Fiscal Policy staff works collaboratively with City departments throughout the year to prepare the revenue estimates. This multi-disciplinary approach and continual reassessment creates a synergy between the finance staff and the departments, which reduces the likelihood of disconnects in formulating the revenue estimates. The department's participation in the revenue estimates also increases their ownership and accountability for achieving the proposed plan.

Budget Updates

During the fiscal year, the City Manager evaluates the budget and makes revisions in response to changes in the local economy and unanticipated, unfunded expenditure demands. Changes made to the current year budget (known as the Amended Budget) are legally adopted as part of a budget ordinance.

Basis of Accounting

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net assets, revenues, and expenditures. The following fund types are used by the City.

Governmental Funds

Governmental funds are used to account for activities supported through taxes, intergovernmental revenues, and other specific revenues. These funds are appropriated annually and appropriations lapse at year-end, with the exception of Grants Special Revenue Funds.

General Fund - Fund used to account for all financial resources except those required to be accounted for in another fund. This fund includes most of the basic operating services such as fire and police protection, health services, parks and recreation, libraries, street maintenance, and general administration. Proceeds from capital leases for purchases of governmental machinery and equipment, and the related debt service are also accounted for in the General Fund.

Debt Service Fund - Fund established to account for the accumulation of resources for the payment of principal and interest on long term bonded debt. This fund is also referred to as the Interest and Sinking Fund.

Special Revenue Funds – Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. These funds include: Abandoned Motor Vehicles, Animal Assistance, Cable Service, Central Business District Tax Increment Financing Reinvestment Zone, Community Development, Criminal Investigations, Department of Justice Asset Sharing, Economic Development, Emergency Management, Gateway Streets, Hotel Occupancy Tax, Juvenile Case Manager, Lubbock Business Park Tax Increment Financing Reinvestment Zone, Lubbock Economic Development Alliance, Municipal Court, North and East Lubbock Neighborhood and Infrastructure Fund, North Overton Public Improvement District, North Overton Tax Increment Financing Reinvestment Zone, North Point Public Improvement District, Quincy Park Public Improvement District, Valencia Public Improvement District, and Vintage Township Public Improvement District.

Grant Special Revenue Funds - Contributions of assets from another government or entity to be used or expended for a specified purpose, activity, or facility. Unlike other governmental funds where appropriations lapse at year-end, these funds lapse when the period of availability specified in the grants lapse. These funds include Community Development, Department of Justice Asset Sharing, and Emergency Management. Many other grants

are budgeted through a supplement budget ordinance when the grants are awarded.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. These funds are appropriated annually, with the main focus on whether revenues are covering outflows.

Enterprise Funds - Funds in which the services provided are financed and operated similarly to those of a private business. The rates for these services are established to insure that revenues are adequate to meet all necessary expenditures. Enterprise Funds are established for Water, Wastewater, Storm Water, Airport, Solid Waste, Transit, Cemetery, Civic Centers, Lake Alan Henry and Lubbock Power and Light.

Internal Service Funds - Funds used to account for the financing of goods or services provided by one department to another on a cost reimbursement basis. Funds include Fleet Maintenance, Print Shop/Warehouse, Risk Management, Health Benefits, Information Technology, and Investment Pool.

Capital Program

The Capital Program is a planning and budgeting tool that identifies the necessary capital projects for the City over a five year period. Projects typically cost over \$25,000 and frequently are used for infrastructure and building expansions, additions, or improvements. Most capital projects have a life expectancy of five or more years, but occasionally studies that could potentially lead to a capital project or a large environmental cleanup will be included in the capital program. Capital projects are budgeted on a multi-year basis and lapse when the project is completed.

Funding is provided through cash transfers from other funds, donations, General Obligation Bonds, Certificates of Obligation, and other special funding sources.

Governmental capital projects are attached to governmental activities, while proprietary capital projects become assets and expenses of the related proprietary fund.

Governmental Capital Projects - Provides for capital improvements including the construction, expansion, and renovation of City facilities; development of new parks and facilities and replacement or renovation of existing park facilities (swimming pools, recreational facilities, drainage systems, lighting systems, irrigation systems, and playground equipment); construction of new streets and widening or reconstruction of existing streets or intersections; residential, collector, and thoroughfare street lighting projects; and the traffic signal system, including replacement or rehabilitation of traffic control lights or

Basis of Accounting

related equipment and installation of new traffic control systems at intersections and school zones.

Tax Increment Finance (TIF) Project Funds –Governmental capital project funds that accounts for the financing and expenditures related to the Central Business, Lubbock Business Park and North Overton Districts.

Gateway Streets Project Fund – A governmental capital project fund that accounts for the financing and expenditures related to major street improvements.

Water Capital Projects Fund - Provides for capital improvements to the water treatment, storage, and distribution systems. Projects related to the acquisition of water rights, or development of the City's water supply, are also included in this fund.

Wastewater Capital Projects Fund - Provides for expansions, additions, or improvements to the wastewater collection, treatment, and disposal systems. Capital purchases for improvements to the land application site are also included in this fund.

Storm Water Capital Projects Fund - Provides for capital improvements to the storm drainage system. Projects focus on drainage and flood control.

Airport Capital Projects Fund - Provides for capital improvements to airport buildings, facilities and purchases of major capital items with the Lubbock Preston Smith International Airport. In addition to bond and other fund financing, projects are funded through Federal Aviation Administration grants and passenger facility charges.

Solid Waste Management Capital Projects Fund - Provides for capital improvements to the Sanitary Landfill.

Cemetery Capital Projects Fund – Provides for capital improvements to the cemetery and mausoleum facilities.

Civic Centers Capital Projects Fund – Provides for capital improvements to the Civic Center, Auditorium, and Coliseum.

Internal Service Capital Projects Fund - Provides for capital improvements to City facilities and major capital equipment, which are part of Internal Service operations. Projects include construction, expansion, and renovation to buildings and facilities and acquisition of major capital items. Improvements to the City's computer network are also included.

Summary of Major Funds

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are classified into three categories as follows: Governmental, Proprietary, and Trust and Agency. Each category is composed of its associated fund types.

Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets – meaning collectible with the current period or to be collected within 60 days after year end and to be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liability is incurred. Proprietary funds are accounted for using the accrual basis of accounting. Under the accrual basis revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

Governmental Funds

1. General Fund is the general operating fund of the City used to account for all financial resources except those required to be accounted for in another fund.
2. General Obligation Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. General obligation bonds pledge the full faith and credit of the City for payment.
3. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Funds

1. Enterprise Funds are governmental accounting funds in which the services provided are financed and operated similarly to those of a private business. The rates for these services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Lubbock are established for services including water, wastewater, electricity, storm water, solid waste management, the airport, the civic center, Lake Alan Henry and the cemetery.
2. Internal Service Funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City, or other governments, on a cost-reimbursement basis. Examples include Fleet and Information Technology.

Trust and Agency Funds

1. Community Development Fund is used to account for assets held by the City of Lubbock as an agent for the receipt and disbursement of Community Development Block Grant funds.

Each of these fund types may also have the following types of restricted funds:

- Capital Projects – provide for capital improvements to City facilities and equipment, including construction, expansion, renovation and acquisition of major capital items.
- Payment to Debt Service – provide for the payment of long-term debt principal, interest and related cost.
- Facilities and System Improvements – provide for the maintenance, repair, and replacement of City buildings, facilities, and major capital equipment and improvements to the city's infrastructure, including the extensions, upgrades, renovations or replacement of infrastructure systems.

City operations and program expenditures are budgeted at the cost center level, which is consistent with management needs and displayed in the Fund Expenditure Summaries.

City of Lubbock accounts are organized by fund in order to accurately monitor and record all financial transactions for specific activities or government functions.

- General Fund includes general government, public safety, streets, planning, zoning, health, building inspection, and culture and leisure services. These services are financed by broad-based taxes (property tax and sales tax), charges for services, fines and transfers from other funds.
- The North Overton Tax Increment Finance Fund is property tax being collected on the improvements made in the North Overton TIF District.
- The Central Business District Tax Increment Finance Fund is property tax being collected on the improvements made in the Central Business TIF District.
- The Lubbock Business Park Tax Increment Finance Fund is property tax being collected on the improvements made in the Lubbock Business Park TIF District.
- The North Point PID is to maintain the North Pointe area. The North Overton PID was designated to enhance and maintain landscaping and public improvements. The Quincy Park PID is to construct and maintain the park and common areas. The Vintage Township PID was designated for the construction of public infrastructure and amenities. The Valencia PID is to maintain the landscaping in the common areas. All of these PIDs are funded by a small assessment based on the value of each property within the PID.
- Nine Enterprise Funds account for services that are self-supporting and operate much like private businesses – LP&L, Water, Wastewater, Solid Waste, Airport, Storm Water, Transit, Civic Center, and Cemetery funds.

Summary of Major Funds

- Capital project funds provide for capital improvements to City facilities and equipment, including construction, expansion, renovation and acquisition of major capital items.
- Economic Development Fund receives a \$0.02315 property tax allocation for economic development. The revenue is made available to Market Lubbock, Inc. for business retention and recruitment programs and also supports economic development functions for the City.
- Lubbock Economic Development Alliance (LEDA) receives 1/8th cent sales tax for economic development. All revenue is made available to LEDA.
- The Gateway Streets Fund is receiving a percentage of franchise fee agreements along with portion of telecommunications line-charges. The funds are dedicated for the development of streets throughout the City.
- Other funds include the Internal Services Funds, which account for the activities of departments that provide services to other departments and governmental agencies on a cost reimbursement basis. The Debt Service Fund, which provides for the payment of long-term debt; the Insurance Fund, which accounts for the City's health insurance, the Risk Fund which accounts for workers compensation and liability costs; and the Hotel/Motel Tax Fund, which provides Municipal Hotel Occupancy tax to approved distributions.

Major and Nonmajor Funds Matrix

	Major Fund	Nonmajor Fund	Enterprise Funds		Special Revenue (Nonmajor) Fund
			Major	Nonmajor	
Abandoned Vehicles					X
Animal Assistance					X
Airport Services				X	
Cable Services Fund					X
Cemetery				X	
Central Business District TIF					X
Civic Centers				X	
Community Development					X
Criminal Investigations					X
Debt Service Fund	X				
Department of Justice Asset Sharing					X
Economic Development					X
Emergency Management					X
Fleet Services		X			
Gateway Streets					X
General Fund	X				
General Fund Capital Program	X				
Health Benefits	X				
Hotel Occupancy Tax					X
Information Technology		X			
Investment Pool		X			
Lake Alan Henry				X	
Lubbock Business Park TIF					X
Lubbock Economic Development Alliance					X
Lubbock Power and Light			X		
Municipal Court					X
North East Lubbock Neighborhood					X
North Overton PID					X
North Overton TIF					X
North Point PID					X
Print Shop		X			
Quincy Park PID					X
Radio Shop		X			
Risk Management		X			
Solid Waste				X	
Storm Water			X		
Transit				X	
Vintage Township PID					X
Warehouse		X			
Wastewater			X		
Water			X		