



**Fiscal Year 2015-16
Adopted Operating Budget
VOLUME I**

City of Lubbock

Fiscal Year 2015-2016

Budget Cover Page

September 10, 2015

This budget will raise more revenue from property taxes than last year's budget by an amount of \$5,633,402, which is an 8.14 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 \$2,203,435.

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

FOR: Victor Hernandez, District 1 Floyd Price, District 2
 Jim Gerlt, District 4 Latrelle Joy, District 6

AGAINST: Glen C. Robertson, Mayor Jeff Griffith, District 3
 Karen Gibson, District 5

PRESENT and not voting: None

ABSENT: None

Property Tax Rate Comparison

| | 2015-2016 | 2014-2015 |
|--|------------------|------------------|
| Property Tax Rate: | \$0.53802/100 | \$0.52240/100 |
| Effective Tax Rate: | \$0.51213/100 | \$0.49750/100 |
| Effective Maintenance & Operations Tax Rate: | \$0.40039/100 | \$0.38229/100 |
| Rollback Tax Rate: | \$0.56573/100 | \$0.53768/100 |
| Debt Rate: | \$0.12267/100 | \$0.11425/100 |

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

| | Principal | Interest | Total |
|------------|-----------------|-------------|---------------|
| Total | \$1,012,315,000 | 362,573,047 | 1,374,888,047 |
| FY 2015-16 | \$ 65,875,000 | 44,240,204 | 110,115,204 |



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lubbock
Texas**

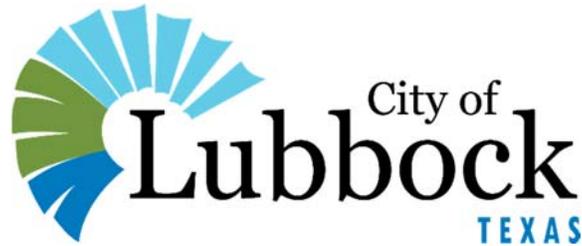
For the Fiscal Year Beginning

October 1, 2014

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Lubbock, Texas, for its annual budget for the fiscal year beginning October 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and are submitting it to GFOA to determine its eligibility for another award.



Fiscal Year 2015-16
Adopted Operating Budget and Capital Program

City Council

| | |
|-------------------|-----------------------------|
| Glen C. Robertson | Mayor |
| Jim Gerlt | Mayor Pro Tem - District 4 |
| Victor Hernandez | Council Member - District 1 |
| Floyd Price | Council Member - District 2 |
| Jeff Griffith | Council Member - District 3 |
| Karen Gibson | Council Member - District 5 |
| 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 |
| Linda Cuellar | Interim Executive Director of Finance |
| Greg Stevens | Chief of Police |
| Bill Howerton | Assistant City Manager |
| Lance Phelps | Fire Chief |
| Kelly Campbell | Executive Director - Airport |
| Wood Franklin | Director of Public Works |
| Scott Snider | Assistant City Manager |
| Quincy White | Deputy City Manager |
| Mark Yearwood | Assistant City Manager |

Operating Budget

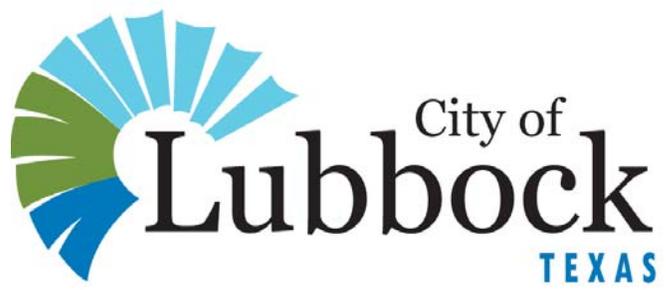


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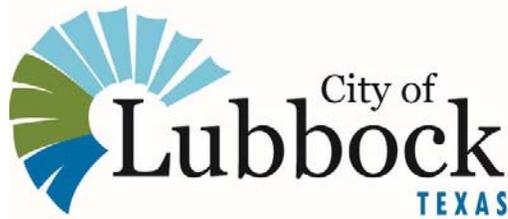
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September 10, 2015

Mayor Robertson, Members of the City Council, and Citizens of Lubbock:

Staff is pleased to present the Adopted Fiscal Year 2015-16 Operating Budget and Capital Program (Adopted Budget), fulfilling the requirements of Texas Local Government Code Section 102.002.

The Adopted Budget incorporates a 1.562¢ increase in the property tax rate, which is related to debt issued in the General Fund in FY 2014-15 as well as a portion of cash funded capital projects. The adopted property tax rate, totaling 53.802¢ per \$100 valuation, should generate \$74.1 million in total property taxes, an increase of \$5.6 million compared to the prior year. This revenue projection is based on certified assessed value from Lubbock Central Appraisal District (LCAD) of \$14.6 billion.

Funding sources for all funds total \$739.5 million, representing a decrease of \$12.9 million, or 1.7 percent, compared to the FY 2014-15 Amended Budget. Funding sources for all funds except the Debt Service Fund, total \$704.5 million, an increase of \$22.8 million, or 3.3 percent, compared to the FY 2014-15 Amended Budget. The increase is primarily a result of additional property tax revenues due to increased taxable value as well as an increase in the tax rate, increased sales tax revenues, a base and volume rate increase in Wastewater, a volume rate increase in Water, a rate increase in Lubbock Power and Light, and a significant increase in the utilization of net assets in multiple funds. Wastewater includes a \$0.22 increase in the volume rate as well as a \$2.00 increase in the base rate. Water includes a 5.2 percent increase in volume rate. Lubbock Power and Light includes a 5.75 percent increase in the base rate.

The Adopted Budget appropriates a total of \$734.2 million, which is a decrease of \$16.5 million, or 2.2 percent, compared to the FY 2014-15 Amended Budget. The total Adopted Budget appropriation, without the Debt Service Fund, is \$699.2 million, an increase of \$18.7 million, or 2.8%, compared to the FY 2014-15 Amended Budget. Cost increases reflected in the General Fund are driven by the compensation adjustment, step increases in Fire and Police civil service positions, increases in many of the internal service and scheduled charges, and the inclusion of \$5.4 million in cash-funded capital projects. Projects include: Facility Renovations/Upgrades, Facility Demolition, Facility Maintenance Fund, Facility Roof Replacements, Street Maintenance Program, Major Repairs at Fire Facilities, Municipal Square Repairs, Traffic Signals/Controllers, Thoroughfare Study Plan, Bicycle Plan Restudy, Fire Station No. 1 Street Construction, and Transportation Improvements. Cost increases reflected in utilities are driven by increased operating costs and capital projects costs, including the Airport Terminal Building Remodel (Design Only), Aircraft Rescue and Firefighting Facility, Chalker Capacity Upgrade, 115 kV Line Construction (Northwest to Mackenzie), 69kV Line Rebuild (multiple locations), Massengale Station, Cell 5 Development Landfill 2252, Northwest Water Reclamation Plant, Water Treatment Plant Improvements, and Bailey County Well Field Supply Line/Pumping System. Operational increases in all funds are related to the compensation adjustment, escalating costs for electric utilities; increased costs for Information Technology software and hardware maintenance agreements, telephone equipment and services, upgrade to P25-compliant communication infrastructure and equipment, and computer and server replacements.

This Adopted Budget includes \$2.1 million in cash funding for the Street Maintenance Program and includes a change in the funding for Citibus. A portion of the funding for Citibus is a transfer from the Economic Development Fund where in prior years it was funded 100 percent from General Fund, except for grants received.

This budget assumes the Police and Fire Departments maintain their ranking as top-ten paid departments in the State of Texas, and incorporates annual step increases for eligible police officers and fire fighters.

The City continues to face operational challenges with the implementation of the Affordable Care Act, which requires a tax of \$44 per employee in FY 2015-16, as well as other additional fees. In 2018, an excise tax becomes effective and will be paid on any plan values over \$10,200 for an individual or \$27,500 for family, and will include FSA contributions. The probability of this tax being applied to a section of the City's health plan is high. Grant reductions include a total reduction in the Public Health STD grant, impacting the General Fund. Grants for transit have been restructured so that grants for new buses are not currently available, causing the City to recalculate how to replace an aging fleet of buses and vans. The Adopted Budget includes replacement of four buses and two passenger vans for Citibus on the master lease program. Discussion of how to proceed with programs funded by grants, whether they will be reduced or eliminated, will need to occur as the City is notified of grant reductions in Citibus, 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 in the upcoming fiscal year. The Adopted Budget continues the practice of conservative and prudent fiscal planning in an uncertain economic climate, and 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 2015-16 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) 2015-16 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 2015-16 Operating Budget:

I. General Fund Revenues

For FY 2015-16, the estimated funding sources for the General Fund total \$168.8 million, an increase of \$7.9 million, or 4.9 percent, from the FY 2014-15 budget amount. A portion of the increase is related to additional operations and maintenance property tax revenue of \$2.6 million which is a result of increased property valuations including new property added to the tax roll and additional property tax revenues of \$364,617 as a result of the operations and maintenance (O&M) tax increase. Also included in the increase are additional sales tax revenues, totaling \$3.1 million and higher utilization of net assets of \$2.7 million. The transfers into the General Fund had a decrease of \$1.0 million. The major changes in budgeted revenues are highlighted below:

- Property Tax** **\$5,577,068**
 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 tax revenue at 99 percent collection equals \$5,577,068. This budget incorporates a 1.562 cent property tax rate increase, which brings the tax rate to 53.802 cents per \$100 valuation.

The Operations and Maintenance rate increased by 0.72 cents. The cost of the cash funded capital would have generated a 3.96 cent increase but due to an increase in the property tax value, the increase in other revenues, and the utilization of fund balance, the actual increase to the tax rate is 3.95 cents less.

The tax rate for debt service increased 0.842 cents from 11.425 cents to 12.267 cents in FY 2015-16. The increase is related to the issue of additional debt in FY 2014-15 for the Municipal Facilities Replacements/Renovations project, new Fire Station 1, and the Street Maintenance program.

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

| Tax Rate Distribution | 2014 | 2015 | Increase |
|------------------------------|----------------|----------------|-----------------|
| General Fund | 38.500¢ | 39.220¢ | .720¢ |
| Debt Service Fund | 11.425¢ | 12.267¢ | 0.842¢ |
| Economic Development | 2.315¢ | 2.315¢ | 0.000¢ |
| Total Tax Rate | 52.240¢ | 53.802¢ | 1.562¢ |

- Sales Tax** **\$ 3,054,265**
 Sales tax revenues are expected to increase 5.1 percent compared to the budgeted FY 2014-15 amount. When compared to the re-forecasted FY 2014-15 sales tax amount of \$61.7 million, the FY 2015-16 projection is 3.0 percent greater than the previous year.
- Payment in Lieu of Franchise Fee(\$1,807,889)**
 Payments in lieu of franchise fees decreased 8.5 percent for FY 2015-16. 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 5 percent of gross revenues for all other municipal utilities. The percentage for Water, Wastewater, Storm Water, and Solid Waste Enterprise Funds was lowered from 6 percent to 5 percent.
- Payments in Lieu of Property Tax \$ 519,451**
 Payments in lieu of property taxes from LP&L, Water, Wastewater, Storm Water, and Solid Waste Enterprise Funds increased 6.0 percent due to higher capital asset values and the increased property tax rate for Water, Wastewater, Storm Water, and Solid Waste, offset slightly by the decrease from Lubbock Power and Light due to lower projected revenues.
- Utilization of Net Assets \$ 2,729,365**
 There is a proposed utilization of appropriable net assets of \$2.7 million for the FY 2015-16 Capital program, including \$2.1 for the Street Maintenance Program.
- A more thorough discussion of General Fund revenues is included in the "General Fund Revenue" section of this document. In that section proposed revenues are compared to re-forecasted FY 2014-15 revenues.

Executive Summary

II. General Fund Expenditures

For FY 2015-16, the estimated expenditures for the General Fund total \$168.8 million, an increase of \$5.7 million or 3.5 percent from Amended FY 2014-15. The major changes in expenditure levels are highlighted below:

- **Compensation** **\$ 2,901,770**
Compensation increased 3.5 percent with step increases for all eligible firefighters and police officers and a three percent compensation adjustment included in all funds. The total compensation increase for the Fire and Police Departments totals \$2.2 million. The increase for the remainder of the General Fund totals \$0.7 million. No additional positions were added for FY 2015-16.
- **Benefits – Dental Insurance** **\$ 759,060**
Dental Benefits costs increased 100% percent for FY 2015-16, due to the addition of dental benefits to all cost centers. In the last few years, the cost of dental has been absorbed by the Self Insurance Health Fund.
- **Benefits – Pension** **(\$188,255)**
Pension costs decreased slightly due to the lower contribution rate offset by the increase from the compensation adjustment. The contribution rate decreased from 18.68 percent of payroll to 18.11 percent of payroll for Police and non-Civil Service employees who are members of TMRS, and decreased from 22.34 to 21.86 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** **(\$302,526)**
Unleaded and diesel fuel costs decreased 11.0 percent for FY 2015-16. The decrease is due to a decrease in contracted fuel prices with a slight increase in the usage projections in line with historic levels.
- **Maintenance – Motor Vehicle** **\$ 175,438**
Motor vehicle maintenance increased 7.2 percent for FY 2015-16. The largest increase was in the Police Department. The increase was due to increased vehicle maintenance costs relative to historic expenditure levels.
- **Professional Services** **\$91,193**
Professional Services increased 1.5 percent due mainly to an increase in the custodial cost and the Lubbock Central Appraisal District Collection and Appraisal cost.
- **Scheduled Charges – Communication Equipment** **\$399,281**
Communication equipment increased 38.7 percent. The increase was due to an increase in the Radio Shop scheduled charge resulting from an upgrade to P25-compliant communications network infrastructure and equipment.
- **Scheduled Charges – IT** **\$ 692,696**
Data processing charges increased 15.8 percent. The majority of the increase was due to increases in the cost of software maintenance contracts and hardware upgrades. The remainder of the increase is due to the inclusion of cash funded replacement computers at a cost of \$266,800.
- **Scheduled Charges – Liability** **(\$186,997)**
Liability claims decreased 14.4 percent based on 2015 actuarial projections performed by the City’s Actuary, Glicksman Consulting, LLC. The actuarial study, completed in FY 2014-15, looked at current payroll, exposure, and loss history in formulating expected costs in this area.
- **Scheduled Charges – Electricity** **\$ 128,693**
Electric charges increased 7.2 percent, for FY 2015-16. Electric charges were allocated among City funds to reflect electricity usage and account for a proposed rate increase in the LP&L Fund.
- **Scheduled Charges – Telephone** **\$ 124,606**
Telephone charges increased 13.1 percent for FY 2015-16. Telephone charges were allocated among City funds to reflect the number of phones in each cost center and includes a cost increase for telephone equipment.
- **Master Lease** **(\$ 472,013)**
The annual payment for the City’s Master Lease Program decreased 8.3 percent, for FY 2015-16. The vehicles purchased in FY 2014-15 impacts the master lease cost for FY 2015-16. The planned master lease purchase of \$4.9 million in new and replacement vehicles in FY 2014-15 was offset by the roll-off of \$0.9 million in principal from the prior year. The bulk of the purchases planned are 30 vehicles for the Police Department and one Quint and one platform truck for the Fire Department.

Executive Summary

- Transfer to Capital Program \$2,365,474**
 Eleven capital projects are funded on a pay-as-you-go basis in FY 2015-16, 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, roof replacements, miscellaneous transportation improvements, improvements to the Silent Wings Museum in the Facility Maintenance Fund, maintenance of Municipal Square, street maintenance, purchase of traffic signals/controllers, and to continue the maintenance and repairs of the existing fire stations. New projects were added for a thoroughfare study plan, new bicycle plan restudy, and construction of a street for Fire Station 1.

III. Other Budget Impacts

- There have been no changes in General Fund positions.
- Funding for the Syphilis Elimination Texas (STD) Grant was eliminated for FY 2015-16. The STD grant has historically funded a portion of employee salaries in the Public Health Department. The General Fund will absorb an additional \$50,000 in expenses with the removal of the grant.
- Citibus will not receive any funding from the Community Development Block Grant (CDBG) from Community Development in FY 2015-16. The transfer from the General Fund to Transit for Citibus operations increased \$12,111 as a result of the reduced grant funding.

IV. Budget Calendar

Following is the calendar of events detailing the budget process:

- 07/09: 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
- 08/04: Budget work session meeting from 1:00 to 5:00 p.m.
- 08/13: 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
- 08/27: Regular City Council Meeting – First Tax Rate Public Hearing @ 5:15 p.m.; Schedule and announce date for second public hearing on tax rate and first public hearing on the budget

09/03: Special City Council Meeting – Budget Public Hearing @ 1:30 p.m.; Second Tax Rate Public Hearing @ 1:30 p.m.; Schedule and announce meeting to adopt rate; First reading of Budget Ordinance/Tax Levy Ordinance

09/10: Regular City Council Meeting – Second reading of Budget Ordinance / Tax Levy Ordinance

Tax Rate Comparison

| Fiscal Year | Operation & Maintenance | Interest & | | Total |
|-------------|-------------------------|--------------|----------------------|---------|
| | | Sinking Fund | Economic Development | |
| 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 |
| 2016 | 0.39220 | 0.12267 | 0.02315 | 0.53802 |

* 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.

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.

Executive Summary

Proposed Tax Rate

During the budget process, the City Council proposed a tax rate of \$0.5391 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 by September 1, at least seven days before the public

hearings. This notice is titled "Notice of 2015 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 \$0.53802 per \$100 valuation. The adopted tax rate was \$0.00108 lower than the proposed rate and the adopted rate is \$1.562 per \$100 valuation higher than the FY 2014-15 adopted tax rate.

Executive Summary

I. Airport Budget Highlights

Airport revenues are expected to increase \$0.47 million, or 4.2 percent, from FY 2014-15. The increase is due to increases in landing, hangar, terminal, and parking revenues. The transfer from the Passenger Facility Charge (PFC) Fund decreased by \$0.8 million due to a decrease in the amount needed to cover the debt service on projects funded with PFC revenue. There is no utilization of net assets projected for FY 2015-16.

Expenses for the fund are expected to decrease \$1.6 million, or 13.4 percent, from FY 2014-15. The budgetary increases include a slight increase to compensation and benefits, increase to maintenance for the radio shop scheduled charge resulting from the upgrade to P25 compliant communications infrastructure and equipment and increased funding for routine and preventative maintenance of airport, and professional services for management and operational expenses for the Airport Shelter Park acquired on February 28, 2015.

The budgetary decreases that offset the increases include a decrease in capital outlay due to not budgeting for vehicles and equipment in operating, decrease in debt service due to the reduction in the scheduled payment, decrease in other charges due to not funding the Airport Layout Plan and Airport Master Plan, 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 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 10,805,328 | 10,963,585 | 11,720,126 | 11,929,212 | 12,139,410 | 12,253,316 |
| Use of Net Assets | - | - | - | 90,564 | 202,822 | 373,323 |
| Total Funding Sources | 10,805,328 | 10,963,585 | 11,720,126 | 12,019,776 | 12,342,232 | 12,626,639 |
| Operating Expenditures | 6,599,097 | 6,768,814 | 6,945,698 | 7,130,271 | 7,323,103 | 7,524,811 |
| Fund Level Expenditures | 3,931,570 | 4,028,311 | 4,714,347 | 4,889,504 | 5,019,130 | 5,101,827 |
| Total Expenditures | \$ 10,530,667 | 10,797,124 | 11,660,045 | 12,019,775 | 12,342,233 | 12,626,639 |

Executive Summary

II. Solid Waste Utility Budget Highlights

For FY 2015-16, the landfill tipping fee is \$32.00 and the monthly residential rate is \$15.25. All fees will remain level for FY 2015-16.

Revenues for the fund increased \$0.25 million or 1.2 percent, from FY 2014-15. The revenue increase is due to an expected growth in landfill usage. Approximately \$1.3 million in appropriable net assets are used as a rate stabilizer to smooth rate increases over time.

Expenses for the fund decreased \$0.4 million or 1.9 percent, from FY 2014-15. The budgetary decreases include \$0.4 million in supplies due to the decrease in the per gallon price of fuel; \$0.06 million in scheduled charges due to decreases in liability insurance, electric, and

postage, \$0.12 million in master lease, \$0.2 million decrease in payment in lieu of franchise fees, and \$0.09 million decrease in transfer to the solid waste capital fund. These decreases are partially offset by increases in compensation and benefits, maintenance, professional services, capital outlay, as well as the transfer to LP&L for the collections office.

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 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 21,194,399 | 22,732,971 | 23,796,564 | 24,374,657 | 24,638,001 | 24,944,041 |
| Use of Net Assets | 1,282,900 | 1,132,794 | 632,609 | 768,048 | - | - |
| Total Funding Sources | <u>22,477,299</u> | <u>23,865,765</u> | <u>24,429,174</u> | <u>25,142,704</u> | <u>24,638,001</u> | <u>24,944,041</u> |
| Operating Expenditures | 13,191,184 | 13,539,972 | 13,904,618 | 14,286,329 | 14,444,609 | 14,859,692 |
| Fund Level Expenditures | 9,286,115 | 10,325,793 | 10,524,556 | 10,856,376 | 9,868,309 | 9,982,205 |
| Total Expenditures | <u>\$ 22,477,299</u> | <u>23,865,765</u> | <u>24,429,174</u> | <u>25,142,704</u> | <u>24,312,917</u> | <u>24,841,897</u> |
| Landfill Tipping Fee - Per Ton | 32.00 | 34.00 | 36.00 | 38.00 | 38.00 | 38.00 |
| Monthly Residential Collection Fee | 15.25 | 16.25 | 16.75 | 17.25 | 17.75 | 17.75 |
| Commercial Rate - 2 Cubic Yard Container | 40.57 | 43.23 | 44.56 | 45.89 | 47.22 | 47.22 |
| Commercial Rate - 3 Cubic Yard Container | 60.14 | 64.08 | 66.05 | 68.02 | 70.00 | 70.00 |
| Commercial Rate - 4 Cubic Yard Container | 79.70 | 84.93 | 87.54 | 90.16 | 92.77 | 92.77 |
| Commercial Rate - 6 Cubic Yard Container | 115.38 | 122.95 | 126.73 | 130.51 | 134.30 | 134.30 |
| Commercial Rate - 8 Cubic Yard Container | 151.06 | 160.97 | 165.92 | 170.87 | 175.83 | 175.83 |

Executive Summary

III. Storm Water Utility Budget Highlights

For FY 2015-16, the rates remain the same as the prior fiscal year.

Revenues are expected to decrease \$0.6 million, or 2.5 percent, from FY 2014-15 due to the decrease in the projected revenue generated by the current rate structure.

Expenses decreased \$0.25 million, or 1.1 percent, from FY 2014-15. Budgetary decreases include slight decreases in supplies, professional services and training; a \$0.6 million decrease in debt service due to the refunding of bonds in FY 2014-15; a \$0.02 million decrease in indirect cost along with a \$0.3 million decrease in the transfer in lieu of franchise fees. Offsetting the decreases are slight increases

in compensation and benefits, maintenance, and scheduled charges, along with a \$0.4 million increase in the transfer to Storm Water capital fund for cash funded capital projects. The projects to be cash funded in FY 2015-16 are the Storm Water Master Plan Update, Digital Orthos and Storm Water Utility Maintenance, and the FEMA Restudy of System B, C, D.

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 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 23,352,417 | 23,485,142 | 23,621,861 | 23,730,322 | 23,842,299 | 23,970,904 |
| Use of Net Assets | - | - | 1,855,413 | 1,269,870 | 48,271 | - |
| Total Funding Sources | 23,352,417 | 23,485,142 | 25,477,274 | 25,000,192 | 23,890,570 | 23,970,904 |
| Operating Expenditures | 2,992,447 | 3,082,169 | 3,176,673 | 3,276,353 | 3,381,642 | 3,493,013 |
| Fund Level Expenditures | 19,412,962 | 19,720,428 | 22,300,601 | 21,723,839 | 20,508,928 | 18,865,486 |
| Total Expenditures | \$ 22,405,409 | 22,802,597 | 25,477,274 | 25,000,192 | 23,890,570 | 22,358,499 |

Residential Rate Structure

| | | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|-------|
| Residential Rate - Monthly (Tier 1) | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 |
| Residential Rate - Monthly (Tier 2) | 13.48 | 13.48 | 13.48 | 13.48 | 13.48 | 13.48 |
| Residential Rate - Monthly (Tier 3) | 17.05 | 17.05 | 17.05 | 17.05 | 17.05 | 17.05 |
| Residential Rate - Monthly (Tier 4) | 25.58 | 25.58 | 25.58 | 25.58 | 25.58 | 25.58 |

Commercial Rate Structure

| | | | | | | |
|---------------------------|-------|-------|-------|-------|-------|-------|
| Commercial Rate - Monthly | 25.58 | 25.58 | 25.58 | 25.58 | 25.58 | 25.58 |
|---------------------------|-------|-------|-------|-------|-------|-------|

Executive Summary

IV. Wastewater Utility Budget Highlights

The monthly wastewater volume rates will increase \$0.22 to \$2.67, and the base rate will increase \$2.00 to \$16.00 in FY 2015-16.

Revenues are expected to increase \$1.9 million, or 5.1 percent, from FY 2014-15. The increase is primarily due to an expected increase in customer growth along with an increase in the base rate and the volume charge. Utilization of net assets totaling \$2.8 million is projected for FY 2015-16.

Expenses for the fund are expected to increase \$3.4 million, or 8.9 percent, from FY 2014-15. The major

increases include approximately \$4.2 million in new debt service, \$0.3 million in scheduled charges, and \$0.2 million in transfer in lieu of property tax. Increases were offset by a slight decrease in operating expenses, a \$0.3 million decrease in payment in lieu of franchise tax, a \$0.5 million decrease in capital outlay, and a \$0.3 million decrease in transfer to Wastewater Capital Fund.

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 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 38,747,947 | 43,084,253 | 45,820,371 | 46,656,128 | 47,175,332 | 47,741,696 |
| Use of Net Assets | 2,829,483 | 759,475 | - | - | - | - |
| Total Funding Sources | 41,577,430 | 43,843,728 | 45,820,371 | 46,656,128 | 47,175,332 | 47,741,696 |
| Operating Expenditures | 12,385,135 | 12,670,280 | 12,966,914 | 13,275,868 | 13,598,149 | 13,934,450 |
| Fund Level Expenditures | 29,192,295 | 31,173,448 | 31,361,659 | 32,466,221 | 32,724,150 | 32,409,602 |
| Total Expenditures | \$ 41,577,430 | 43,843,728 | 44,328,573 | 45,742,089 | 46,322,299 | 46,344,052 |
| Base Charges | | | | | | |
| Meter Size (in inches) | | | | | | |
| Residential No Meter | 60.57 | 68.14 | 68.14 | 68.14 | 68.14 | 68.14 |
| 0.75 | 16.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| 1.00 | 19.49 | 21.93 | 21.93 | 21.93 | 21.93 | 21.93 |
| 1.50 | 28.18 | 31.71 | 31.71 | 31.71 | 31.71 | 31.71 |
| 2.00 | 38.64 | 43.47 | 43.47 | 43.47 | 43.47 | 43.47 |
| 3.00 | 63.07 | 70.95 | 70.95 | 70.95 | 70.95 | 70.95 |
| 4.00 | 97.92 | 110.16 | 110.16 | 110.16 | 110.16 | 110.16 |
| 6.00 | 185.07 | 208.21 | 208.21 | 208.21 | 208.21 | 208.21 |
| 8.00 | 289.64 | 325.84 | 325.84 | 325.84 | 325.84 | 325.84 |
| 10.00 | 411.67 | 463.13 | 463.13 | 463.13 | 463.13 | 463.13 |
| Volume Charge | 2.67 | 2.90 | 3.15 | 3.15 | 3.15 | 3.15 |

Executive Summary

V. Water Utility Budget Highlights

For FY 2015-16 the model keeps the volume rate and the base rate level. Going forward, the base rate remains level at \$16.00 with incremental increases in the volume rate each year. 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 increased \$1.7 million, or 2.2 percent, from FY 2014-15. The increases include an additional \$1.5 million in metered sales revenue due to the volume rate and changes in projected demand. Utilization of net assets totaling \$2.2 million is projected for FY 2015-16.

Expenses for the fund are increasing \$2.5 million, or 3.1 percent, from FY 2014-15. The largest increases are related to a \$1.6 million increase in transfers to the capital fund for cash funded capital projects and a \$1.1 million increase in scheduled charges due to increases in electric costs associated with CRMWA and increased data processing and liability insurance.

Other increases include the transfer to LP&L for collection services of \$0.6 million, \$0.3 million for the transfer in lieu of property tax, and \$0.1 million increase in the indirect cost allocation. These increases were offset by decreases in Debt Service of \$0.6 million and payment in lieu of franchise fees of \$0.7 million due to the decrease in the rate from 6 percent of gross revenues to 5 percent of gross revenues.

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 | | | |
|-------------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 81,493,000 | 84,178,227 | 87,509,476 | 90,994,265 | 94,712,149 | 98,557,416 |
| Use of Net Assets | 2,180,059 | 1,039,999 | 1,386,853 | 90,368 | - | - |
| Total Funding Sources | 83,673,059 | 85,218,226 | 88,896,329 | 91,084,634 | 94,712,149 | 98,557,416 |
| Operating Expenditures | 30,083,081 | 30,673,884 | 31,391,290 | 32,137,148 | 32,913,480 | 33,722,492 |
| Fund Level Expenditures | 53,589,977 | 54,544,342 | 57,505,040 | 58,947,485 | 57,124,885 | 58,548,863 |
| Total Expenditures | \$ 83,673,059 | 85,218,226 | 88,896,329 | 91,084,634 | 90,038,365 | 92,271,355 |
| Base Charges | | | | | | |
| Meter Size (in inches) | | | | | | |
| 0.75 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| 1.00 | 26.71 | 26.71 | 26.71 | 26.71 | 26.71 | 26.71 |
| 1.50 | 53.26 | 53.26 | 53.26 | 53.26 | 53.26 | 53.26 |
| 2.00 | 85.60 | 85.60 | 85.60 | 85.60 | 85.60 | 85.60 |
| 3.00 | 170.64 | 170.64 | 170.64 | 170.64 | 170.64 | 170.64 |
| 4.00 | 266.58 | 266.58 | 266.58 | 266.58 | 266.58 | 266.58 |
| 6.00 | 533.02 | 533.02 | 533.02 | 533.02 | 533.02 | 533.02 |
| 8.00 | 852.86 | 852.86 | 852.86 | 852.86 | 852.86 | 852.86 |
| 10.00 | 1,226.11 | 1,226.11 | 1,226.11 | 1,226.11 | 1,226.11 | 1,226.11 |
| Volume Charges | | | | | | |
| Block 1 | 4.76 | 4.95 | 5.15 | 5.36 | 5.57 | 5.79 |
| Block 2 | 6.50 | 6.76 | 7.03 | 7.31 | 7.60 | 7.91 |
| Block 3 | 7.79 | 8.11 | 8.43 | 8.77 | 9.12 | 9.48 |

Executive Summary

VI. LP&L Budget Highlights

For FY 2015-16 the model increases the base rate by 5.75 percent. The rate management methodology is aligned with a philosophy that smaller, incremental rate adjustments are the most responsible way to manage the utility and support our customers.

Revenues are expected to increase \$1.2 million, or 0.5 percent for FY 2015-16. The unit contingent and power marketing sales revenue increased \$7.8 million offset by the \$6.5 million decrease in metered revenues.

Expenses for the fund are expected to increase \$1.4 million, or 0.6 percent, from FY 2014-15. The largest increases are a \$9.9 million increase in supplies, excluding purchased power costs, due to the addition of fuel costs at the Brandon and Massengale stations, and \$1.4 million increase in Professional services/training to fund marketing and fuel procurement

services at the Brandon and Massengale stations as well as costs associated with the appraisal of LP&L's transmission assets for a future TCOS rate filing, a pole contact assessment, and the consolidation of multiple vendors. Also included is an increase in the transfer to WTMPA of \$1.3 million due to increased operating costs. The increases were offset by decreases in compensation and benefits, maintenance, other charges, scheduled charges, franchise fee, payment in lieu of taxes, as well as a \$9.5 million decrease in purchased power costs.

The proposed rate structure incorporated in the model is subject to change depending on many variables. Some of these variables may include: volumes, weather, interest rates, commodity prices, inflation rates, the operational impact of new facilities, and changes in the cost or priority of capital projects.

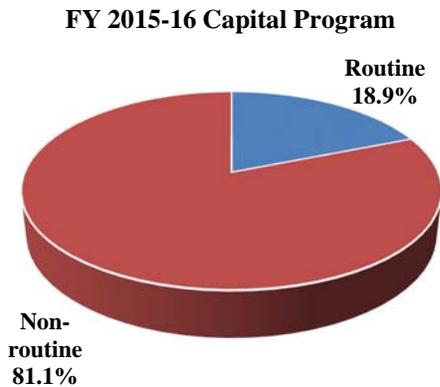
| | Budget | Forecast | | | | |
|--------------------------------------|----------------|-------------|-------------|-------------|-------------|-------------|
| | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
| Revenues | \$ 241,567,476 | 256,265,734 | 278,268,600 | 301,734,506 | 320,341,972 | 332,526,849 |
| Use of Net Assets | - | - | - | - | - | - |
| Total Funding Sources | 241,567,476 | 256,265,734 | 278,268,600 | 301,734,506 | 320,341,972 | 332,526,849 |
| Operating Expenditures | 199,741,550 | 209,358,779 | 226,701,121 | 245,517,425 | 262,674,983 | 275,988,880 |
| Fund Level Expenditures | 41,258,373 | 46,608,698 | 48,695,369 | 50,536,356 | 53,528,408 | 55,534,752 |
| Total Expenditures | \$ 240,999,923 | 255,967,477 | 275,396,489 | 296,053,781 | 316,203,391 | 331,523,632 |
| Projected Base Rate Increase | 5.75% | 5.75% | 5.75% | 5.75% | 0.00% | -2.00% |
| Residential Standard - Rate 1: | | | | | | |
| Service Availability | 7.27 | 7.68 | 8.12 | 8.59 | 8.59 | 8.42 |
| Summer Energy (per kWh) | 0.03628 | 0.03837 | 0.04058 | 0.04291 | 0.04291 | 0.04205 |
| Non-Summer Energy (per kWh) | 0.02509 | 0.02654 | 0.02806 | 0.02968 | 0.02968 | 0.02908 |
| Residential All Electric - Rate 3 | | | | | | |
| Service Availability | 7.27 | 7.68 | 8.12 | 8.59 | 8.59 | 8.42 |
| Summer Energy (per kWh) | 0.04730 | 0.05002 | 0.05290 | 0.05594 | 0.05594 | 0.05482 |
| Non-Summer Energy (per kWh) | 0.01376 | 0.01455 | 0.01539 | 0.01627 | 0.01627 | 0.01595 |
| Residential Net Metering - Rate 5 | | | | | | |
| Service Availability | 27.40 | 28.98 | 30.64 | 32.40 | 32.40 | 31.76 |
| Summer Energy <1,000kWh (per kWh) | 0.01163 | 0.01230 | 0.01301 | 0.01376 | 0.01376 | 0.01348 |
| Summer Energy >1,000kWh (per kWh) | 0.02115 | 0.02237 | 0.02365 | 0.02501 | 0.02501 | 0.02451 |
| Non-Summer Energy <1,000kWh(per kWh) | 0.00357 | 0.00378 | 0.00400 | 0.00423 | 0.00423 | 0.00414 |
| Non-Summer Energy >1,000kWh(per kWh) | 0.01058 | 0.01118 | 0.01183 | 0.01251 | 0.01251 | 0.01226 |

The above is a sampling of the rates for Lubbock Power and Light. All rates for all classes can be seen in the Enterprise Fund Section

Executive Summary

VII. FY 2015-16 Capital Program

The FY 2015-16 Adopted Budget includes \$180.8 million in capital expenditures. Of that, 18.9 percent, or \$34.3 million, are routine capital expenditures that are budgeted each year. 81.1 percent, or \$146.6 million are non-routine projects that do not occur each year and a portion of them are significant projects and expenditures.



Routine Capital Projects

The routine capital projects included in the budget are for general repair, replacement, or maintenance of City assets and are included in the budget each year. The assets include facilities, existing infrastructure such as roadways, fiber, traffic signals, traffic signs, electric lines and meters, water and wastewater lines and meters, upgrades to water and wastewater plants, and replacement of meters as well as vehicles and equipment.

All of the capital projects can be found in Volume II, FY 2015-16 Capital Program.

Non-routine Capital Projects

The non-routine projects total \$146.6 million in FY 2015-16. The projects are broken down into the following categories:

Administrative Services

This category includes all facilities and projects related to the administrative function of the City. The non-routine project included is the renovations and upgrades to Citizens Tower which will allow the City to locate most departments within one facility. The project cost is \$52.8 million.

Airport

Airport has three projects budgeted in FY 2015-16 for non-recurring items. They include \$150,000 to develop a Safety Management System (SMS), \$2.84 million for the design of the terminal building remodel, and \$3.6 million for the construction of a new Aircraft Rescue and Firefighting station for the airport.

Central Business District TIF (CBD TIF)

The CBD TIF has three projects in FY 2015-16. It includes \$750,000 for the continued construction of the duct system to relocate all overhead utilities underground with an expected total cost of \$11.1 million. \$200,000 for future public improvements, and \$1.5 million will be used to construct gateways and green spaces in the CBD TIF.

Cultural and Recreational Services

Cultural and Recreational Services includes projects for Libraries, Parks, and Museums. Buddy Holly Center Museum has one project for renovations to the museum in the amount of \$100,000.

Internal Services

Internal Services has two non-recurring projects for FY 2015-16. \$200,000 is for the E1 Fleet module and the other is in the fourth year of a five year project to upgrade the 800 MHZ radio system to P25 compliance. The funding is \$3.3 million, with a total project cost estimated at \$13.3 million.

Lubbock Power and Light (LP&L)

LP&L has twenty-three projects in the FY 2015-16 budget that are non-recurring. Most of the projects are not significant. The significant projects included in the FY 2015-16 budget are as follows: Chalker Capacity Upgrade for \$4.5 million, 115kV Line Construction – Northwest to Mackenzie for \$5.0 million, rebuild of the line from Chalker to Thompson for \$1.5 million, rebuild of the line from Chalker to Oliver for \$1.5 million, installation of southeast substation autotransformer for \$1.0 million, and upgrade of the Massengale station for \$4.8 million.

Public Safety

Public Safety has one non-recurring project in FY 2015-16 for the construction of a new emergency operations center for \$6.1 million with an expected total cost of \$6.7 million.

Public Works

Public Works has six projects in the FY 2015-16 budget that are non-recurring. The projects include a thoroughfare plan restudy for \$125,000, bicycle plan restudy for \$75,000, an additional \$185,951 for North University enhancement project, \$750,000 for design of the next phase of reconstruction on 34th Street – Quaker Avenue to Slide Road, and \$240,000 for Fire Station I street construction. Also included is the construction of full width paving for Erskine Street – Indiana Avenue to Quaker Avenue for \$7.9 million with a total projected cost of \$8.7 million.

Executive Summary

Solid Waste

Solid Waste has four non-recurring projects in FY 2015-16. Projects included are Cell VI final expansion at 69 for \$536,767, landfill 69 gas collection system replacement for \$352,550, and replacement of older solid waste vehicles for \$256,603. Also, Cell 5 development at Landfill 2252 is budgeted for \$5.2 million in FY 2015-16, with a total projected cost of \$6.4 million.

Storm Water

Storm Water has two non-recurring projects for FY 2015-16. The funding for both projects are \$500,000 each. The first one is to update the storm water master drainage plan and the second one is to update models for Federal Emergency Management Agency (FEMA).

Wastewater

Three projects in the FY 2015-16 Wastewater capital program are non-recurring projects. The projects include a drying bed rehabilitation for \$655,000, and an additional \$250,000 for the Southeast Water Reclamation Plant emergency generator and switch gear. Also included is additional funding for the construction of the northwest water reclamation plant for \$18.5 million, with a total projected cost of \$94.3 million.

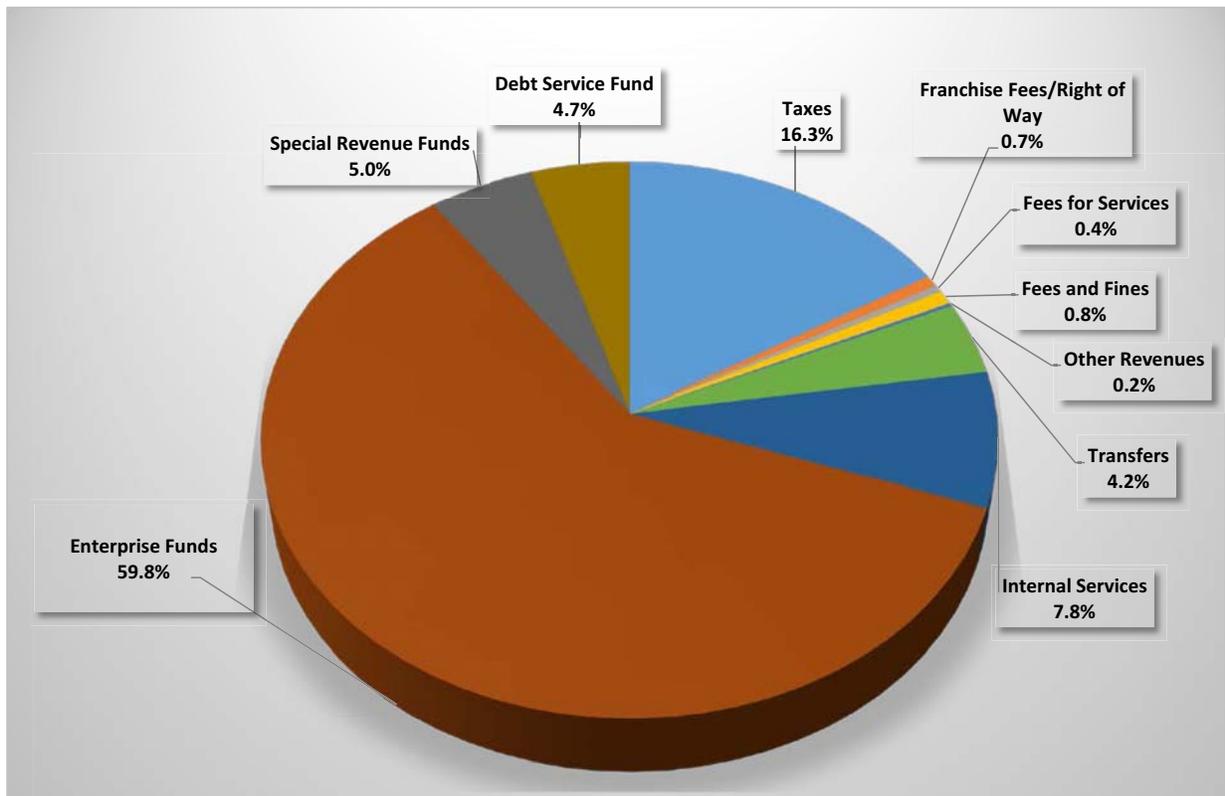
Water

Five projects in the FY 2015-16 Water capital program are non-recurring. Projects include a water and wastewater rate structure evaluation for \$150,000. Significant projects included in the FY 2015-16 water capital is the Bailey County wellfield supply line and pumping system for \$13.0 million, Bailey County wellfield disinfection system for \$500,000, comprehensive water line changeouts for \$500,000, and additional funding for the replacement of Bailey County wellfield data radios for \$400,000.

Detailed information on each individual project is included in Volume II, FY 2015-16 Capital Program.

| FY 2015-16 Capital Plan | Routine | Non-routine | Total CIP |
|------------------------------------|----------------------|--------------------|--------------------|
| Administrative Services | \$ 1,691,000 | 52,800,000 | 54,491,000 |
| Airport | 475,000 | 6,586,050 | 7,061,050 |
| Central Business District TIF | - | 2,450,000 | 2,450,000 |
| Cultural and Recreational Services | 53,400 | 100,000 | 153,400 |
| Internal Services | - | 3,535,000 | 3,535,000 |
| Lubbock Power and Light | 9,450,000 | 24,484,525 | 33,934,525 |
| Public Safety and Health Services | 688,000 | 6,070,000 | 6,758,000 |
| Public Works | 10,813,135 | 9,245,951 | 20,059,086 |
| Solid Waste Utility | - | 6,348,072 | 6,348,072 |
| Storm Water Utility | 150,000 | 1,000,000 | 1,150,000 |
| Wastewater Utility | 1,616,264 | 19,405,000 | 21,021,264 |
| Water Utility | 9,329,375 | 14,550,000 | 23,879,375 |
| Total | \$ 34,266,174 | 146,574,598 | 180,840,772 |

City of Lubbock
FY 2015-16 Summary of All Funding Sources



| FUNDING SOURCES | Actual FY 2011-12 | Actual FY 2012-13 | Actual FY 2013-14 | Amended FY 2014-15 | Budget FY 2015-16 |
|----------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|
| Taxes | \$ 95,329,895 | 103,075,174 | 107,092,547 | 113,248,131 | 119,876,488 |
| Franchise Fees/Right of Way | 5,820,803 | 5,155,471 | 5,200,398 | 4,856,673 | 4,864,407 |
| Fees for Services | 3,095,676 | 3,230,320 | 3,153,652 | 3,075,973 | 3,080,420 |
| Fees and Fines | 6,139,681 | 6,631,345 | 6,200,096 | 6,433,512 | 5,929,901 |
| Other Revenues | 3,040,216 | 2,389,997 | 1,641,572 | 1,318,364 | 1,421,434 |
| Transfers | 26,161,287 | 28,305,596 | 29,844,696 | 31,932,162 | 30,884,365 |
| Internal Services | 50,054,059 | 52,296,769 | 48,387,459 | 50,196,533 | 57,795,893 |
| Enterprise Funds | 382,229,325 | 402,306,361 | 413,801,669 | 435,440,119 | 440,871,202 |
| Special Revenue Funds | 34,507,483 | 35,372,965 | 36,405,301 | 35,215,459 | 37,031,301 |
| Debt Service Fund | 38,767,263 | 61,873,682 | 53,343,131 | 70,621,802 | 34,965,718 |
| TOTAL ALL FUNDING SOURCES | \$ 645,145,688 | 700,637,680 | 705,070,521 | 752,338,727 | 736,721,129 |

Note: The above table and graph do not include utilization of net assets.

The City of Lubbock has many funding sources with the majority of General Fund revenues from tax revenues, both sales and property tax, Franchise Fees/Right of Way, Fees and Fines, and Transfers. Internal Service Fund sources of funding are internal and are funded from all other departments. The majority of the revenues, 59.8 percent, are generated by the Enterprise Funds with most of the revenues generated in the Utilities such as water, wastewater, solid waste, electric, and storm water. Source of funding in Special Revenue Funds are from different sources related to the purpose of the Fund.

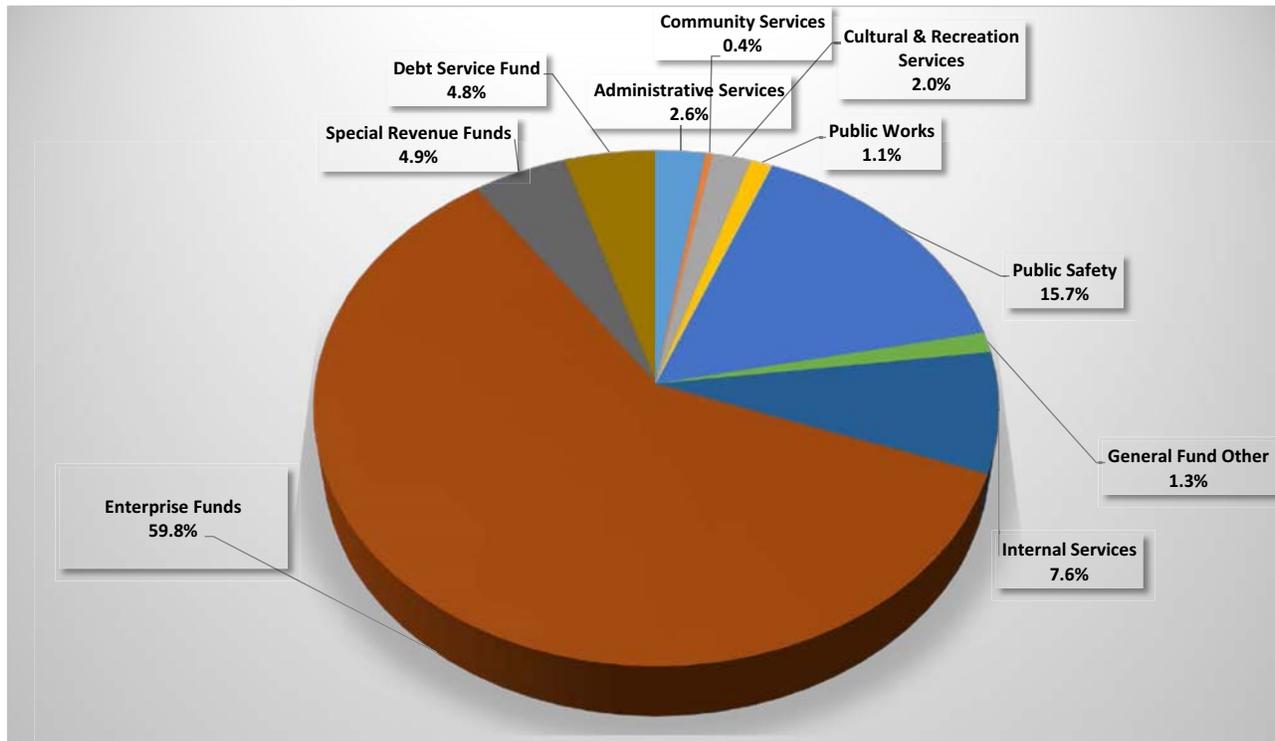
Funding Source Summary - General Fund

| | Actual | Actual | Actual | Amended | Budget | % Change |
|--|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| TAXES | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Forecast |
| Property Taxes | \$ 40,874,500 | \$ 43,811,898 | \$ 45,526,284 | 50,512,908 | 54,029,140 | 7.0 |
| Delinquent Taxes/Penalties & Interest | 766,265 | 934,270 | 808,543 | 851,650 | 851,650 | - |
| Sales Tax | 52,528,476 | 57,062,628 | 59,263,359 | 60,461,433 | 63,515,698 | 5.1 |
| Mixed Beverage Tax | 853,461 | 961,161 | 1,206,698 | 1,155,000 | 1,200,000 | 3.9 |
| Bingo Tax | 307,193 | 305,217 | 287,663 | 267,140 | 280,000 | 4.8 |
| TOTAL TAXES | 95,329,895 | 103,075,174 | 107,092,547 | 113,248,131 | 119,876,488 | 5.9 |
| FRANCHISE FEES/RIGHT OF WAY | | | | | | |
| Suddenlink | 1,103,626 | 1,188,541 | 1,232,377 | 1,230,360 | 1,251,687 | 1.7 |
| Xcel Energy | - | 1,613 | 3,096 | 1,613 | 3,000 | 86.0 |
| Atmos | 1,293,381 | 1,335,211 | 1,395,855 | 1,355,850 | 1,365,600 | 0.7 |
| South Plains Electric Coop. | 544,919 | 579,726 | 668,400 | 550,000 | 589,800 | 7.2 |
| West Texas Gas | 3,716 | 4,098 | 4,725 | 3,750 | 4,320 | 15.2 |
| Telecom ROW | 2,875,161 | 2,046,282 | 1,895,946 | 1,715,100 | 1,650,000 | (3.8) |
| TOTAL FRANCHISE FEES/RIGHT OF WAY | 5,820,803 | 5,155,471 | 5,200,398 | 4,856,673 | 4,864,407 | 0.2 |
| FEES FOR SERVICES | | | | | | |
| Development Services | 153,632 | 185,520 | 204,645 | 186,559 | 211,894 | 13.6 |
| General Government | 81,966 | 83,452 | 90,186 | 68,561 | 84,068 | 22.6 |
| City Secretary | 312,934 | 309,009 | 327,656 | 305,048 | 316,084 | 3.6 |
| Public Safety | 1,062,170 | 1,150,289 | 970,741 | 1,063,061 | 955,576 | (10.1) |
| Public Works | 66,909 | 106,249 | 126,235 | 52,900 | 68,400 | 29.3 |
| Public Health | 16,405 | 16,228 | 20,092 | 14,010 | 15,955 | 13.9 |
| Animal Shelter | 129,777 | 132,662 | 131,412 | 130,000 | 135,000 | 3.8 |
| Cultural/Recreational | 1,054,730 | 1,017,933 | 1,032,251 | 1,029,184 | 1,037,093 | 0.8 |
| Museum | 217,152 | 228,978 | 250,434 | 226,650 | 256,350 | 13.1 |
| TOTAL FEES FOR SERVICES | 3,095,676 | 3,230,320 | 3,153,652 | 3,075,973 | 3,080,420 | 0.1 |
| FEES AND FINES | | | | | | |
| Licenses and Permits | 2,395,666 | 2,619,662 | 2,813,215 | 2,807,540 | 2,492,586 | (11.2) |
| Intergovernmental | 339,677 | 353,441 | 356,036 | 345,972 | 360,315 | 4.1 |
| Fines and Forfeitures | 3,404,338 | 3,658,243 | 3,030,846 | 3,280,000 | 3,077,000 | (6.2) |
| TOTAL FEES AND FINES | 6,139,681 | 6,631,345 | 6,200,096 | 6,433,512 | 5,929,901 | (7.8) |
| OTHER REVENUES | | | | | | |
| Interest Earnings | 96,249 | 29,389 | 118,262 | - | - | - |
| Rental | 7,520 | 8,003 | 7,583 | 9,580 | 11,000 | 14.8 |
| Recoveries of Expenditures | 1,333,614 | 877,326 | 923,443 | 803,934 | 867,434 | 7.9 |
| Other | 1,602,833 | 1,475,279 | 592,286 | 504,850 | 543,000 | 7.6 |
| TOTAL OTHER REVENUES | 3,040,216 | 2,389,997 | 1,641,572 | 1,318,364 | 1,421,434 | 7.8 |
| TRANSFERS | | | | | | |
| Transfers from Special Revenue Funds | 299,720 | 299,720 | 299,720 | 299,720 | 149,860 | (50.0) |
| Transfers from LP&L | 8,248,333 | 8,917,997 | 9,533,867 | 10,298,612 | 10,015,506 | (2.7) |
| Transfers from Water Fund | 8,094,828 | 9,245,651 | 9,784,640 | 9,973,976 | 9,687,337 | (2.9) |
| Transfers from Wastewater Fund | 3,548,599 | 3,753,410 | 3,997,080 | 4,267,840 | 4,304,695 | 0.9 |
| Transfers from Solid Waste | 2,324,726 | 2,347,431 | 2,426,530 | 2,658,369 | 2,457,850 | (7.5) |
| Transfers from Airport Fund | 1,491,603 | 1,603,080 | 1,566,601 | 1,648,486 | 1,684,171 | 2.2 |
| Transfers from Stormwater | 2,153,478 | 2,138,307 | 2,236,258 | 2,785,159 | 2,584,946 | (7.2) |
| TOTAL TRANSFERS | 26,161,287 | 28,305,596 | 29,844,696 | 31,932,162 | 30,884,365 | (3.3) |
| TOTAL REVENUE SOURCES | 139,587,558 | 148,787,902 | 153,132,962 | 160,864,815 | 166,057,015 | 3.2 |
| Utilization of Net Assets | - | - | - | - | 2,729,365 | - |
| TOTAL FUNDING SOURCES | \$ 139,587,558 | 148,787,902 | 153,132,962 | 160,864,815 | 168,786,380 | 4.9 |
| CAPITAL LEASE PROCEEDS | \$ 5,537,998 | 5,778,891 | 5,842,667 | - | - | - |

Funding Source Summary by Fund

| | Actual | Actual | Actual | Amended | Budget | % Change |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| INTERNAL SERVICE FUNDS | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Amended |
| Fleet | \$ 1,026,589 | 1,385,134 | 1,457,842 | 1,510,284 | 1,585,533 | 5.0 |
| Health Benefits | 33,265,053 | 32,363,111 | 30,411,667 | 30,468,762 | 34,697,960 | 13.9 |
| Information Technology | 8,836,431 | 9,400,009 | 10,178,540 | 11,177,926 | 12,902,835 | 15.4 |
| Investment Pool | 114,404 | 138,838 | 98,502 | 187,500 | 178,242 | (4.9) |
| Print Shop/Warehouse | 725,490 | 929,613 | 729,015 | 707,194 | 690,428 | (2.4) |
| Risk Management | 6,086,091 | 8,080,064 | 5,511,893 | 6,144,867 | 7,740,895 | 26.0 |
| TOTAL INTERNAL SERVICE FUNDS | 50,054,059 | 52,296,769 | 48,387,459 | 50,196,533 | 57,795,893 | 15.1 |
| ENTERPRISE FUNDS | | | | | | |
| Airport | 11,795,503 | 11,127,198 | 11,036,673 | 12,161,015 | 10,805,328 | (11.1) |
| Cemetery | 718,234 | 651,020 | 728,775 | 777,618 | 782,499 | 0.6 |
| Civic Centers | 3,231,418 | 3,600,834 | 3,390,784 | 3,584,357 | 3,561,762 | (0.6) |
| Lake Alan Henry | 626,329 | 643,930 | 549,401 | 510,413 | 575,800 | 12.8 |
| LP&L | 204,602,543 | 213,923,122 | 228,647,128 | 240,356,388 | 241,567,476 | 0.5 |
| Solid Waste | 21,137,308 | 20,699,693 | 20,530,616 | 22,904,996 | 22,477,299 | (1.9) |
| Storm Water | 19,752,385 | 22,189,612 | 21,787,442 | 23,950,523 | 23,352,417 | (2.5) |
| Transit | 13,436,233 | 12,549,998 | 11,709,352 | 11,847,975 | 12,498,132 | 5.5 |
| Wastewater | 32,402,895 | 34,300,547 | 35,230,275 | 38,180,814 | 41,577,430 | 8.9 |
| Water | 74,526,477 | 82,620,406 | 80,191,224 | 81,166,019 | 83,673,059 | 3.1 |
| TOTAL ENTERPRISE FUNDS | 382,229,325 | 402,306,361 | 413,801,669 | 435,440,119 | 440,871,202 | 1.2 |
| SPECIAL REVENUE FUNDS | | | | | | |
| Abandoned Vehicles | 728,156 | 718,615 | 723,961 | 570,000 | 575,000 | 0.9 |
| Animal Assistance Program | 84,317 | 107,536 | 136,155 | 130,000 | 110,000 | (15.4) |
| Cable Services Fund | 26,444 | 534,462 | 605,641 | 575,896 | 613,311 | 6.5 |
| Central Business District Tax Increment | 555,811 | 1,335,330 | 728,248 | 952,772 | 1,042,876 | 9.5 |
| Community Development | 3,758,918 | 3,322,556 | 3,491,765 | 2,820,886 | 3,136,391 | 11.2 |
| Criminal Investigation Fund | 753,626 | 274,134 | 465,949 | - | 481,783 | - |
| Department of Justice Asset Sharing | 190,131 | 1,430 | 123,890 | - | 100,000 | - |
| Economic Development | 3,655,818 | 3,707,051 | 3,491,214 | 3,096,497 | 3,260,125 | 5.3 |
| Emergency Management | 388,846 | 415,894 | 457,643 | 435,164 | 496,177 | 14.0 |
| Gateway Streets | 8,245,939 | 8,294,279 | 8,199,853 | 8,312,734 | 8,425,728 | 1.4 |
| Hotel/Motel Tax | 6,617,519 | 6,147,506 | 6,276,688 | 6,520,000 | 6,800,000 | 4.3 |
| Juvenile Case Manager | 34,044 | 10,753 | 20,195 | - | - | - |
| Lubbock Business Park TIF | 237,697 | 261,139 | 372,222 | 428,096 | 436,122 | 1.9 |
| Lubbock Economic Development Alliance | 4,775,316 | 5,187,512 | 5,387,578 | 5,496,494 | 5,774,154 | 5.1 |
| Municipal Court | 273,983 | 305,560 | 277,932 | 295,228 | 235,204 | (20.3) |
| North and East Lubbock Fund | - | - | 724,530 | 469,264 | 310,222 | (33.9) |
| North Overton Public Improvement District | 454,104 | 483,661 | 570,939 | 575,694 | 575,764 | 0.0 |
| North Overton Tax Increment | 3,262,271 | 3,363,314 | 3,934,831 | 3,973,886 | 4,148,796 | 4.4 |
| North Point Public Improvement District | 81,044 | 82,965 | 85,104 | 299,039 | 223,206 | (25.4) |
| Quincy Park Public Improvement District | 31,416 | 40,744 | 52,887 | 71,509 | 87,272 | 22.0 |
| Valencia Public Improvement District | - | 3,918 | 6,462 | 7,718 | 10,620 | 37.6 |
| Vintage Township Public Improvement Dist. | 352,082 | 774,607 | 271,613 | 184,580 | 188,548 | 2.1 |
| TOTAL SPECIAL REVENUE FUNDS | 34,507,483 | 35,372,965 | 36,405,301 | 35,215,459 | 37,031,301 | 5.2 |
| SUBTOTAL ALL FUNDS | 606,378,425 | 638,763,998 | 651,727,391 | 681,716,925 | 704,484,776 | 3.3 |
| DEBT SERVICE FUND | | | | | | |
| Debt Service Fund | 38,767,263 | 61,873,682 | 53,343,131 | 70,621,802 | 34,965,718 | (50.5) |
| TOTAL DEBT SERVICE FUND | 38,767,263 | 61,873,682 | 53,343,131 | 70,621,802 | 34,965,718 | (50.5) |
| TOTAL ALL FUNDS | \$ 645,145,688 | 700,637,680 | 705,070,521 | 752,338,727 | 739,450,494 | (1.71) |

**City of Lubbock
FY 2015-16 Summary of All Expenses**



| | Actual | Actual | Actual | Amended | Budget |
|--------------------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| TOTAL EXPENDITURES | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
| Administrative Services | \$ 14,753,036 | 16,518,444 | 17,592,988 | 19,942,374 | 18,966,394 |
| Community Services | 2,023,117 | 2,203,793 | 2,176,211 | 2,453,677 | 2,619,062 |
| Cultural & Recreation Services | 13,049,638 | 13,761,933 | 13,578,195 | 14,496,351 | 14,731,282 |
| Public Works | 6,624,079 | 6,521,622 | 6,885,470 | 8,030,402 | 8,169,910 |
| Public Safety | 95,189,182 | 100,618,157 | 104,487,464 | 111,600,831 | 115,083,873 |
| General Fund Other | 2,655,369 | 3,925,473 | 10,616,342 | 6,555,894 | 9,215,858 |
| Internal Services | 41,825,725 | 46,678,416 | 46,442,368 | 50,144,354 | 55,769,172 |
| Enterprise Funds | 370,852,293 | 386,023,643 | 402,584,015 | 433,312,909 | 439,001,805 |
| Special Revenue Funds | 33,566,069 | 33,930,686 | 33,193,901 | 33,930,687 | 35,630,584 |
| Debt Service Fund | 38,727,712 | 61,714,236 | 53,157,860 | 70,200,086 | 34,965,718 |
| TOTAL ALL FUNDS | \$ 619,266,220 | 671,896,402 | 690,714,813 | 750,667,565 | 734,153,660 |

Total expenditures for all City of Lubbock funds are projected to decrease for FY 2015-16. The General Fund supports the majority of basic City services such as Streets, Parks, Libraries, Museums, Public Health, Code Enforcements, Animal Services, Police, and Fire. Public Safety expenditures represent 68.2 percent of the General Fund budget and 15.7 percent when all funds are combined. The largest portion of expenses are incurred by the Enterprise Funds, with 54.9 percent of the amount appropriated for the Enterprise Funds allocated to Lubbock Power and Light.

Appropriation Summary - General Fund

| | Actual | Actual | Actual | Amended | Budget | % Change |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Amended |
| ADMINISTRATIVE SERVICES | | | | | | |
| City Attorney | \$ 1,720,114 | 1,797,156 | 1,867,605 | 2,034,727 | 2,188,575 | 7.6 |
| City Council | 472,189 | 292,123 | 236,455 | 276,735 | 306,916 | 10.9 |
| City Manager | 499,325 | 790,323 | 830,265 | 1,048,507 | 1,090,054 | 4.0 |
| City Secretary | 699,202 | 928,121 | 999,001 | 1,140,830 | 1,199,494 | 5.1 |
| Facilities Management | 3,029,504 | 3,539,148 | 3,097,402 | 3,088,355 | 3,307,970 | 7.1 |
| Finance | 2,246,261 | 2,289,755 | 2,423,394 | 2,691,426 | 2,846,194 | 5.8 |
| Human Resources | 340,755 | 389,794 | 481,813 | 520,277 | 529,832 | 1.8 |
| Internal Audit | 185,716 | 305,848 | 366,961 | 383,170 | 405,658 | 5.9 |
| Non Departmental | 5,559,970 | 6,186,174 | 7,290,093 | 8,231,507 | 6,527,723 | (20.7) |
| Public Information | - | - | - | 526,841 | 563,978 | 7.0 |
| TOTAL ADMINISTRATIVE SERVICES | 14,753,036 | 16,518,444 | 17,592,988 | 19,942,374 | 18,966,394 | (4.9) |
| COMMUNITY SERVICES | | | | | | |
| Building Inspection | 1,564,301 | 1,642,200 | 1,731,697 | 1,800,769 | 1,949,355 | 8.3 |
| Planning | 458,816 | 561,593 | 444,513 | 652,908 | 669,708 | 2.6 |
| TOTAL COMMUNITY SERVICES | 2,023,117 | 2,203,793 | 2,176,211 | 2,453,677 | 2,619,062 | 6.7 |
| CULTURAL & RECREATION SVCS | | | | | | |
| Library | 3,566,341 | 3,708,159 | 3,680,837 | 3,547,232 | 3,638,421 | 2.6 |
| Museums | 796,495 | 856,101 | 884,957 | 957,474 | 1,026,498 | 7.2 |
| Parks and Recreation | 8,686,802 | 9,197,674 | 9,012,401 | 9,991,645 | 10,066,364 | 0.7 |
| TOTAL CULTURAL & RECREATION SVCS | 13,049,638 | 13,761,933 | 13,578,195 | 14,496,351 | 14,731,282 | 1.6 |
| PUBLIC WORKS | | | | | | |
| Engineering | 1,019,325 | 1,035,562 | 1,182,724 | 1,380,644 | 1,404,629 | 1.7 |
| Streets | 2,691,015 | 2,318,275 | 2,385,994 | 3,031,299 | 3,055,858 | 0.8 |
| Traffic | 2,913,739 | 3,167,785 | 3,316,752 | 3,618,459 | 3,709,423 | 2.5 |
| TOTAL PUBLIC WORKS | 6,624,079 | 6,521,622 | 6,885,470 | 8,030,402 | 8,169,910 | 1.7 |
| PUBLIC SAFETY | | | | | | |
| Animal Services | 1,667,225 | 1,747,961 | 1,809,237 | 1,997,731 | 2,068,154 | 3.5 |
| Codes and Environmental Health | 1,840,467 | 1,878,027 | 2,212,177 | 2,432,248 | 2,659,076 | 9.3 |
| Fire | 37,157,096 | 40,049,928 | 42,047,094 | 44,607,264 | 45,991,891 | 3.1 |
| Municipal Court | 1,555,539 | 1,581,953 | 1,584,745 | 1,691,140 | 1,857,206 | 9.8 |
| Police | 51,854,573 | 54,487,795 | 55,902,081 | 59,540,648 | 61,151,423 | 2.7 |
| Public Health | 735,954 | 530,912 | 617,193 | 915,946 | 923,147 | 0.8 |
| Vector Control | 378,328 | 341,580 | 314,938 | 415,855 | 432,977 | 4.1 |
| TOTAL PUBLIC SAFETY | 95,189,182 | 100,618,157 | 104,487,464 | 111,600,831 | 115,083,873 | 3.1 |
| OTHER | | | | | | |
| Transfer to Grants | 332,516 | 389,314 | 381,969 | 437,021 | 496,177 | 13.5 |
| Transfer to CIP (Pay-as-you-go) | - | 1,363,964 | 4,855,807 | 2,678,820 | 5,449,485 | 103.4 |
| Transfer to Storm Water CIP | - | - | - | 405,191 | - | (100.0) |
| Transfer to Citibus | 1,431,877 | 1,431,877 | 1,647,223 | 2,235,272 | 2,247,383 | 0.5 |
| Transfer to Cemetery | 215,976 | 80,234 | 272,205 | 354,618 | 350,181 | (1.3) |
| Transfer to Civic Centers | 675,000 | 510,084 | 573,349 | 444,972 | 672,632 | 51.2 |
| Transfer to Debt Service Fund | - | - | 2,635,789 | - | - | - |
| Transfer to Internal Service Fund | - | - | 250,000 | - | - | - |
| Transfer to Special Revenue Fund | - | 150,000 | - | - | - | - |
| TOTAL OTHER | 2,655,369 | 3,925,473 | 10,616,342 | 6,555,894 | 9,215,858 | 40.6 |
| TOTAL | \$ 134,294,421 | 143,549,421 | 155,336,668 | 163,079,529 | 168,786,380 | 3.5 |
| TOTAL GENERAL FUND | \$ 134,294,421 | 143,549,421 | 155,336,668 | 163,079,529 | 168,786,380 | 3.5 |
| CAPITAL LEASE ASSET VALUE | \$ 4,474,546 | 5,283,642 | 6,794,497 | - | - | - |

Appropriation Summary by Fund

| | Actual | Actual | Actual | Amended | Budget | % Change |
|--|----------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Amended |
| INTERNAL SERVICE FUNDS | | | | | | |
| Fleet | \$ 1,019,567 | 1,385,134 | 1,457,842 | 1,461,033 | 1,585,532 | 8.5 |
| Health Benefits | 26,694,450 | 27,366,824 | 30,411,667 | 30,468,762 | 34,697,960 | 13.9 |
| Information Technology | 8,836,431 | 9,106,516 | 10,125,718 | 11,176,119 | 12,902,835 | 15.5 |
| Investment Pool | 108,384 | 138,838 | 93,004 | 186,378 | 178,242 | (4.4) |
| Print Shop/Warehouse | 617,956 | 601,040 | 613,388 | 707,194 | 661,974 | (6.4) |
| Risk Management | 4,548,937 | 8,080,064 | 3,740,749 | 6,144,867 | 5,742,629 | (6.5) |
| TOTAL INTERNAL SERVICE FUNDS | 41,825,725 | 46,678,416 | 46,442,368 | 50,144,354 | 55,769,172 | 11.2 |
| ENTERPRISE FUNDS | | | | | | |
| Airport | 10,436,870 | 10,708,591 | 9,439,046 | 12,161,015 | 10,530,667 | (13.4) |
| Cemetery | 718,234 | 651,020 | 639,826 | 777,618 | 782,499 | 0.6 |
| Civic Centers | 3,231,418 | 3,276,175 | 3,285,224 | 3,584,357 | 3,561,762 | (0.6) |
| Lake Alan Henry | 626,329 | 643,930 | 549,401 | 510,413 | 495,625 | (2.9) |
| LP&L | 204,602,543 | 209,601,182 | 225,679,150 | 239,567,147 | 240,999,923 | 0.6 |
| Solid Waste | 21,137,308 | 20,699,693 | 20,475,415 | 22,904,996 | 22,477,299 | (1.9) |
| Storm Water | 17,892,397 | 21,623,326 | 19,185,685 | 22,659,356 | 22,405,409 | (1.1) |
| Transit | 13,436,233 | 12,511,430 | 11,699,390 | 11,801,173 | 12,498,132 | 5.9 |
| Wastewater | 31,022,633 | 31,905,784 | 34,953,752 | 38,180,814 | 41,577,430 | 8.9 |
| Water | 67,748,329 | 74,402,513 | 76,677,126 | 81,166,019 | 83,673,059 | 3.1 |
| TOTAL ENTERPRISE FUNDS | 370,852,293 | 386,023,643 | 402,584,015 | 433,312,909 | 439,001,805 | 1.3 |
| SPECIAL REVENUE FUNDS | | | | | | |
| Abandoned Vehicles | 728,156 | 718,615 | 723,961 | 570,000 | 575,000 | 0.9 |
| Animal Assistance Program | 42,719 | 81,583 | 102,275 | 130,000 | 110,000 | (15.4) |
| Cable Services Fund | - | - | 31,185 | 575,896 | 613,311 | 6.5 |
| Central Business District Tax Increment | 540,293 | 1,335,330 | 399,641 | 761,660 | 1,011,141 | 32.8 |
| Community Development | 3,686,468 | 3,322,556 | 3,396,057 | 2,820,886 | 3,136,391 | 11.2 |
| Criminal Investigation Fund | 538,387 | 245,016 | 465,949 | - | 481,783 | - |
| Department of Justice Asset Sharing | 190,131 | - | - | - | 100,000 | - |
| Economic Development | 3,655,818 | 3,684,582 | 3,491,214 | 3,096,497 | 3,260,125 | 5.3 |
| Emergency Management | 388,846 | 415,894 | 453,283 | 435,164 | 496,177 | 14.0 |
| Gateway Streets | 8,245,939 | 8,294,279 | 8,199,853 | 8,312,734 | 8,425,728 | 1.4 |
| Hotel Occupancy Tax | 6,617,519 | 5,817,987 | 6,276,688 | 6,520,000 | 6,800,000 | 4.3 |
| Lubbock Business Park Tax Increment | 13,692 | 3,292 | 6,584 | 16,921 | 15,766 | (6.8) |
| Lubbock Economic Development Alliance, Inc | 4,775,316 | 5,187,512 | 5,387,578 | 5,496,494 | 5,774,154 | 5.1 |
| Municipal Court | 273,983 | 305,560 | 277,932 | 295,228 | 213,544 | (27.7) |
| North and East Lubbock Fund | - | - | - | 469,264 | 310,222 | (33.9) |
| North Overton Public Improvement District | 454,104 | 421,993 | 416,249 | 542,448 | 556,432 | 2.6 |
| North Overton Tax Increment | 3,262,271 | 3,274,494 | 3,246,720 | 3,333,227 | 3,267,061 | (2.0) |
| North Point Public Improvement District | 19,469 | 36,357 | 29,200 | 299,039 | 223,206 | (25.4) |
| Quincy Park Public Improvement District | 6,605 | 7,818 | 14,610 | 63,463 | 66,501 | 4.8 |
| Valencia Public Improvement District | - | 3,211 | 3,308 | 7,185 | 5,492 | (23.6) |
| Vintage Township Public Improvement Dist. | 126,351 | 774,607 | 271,613 | 184,580 | 188,548 | 2.1 |
| TOTAL SPECIAL REVENUE FUNDS | 33,566,069 | 33,930,686 | 33,193,901 | 33,930,687 | 35,630,584 | 5.0 |
| SUBTOTAL ALL FUNDS | 580,538,508 | 610,182,166 | 637,556,953 | 680,467,478 | 699,187,941 | 2.8 |
| DEBT SERVICE FUND | | | | | | |
| Debt Service Fund | 38,727,712 | 61,714,236 | 53,157,860 | 70,200,086 | 34,965,718 | - |
| TOTAL DEBT SERVICE FUND | 38,727,712 | 61,714,236 | 53,157,860 | 70,200,086 | 34,965,718 | (50.2) |
| TOTAL ALL FUNDS | \$619,266,220 | 671,896,402 | 690,714,813 | 750,667,565 | 734,153,660 | (2.2) |

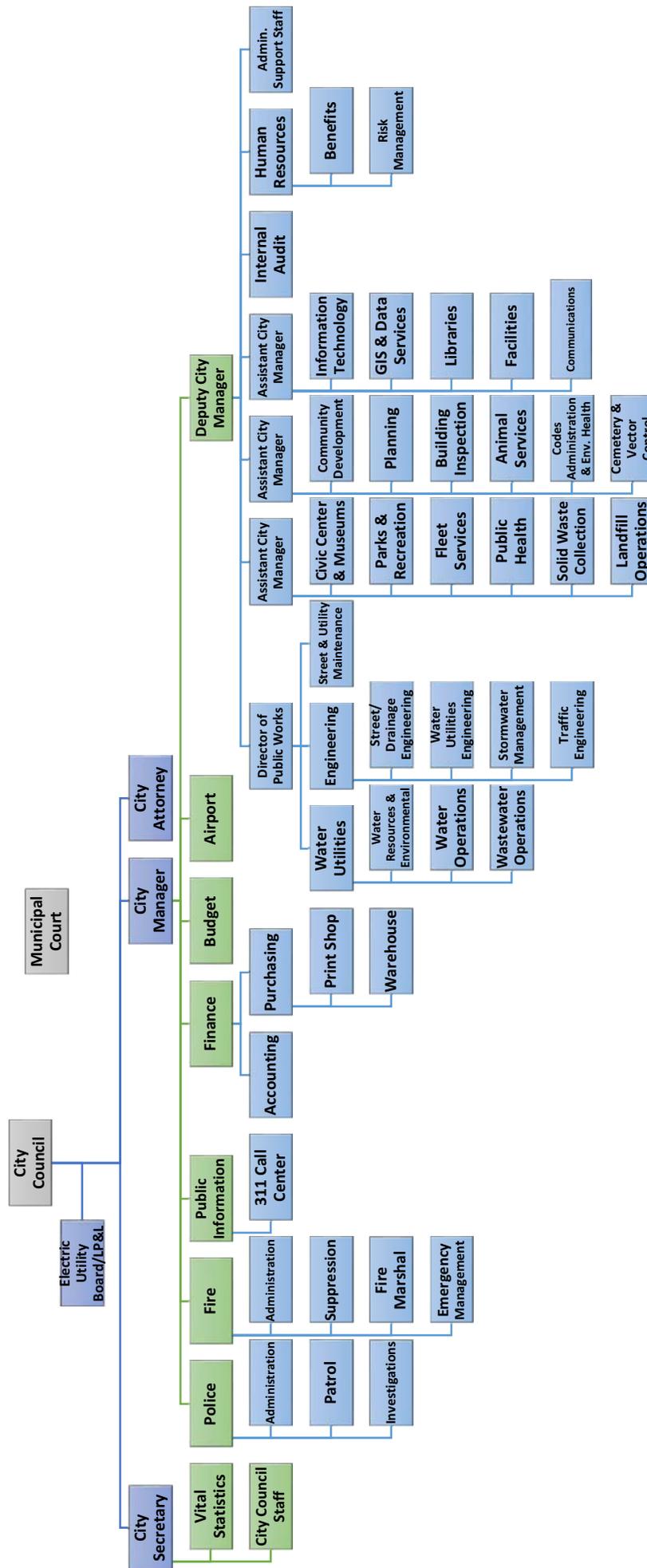
Position History - General Fund

| | Actual | Actual | Actual | Amended | Budget | % Change |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Amended |
| ADMINISTRATIVE SERVICES | | | | | | |
| City Attorney | 14 | 14 | 14 | 16 | 16 | - |
| City Council | 4 | 1 | - | - | - | - |
| City Manager | 2 | 2 | 5 | 7 | 7 | - |
| City Secretary | 9 | 12 | 12 | 12 | 12 | - |
| Facilities Management | 14 | 14 | 14 | 16 | 16 | - |
| Finance | 28 | 28 | 29 | 30 | 30 | - |
| Human Resources | 6 | 6 | 6 | 6 | 6 | - |
| Internal Audit | 2 | 3 | 3 | 3 | 3 | - |
| Non Departmental | - | - | - | - | - | - |
| Public Information | - | - | - | 7 | 7 | - |
| TOTAL ADMINISTRATIVE SERVICES | 79 | 80 | 83 | 97 | 97 | - |
| COMMUNITY SERVICES | | | | | | |
| Building Inspection | 21 | 22 | 24 | 24 | 24 | - |
| Planning | 5 | 5 | 5 | 7 | 7 | - |
| TOTAL COMMUNITY SERVICES | 26 | 27 | 29 | 31 | 31 | - |
| CULTURAL & RECREATION SVCS | | | | | | |
| Library | 40 | 36 | 36 | 36 | 36 | - |
| Museums | 8 | 8 | 8 | 8 | 8 | - |
| Parks | 80 | 80 | 80 | 81 | 81 | - |
| TOTAL CULTURAL & RECREATION SVCS | 128 | 124 | 124 | 125 | 125 | - |
| PUBLIC WORKS | | | | | | |
| Engineering | 18 | 17 | 17 | 17 | 17 | - |
| Streets | 36 | 36 | 36 | 36 | 36 | - |
| Traffic | 36 | 36 | 36 | 37 | 37 | - |
| TOTAL PUBLIC WORKS | 90 | 89 | 89 | 90 | 90 | - |
| PUBLIC SAFETY | | | | | | |
| Animal Services | 22 | 24 | 24 | 24 | 24 | - |
| Codes and Environmental Health | 31 | 32 | 32 | 32 | 32 | - |
| Fire | 375 | 398 | 414 | 429 | 429 | - |
| Municipal Court | 20 | 20 | 20 | 20 | 20 | - |
| Police | 536 | 540 | 545 | 545 | 545 | - |
| Public Health | 20 | 13 | 13 | 14 | 17 | 3 |
| Vector Control | 6 | 6 | 6 | 6 | 6 | - |
| TOTAL PUBLIC SAFETY | 1,010 | 1,033 | 1,054 | 1,070 | 1,073 | 3 |
| OTHER | | | | | | |
| Transfers | - | - | - | - | - | - |
| Payroll Accrual/Other Adjustments | - | - | - | - | - | - |
| TOTAL OTHER | - | - | - | - | - | - |
| TOTAL GENERAL FUND | 1,333 | 1,353 | 1,379 | 1,413 | 1,416 | 3 |

Position History by Fund

| | Actual | Actual | Actual | Amended | Budget | Change |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| INTERNAL SERVICE FUNDS | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | from Amended |
| Fleet | 18 | 18 | 18 | 18 | 17 | (1) |
| Health Benefits | 3 | 3 | 3 | 3 | 3 | - |
| Information Technology | 51 | 53 | 53 | 44 | 44 | - |
| Investment Pool | 1 | 1 | 1 | 1 | 1 | - |
| Print Shop/Warehouse | 5 | 5 | 5 | 6 | 6 | - |
| Risk Management | 4 | 4 | 4 | 6 | 6 | - |
| TOTAL INTERNAL SERVICE FUNDS | 82 | 84 | 84 | 78 | 77 | (1) |
| 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 | 288 | 289 | 303 | 303 | 303 | - |
| Solid Waste | 110 | 111 | 112 | 112 | 113 | 1 |
| Storm Water | 35 | 36 | 37 | 38 | 38 | - |
| Wastewater | 71 | 74 | 74 | 76 | 76 | - |
| Water | 166 | 167 | 168 | 170 | 170 | - |
| TOTAL ENTERPRISE FUNDS | 753 | 760 | 777 | 782 | 783 | 1 |
| SPECIAL REVENUE FUNDS | | | | | | |
| Abandoned Vehicles | - | - | - | - | - | - |
| Animal Assistance Program | - | - | - | - | - | - |
| Cable Services Fund | - | - | - | - | - | - |
| Central Business District Tax Increment | - | - | - | - | - | - |
| Community Development | 18 | 16 | 16 | 14 | 14 | - |
| Criminal Investigation Fund | - | - | - | - | - | - |
| Department of Justice Asset Sharing | - | - | - | - | - | - |
| Economic Development | 2 | 2 | - | - | - | - |
| Emergency Management | 6 | 5 | 5 | 5 | 2 | (3) |
| Gateway Streets | 1 | - | - | - | - | - |
| Hotel/Motel Tax | - | - | - | - | - | - |
| Juvenile Case Manager Fund | 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 | 31 | 25 | 23 | 21 | 18 | (3) |
| DEBT SERVICE FUND | | | | | | |
| Debt Service Fund | - | - | - | - | - | - |
| TOTAL DEBT SERVICE FUND | - | - | - | - | - | - |
| TOTAL ALL FUNDS | 2,199 | 2,222 | 2,263 | 2,294 | 2,294 | - |

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

| | |
|-------------------------------------|------------------|
| 2015 Population Estimate | 241,322 |
| 2015 Assessed Value | \$14,866,866,207 |
| Median Age | 29.4 |
| Median Family Income | \$56,808 |
| Per Capita Income | \$24,168 |
| Total Non-Ag Employment | 136,900 |
| Unemployment Rate | 4.0% |
| Police Officers per 1,000 residents | 1.65 |
| Square Miles | 125.8 |

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

| | 2015 Assessed Valuation | % of Total Assessed Valuation |
|---------------------------------|-------------------------------|-------------------------------------|
| Macerich South Plains LP | \$122,454,484 | 0.82% |
| United Supermarkets, LLC | 80,322,509 | 0.54% |
| Atmos Energy West Texas. | 53,484,670 | 0.36% |
| PYCO Industries, Inc. | 52,059,702 | 0.35% |
| 1859 Management Partners, LP | 35,780,484 | 0.24% |
| Southwestern Public Service | 34,171,576 | 0.23% |
| Wal-Mart Real Estate | 30,400,000 | 0.20% |
| Lubbock Commercial Buildings | 30,325,160 | 0.20% |
| TTUC, LLC | 29,600,000 | 0.20% |
| Southwestern Bell Telephone, LP | 29,500,721 | 0.20% |
| | \$498,099,306 | 3.35% |

Top Employers

| | Type of Business | Employment |
|-------------------------------------|----------------------|------------|
| Texas Tech University | University | 5,453 |
| Covenant Health | Hospital | 4,393 |
| United Supermarkets | Supermarket Hdqtr. | 3,803 |
| TTU Health Sciences | Health Sciences Ctr. | 3,703 |
| Lubbock ISD | School District | 3,532 |
| University Medical Ctr. | Hospital | 3,208 |
| City of Lubbock | City Government | 2,245 |
| Lubbock County | County Government | 1,278 |
| Frenship ISD | School District | 1,060 |
| Lubbock State Supported Living Ctr. | State Government | 766 |

Employment numbers as of December 2015

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 | | |