

A tall, modern skyscraper with a glass facade and a white brick section on the right. The building is identified as 'CITIZENS TOWER' at the base. The sky is blue with some clouds.

FY 2021-2022 Operating & Capital Budget Summary Presentation

City Council Work Session
August 24, 2021



FY22 Operating & Capital Budget Overview

Keeping Services to Citizens in line with Lubbock's Growth and Development

Property Taxes

- Set a tax rate that captures the full value of new properties on the tax roll
- Establish Maintenance & Operation rate that accounts for inflation increase and ongoing needs
- Continued management and reduction of Interest & Sinking (Debt) rate
- Proposed tax rate is a total reduction of 1.83 cents

	FY 2019-20	FY 2020-21	FY 2021-22	Tax Rate Δ
Maintenance & Operations	\$ 0.403090	\$ 0.398672	\$ 0.381257	\$ (0.017415)
Economic Development	0.023150	0.022468	0.021707	(0.000761)
Interest & Sinking	0.131780	0.120433	0.120266	(0.000167)
Total COL Tax Rate	\$ 0.558020	\$ 0.541573	\$ 0.523230	\$ (0.018343)

Sales Tax

- FY21 forecasted to end 8.1% (+\$6.0M) year-over-year growth
- FY22 budgeted at 2.4% (+\$1.9M) over FY21 forecasted collections
 - FY22 budget sales tax is 8.1% (+\$6.1M) over FY21 budget

FY22 Operating & Capital Budget Overview

Keeping Services to Citizens in line with Lubbock's Growth and Development

Notable Rate Changes

- Storm Water: No Rate Change
- Water: ↑ \$0.50 base rate to ¾" meter (pro-rated)
- Wastewater: ↑ \$0.05 base rate to ¾" meter (pro-rated)
- Solid Waste Collection: ↑ \$0.50 residential rate (pro-rated)
- Solid Waste Landfill: ↑ \$0.50 tipping fee (WTRDF & per ton special waste)

Staffing Growth to Meet Residential and Business Demand – Net 19 FTE

- 1 – HR Generalist
- 1 – Building Safety Development Tech
- 1 – Codes Inspector
- 1 – Codes Administrative Assistant
- 1 – Environmental Specialist
- 1 – Parks Marketing Coordinator
- 3 – Solid Waste Equipment Operators
- 1 – Emergency Planner
- 1 – LFR Public Information Officer
- 1 – Civic Center Assistant Director
- 2 – Water/Wastewater Hydrant Crew
- 1 – Water Environmental Compliance Specialist
- 1 – Wastewater Administrative Assistant
- 1 – CD Project Specialist
- 1 – CD Housing Inspection Specialist
- 1 – Assistant Director of Community Development
- 1 – Economic Development Specialist
- 10 – LP&L Employees

FY22 Operating & Capital Budget Overview

Continuing Investment in Infrastructure, Vehicles, and Equipment

Street Maintenance Program

- \$11.0 million programmed for FY22; \$1.0M increase over FY21

Capital Program, Vehicles, and Equipment

- \$89.8 million in capital improvements
 - 74 total projects – 93% of projects cash funded
 - 5 projects proposed for debt financing
 - Public Safety CAD: \$4.0 million (Certificate of Obligation)
 - 114th Street – Quaker to Indiana: \$3.0 million (Certificate of Obligation)
 - Solid Waste Vehicles: \$1.1 million (7-year Tax Note)
 - Pump Station 2 Improvements: \$6.0 million (Water/Wastewater Revenue Bond)
 - South Lubbock Sanitary Sewer Extension: \$2.2 million (Water/Wastewater Revenue Bond)
 - \$14.0 million in ARPA funding programmed for FY22
 - 1 – Public Health Facility: \$8.1 million
 - 3 – Fire Rescue Vehicles: \$3.1 million
 - 52 – Police Patrol Vehicles: \$2.8 million

FY22 Operating & Capital Budget Overview

Continuing Investment in Infrastructure, Vehicles, and Equipment

Capital Program, Vehicles, and Equipment (continued)

- \$89.3 million in capital improvements
 - Purchasing 102 vehicles – 99% Cash Funded
 - Tax Note proposed for 1 Compactor for Solid Waste (\$1.1 million)
 - First year without Master Lease Take-Out

Summary of All Funding Sources

FY22 Operating and Capital Budget

	Actual <i>(Values in \$000s)</i> FY 2017-18	Actual FY 2018-19	Actual FY 2019-20	Budget FY 2020-21	Budget FY 2021-22	% Change from Forecast	\$ Change from Forecast
General Fund							
Property Taxes	\$ 60,725	64,428	69,939	71,960	74,288	3.2%	2,328
Sales Taxes	67,441	71,647	73,978	74,796	80,864	8.1%	6,068
Other Taxes	1,663	1,743	1,471	1,600	1,734	8.4%	134
Franchise Fees	27,107	26,978	25,857	28,156	30,352	7.8%	2,196
Fees for Services	26,001	27,711	26,818	27,580	29,436	6.7%	1,857
Fees and Fines	6,256	7,663	7,116	6,501	7,184	10.5%	683
Other Revenue	12,084	13,627	21,606	13,221	13,960	5.6%	739
Transfers	16,278	6,254	6,605	7,027	7,355	4.7%	328
Excess Reserves (for CIP)	-	554	-	-	5,041		5,041
Total General Fund	217,554	220,606	233,390	230,842	250,214	8.4%	19,373
Internal Service Funds	59,564	61,397	65,967	67,464	75,492	11.9%	8,027
Enterprise Funds							
Airport	13,149	15,569	13,689	19,712	12,301	-37.6%	(7,410)
Lubbock Power & Light	244,727	219,113	223,756	317,772	307,682	-3.2%	(10,090)
Storm Water	29,377	28,637	28,404	24,137	26,113	8.2%	1,976
Water/Wastewater	141,618	137,669	144,661	145,217	156,541	7.8%	11,324
Other Enterprise Funds	18,432	18,066	19,536	18,991	19,815	4.3%	824
Total Enterprise Funds	447,302	419,054	430,046	525,829	522,452	-0.6%	(3,377)
Special Revenue Funds	42,237	45,876	51,273	63,167	54,532	-13.7%	(8,635)
Debt Service Funds	64,860	54,061	64,549	42,554	43,127	1.3%	573
Total All Funding Sources	\$ 831,518	800,995	845,226	929,856	945,817	1.7%	15,961

Summary of All Expenses

FY22 Operating and Capital Budget

	Actual (Values in \$000s) FY 2017-18	Actual FY 2018-19	Actual FY 2019-20	Budget FY 2020-21	Budget FY 2021-22	% Change from Forecast	\$ Change from Forecast
General Fund							
Administrative Services	\$ 20,567	17,643	18,907	19,854	17,650	-11.1%	(2,204)
Cultural & Recreation Services	15,002	15,165	14,304	16,654	17,002	2.1%	348
Development Services	5,862	6,183	6,153	7,038	7,464	6.1%	426
Public Works / Solid Waste	24,735	24,300	25,687	28,954	33,351	15.2%	4,398
Public Safety	121,297	127,658	122,344	136,090	141,576	4.0%	5,486
Other Expenses	24,386	29,658	26,622	30,585	29,193	-4.6%	(1,392)
GF Compensation Adjustment	-	-	-	-	3,977		3,977
Total General Fund	211,848	220,606	214,018	239,175	250,214	4.6%	11,039
Internal Service Funds	56,499	59,763	64,913	67,316	75,264	11.8%	7,947
Enterprise Funds							
Airport	11,318	12,774	13,431	14,803	12,301	-16.9%	(2,502)
Lubbock Power & Light	243,505	216,530	223,756	316,942	307,682	-2.9%	(9,260)
Storm Water	24,431	23,025	23,330	23,982	26,113	8.9%	2,131
Water/Wastewater	140,158	137,669	141,049	145,217	156,541	7.8%	11,324
Other Enterprise Funds	18,335	17,826	18,976	18,814	19,812	5.3%	998
Total Enterprise Funds	437,747	407,823	420,542	519,758	522,449	0.5%	2,691
Special Revenue Funds	40,334	42,661	48,451	60,957	52,156	-14.4%	(8,801)
Debt Service Funds	63,596	50,747	64,549	42,554	43,127	1.3%	573
Total Expense Summary	\$ 810,024	781,601	812,474	929,761	943,210	1.4%	13,449

Compensation Adjustments

Lubbock Police Department – Civil Service

RANK	STEP	FY22 COUNT	CURRENT SALARY	FY22 SALARY	FY22 RAISE	GENERAL FUND COMP & BEN IMPACT
Recruit		25	\$ 51,455	\$ 60,002	16.61%	\$ 267,703
Officer	Step A	31	54,270	62,972	16.03%	376,368
Officer	Step B	35	60,973	66,120	8.44%	321,691
Officer	Step C	61	64,705	69,426	7.30%	193,629
Officer	Step D	32	68,846	73,592	6.89%	189,105
Officer	Step E	16	70,524	76,536	8.52%	146,926
Officer	Step F	70	72,207	81,128	12.35%	802,657
Corporal	Step A	29	73,524	82,345	12.00%	318,524
Corporal	Step B	50	74,957	83,581	11.50%	486,391
Sergeant	Step A	16	79,065	90,268	14.17%	223,184
Sergeant	Step B	15	82,599	92,749	12.29%	189,578
Sergeant	Step C	34	86,293	95,299	10.44%	385,879
Lieutenant	Step A	6	91,973	100,065	8.80%	60,447
Lieutenant	Step B	5	95,761	102,816	7.37%	43,924
Lieutenant	Step C	8	99,707	106,673	6.99%	69,388
Captain	Step A	2	104,067	112,006	7.63%	19,771
Captain	Step B	2	108,896	116,486	6.97%	18,901
Captain	Step C	4	113,957	121,145	6.31%	35,802
Asst Police Chief	Step A	1	117,208	125,992	7.49%	10,937
Asst Police Chief	Step B	-	127,388	132,481	4.00%	-
Asst Police Chief	Step C	2	138,453	143,994	4.00%	13,502
TOTAL LPD CIVIL SERVICE		444			10.27%	\$ 4,174,307

Compensation Adjustments

City of Lubbock Proposed Tiered Raise Structure

Proposed 4% average raise for all City employees, tiered to provide higher percentage raises at lower pay grades

- Increases part-time employee compensation by 4%
- Increases pay grade lower and upper bounds

Pay Grade Range	Number of Employees	% of Non-CS Employees	Raise %
105 – 116	407	32.5%	7.00%
117 – 121	514	41.0%	6.00%
122 – 126	191	15.2%	5.00%
127 – 138	114	9.1%	4.00%
139 – 150	27	2.2%	3.25%
Lubbock Fire Rescue Civil Service	405		4.00%

FY22 Ad Valorem Taxes

FY22 Operating and Capital Budget

State Required Language (Revenue Year-over-Year Increase)

This budget will raise more total property taxes than last year's budget by \$4,100,044, or 4.30%, and of that amount, \$2,195,284 is tax revenue to be raised from new property added to the roll this year.

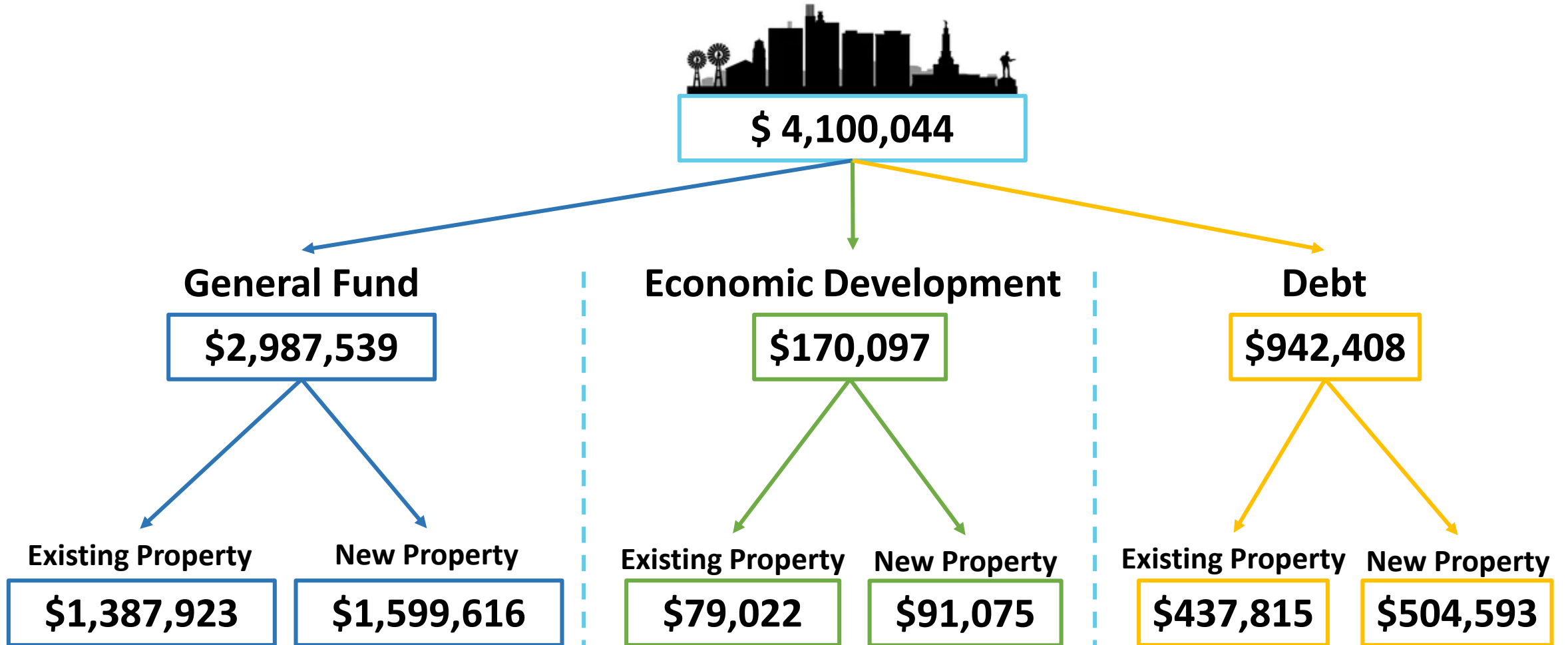
Tax Year 2021 Rates

- No-New-Revenue Rate: \$ 0.497710
- Voter-Approval Tax Rate: 0.523230
- Unused Increment (UI): 0.003632
- Voter-Approval Tax Rate w/ UI: \$ 0.526862
- **FY 2022 Proposed Rate: \$ 0.523230**

Certified Net Taxable Value of the City of Lubbock rose to \$20.66 billion, a 7.4% increase over prior year, or \$1.42 billion

Breakdown of Ad Valorem Revenue Increase

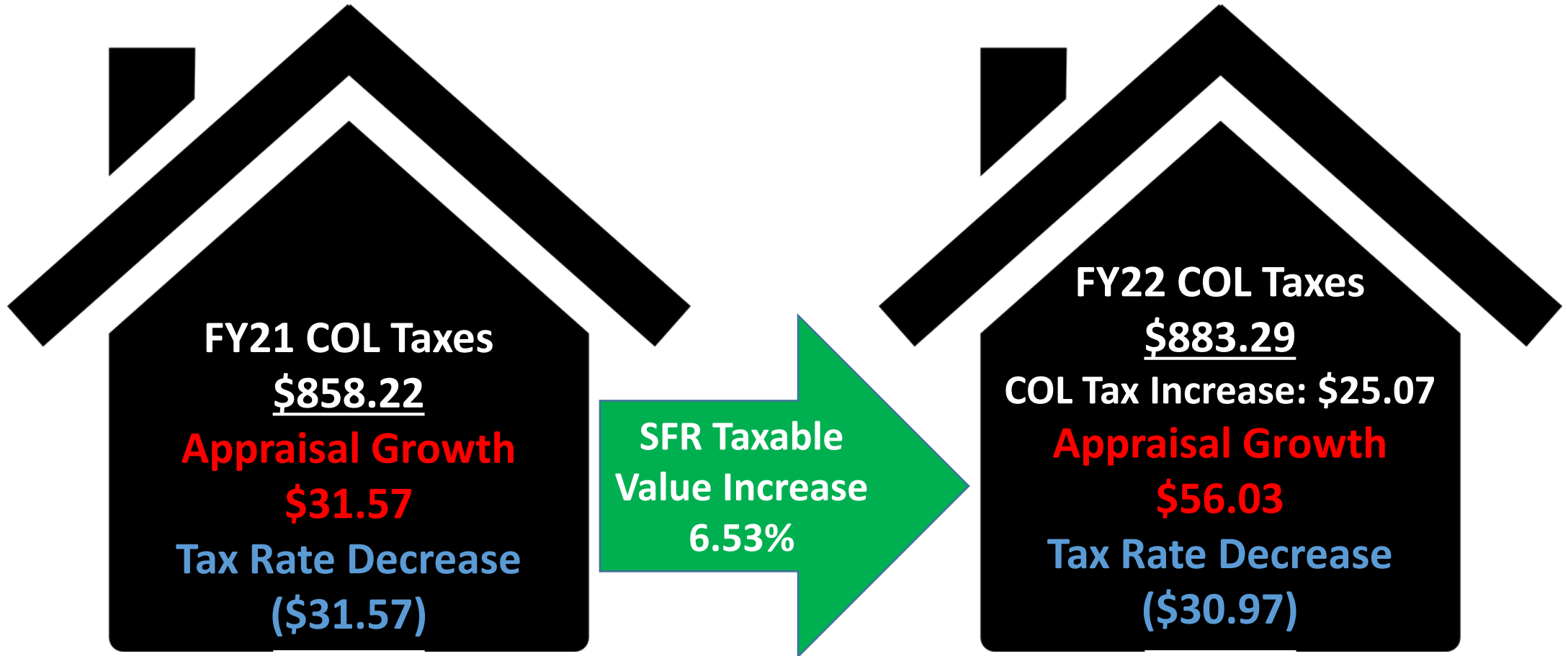
FY22 Operating and Capital Budget



Tax Rate and Appraisal Value Effect on Average Home

Average Single Family Residential Home will see a \$25.07 increase in Property Taxes

FY21 – SFR Avg Taxable Value: \$158,468 FY22 – SFR Avg Taxable Value: \$168,814



City of Lubbock Sales Tax

FY22 Operating and Capital Budget

Sales Tax Generated Month	Month Cash Received from State	Fiscal Year 2020				Fiscal Year 2021				
		Budget	Actual	Actual vs Budget (\$)	Actual vs Budget (%)	Budget	Actual	Forecast	Actual vs Budget (\$)	Actual vs Budget (%)
October	December	5,645,646	6,063,390	417,744	7.4%	5,919,795	5,789,822		(129,973)	-2.2%
November	January	5,595,500	5,784,196	188,696	3.4%	5,849,153	5,654,612		(194,541)	-3.3%
December	February	7,712,654	8,070,214	357,560	4.6%	7,715,588	8,081,410		365,822	4.7%
January	March	5,243,979	5,470,277	226,298	4.3%	5,511,559	5,279,149		(232,410)	-4.2%
February	April	5,262,669	5,122,960	(139,709)	-2.7%	5,165,042	5,134,393		(30,648)	-0.6%
March	May	7,092,129	6,351,562	(740,567)	-10.4%	6,946,706	8,671,196		1,724,490	24.8%
April	June	5,576,158	5,083,992	(492,166)	-8.8%	5,777,024	6,845,753		1,068,729	18.5%
May	July	5,645,995	5,712,429	66,434	1.2%	5,786,691	6,454,861		668,170	11.5%
June	August	6,986,054	7,166,028	179,975	2.6%	6,977,937	8,252,514		1,274,577	18.3%
July	September	5,814,106	5,896,634	82,528	1.4%	5,931,693		6,244,777	313,084	5.3%
August	October	6,118,596	6,197,302	78,706	1.3%	6,231,363		6,410,735	179,372	2.9%
September	November	6,916,535	7,059,337	142,802	2.1%	6,983,886		7,140,010	156,124	2.2%
YTD Total		54,760,783	54,825,048	64,265	0.1%	55,649,493	60,163,709		4,514,215	8.1%
Total (Projected Total)		73,610,019	73,978,320	368,301	0.5%	74,796,435		79,959,231	5,162,796	6.9%

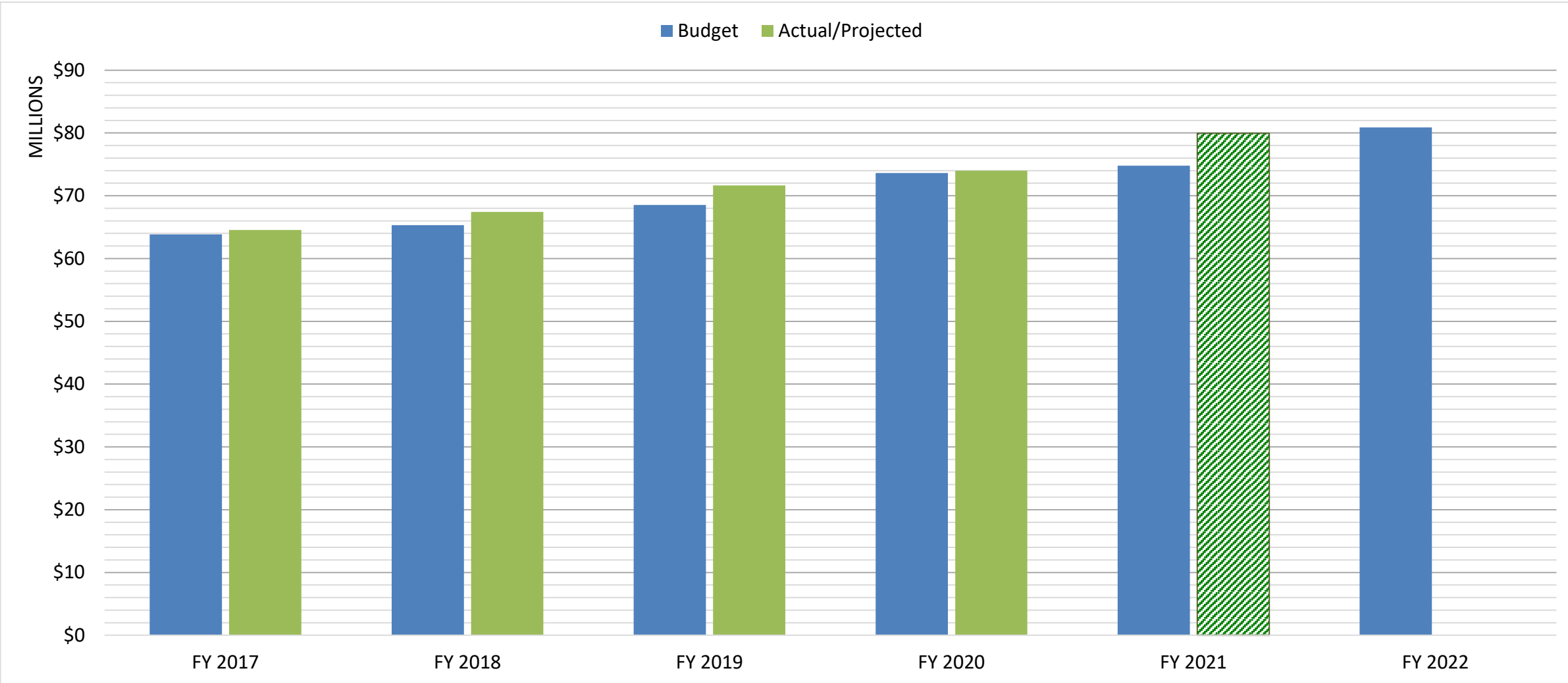
Blue text indicates a forecasted figure.

5-Year Historical General Fund Sales Tax

	Budget	Actual	Actual vs Budget (\$)	Actual vs Budget (%)	Year-over-Year Actual (%)
FY 2017	63,833,276	64,549,831	716,555	1.1%	3.6%
FY 2018	65,299,798	67,440,546	2,140,748	3.3%	4.5%
FY 2019	68,544,413	71,646,844	3,102,431	4.5%	6.2%
FY 2020	73,610,019	73,978,320	368,301	0.5%	3.3%
FY 2021	74,796,435	79,959,231	5,162,796	6.9%	8.1%

City of Lubbock Sales Tax 5-Year Trend

FY22 Operating and Capital Budget





Questions & Feedback FY 2021-2022

Proposed Operating Budget & Capital Program