

**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**MEETING AGENDA OF THE BOARD OF DIRECTORS**

*The Board of Directors will convene in-person and via video and/or teleconference.  
You may join the meeting by video here: <https://us02web.zoom.us/j/2405318564> or dial in using this  
telephone number (346) 248-7799.*

Date: Wednesday, September 22, 2021

Time: 8:00 a.m.

Place: Reese Technology Center, LRRB Board Room, 9801 Reese Blvd, Suite 200, Lubbock, TX 79416

[illegible]

4. Action Item – Consider the Minutes of the August 25, 2021, Board of Directors Meeting and the September 7, 2021, Executive Committee/Compensation Committee Meeting.	TAB 4	Joe Rapier
5. Action Item – Consider Compensation Committee Recommendations for: a. FY22 MBD Incentive Pay Plan b. FY22 Employee Bonus Plan c. FY22 ED Incentive Pay and Bonus Plan	TAB 5	Todd McKee
6. Action Item – Consider LRRRA Board of Directors Meeting Schedule and LRRRA Holiday Schedule	TAB 6	Don Provost
7. Action Item – Consider FY2022 Operating, Fiber Optics, & Capital Budgets	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports and Make Ready Cost Reporting	TAB 8	Sandy Hamilton
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
10. Presentation Item - Recognize Joe Rapier and Dewayne Askins for their years of service	TAB 10	Steve Verett
Adjourn the Meeting		Joe Rapier

Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <http://www.reesetechnologycenter.com/agendas/> by 5:00 p.m., Friday, September 17, 2021.

by:   
Lacy Elliott, Administrative Coordinator

The LRRRA Board meetings are available to all persons regardless of disability. To notify the LRRRA of your attendance or if you require special assistance, please contact them at (806) 885-6592 or write Reese Technology Center, 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416 at least 48 hours in advance of the meeting.

ITEM 1

# Citizen Comments

ITEM 2

# KBR UPDATE

by Carl Ingebretsen

ITEM 3

# EXECUTIVE SESSION

Information to be provided at  
meeting  
(if applicable)

**Lubbock Reese Redevelopment Authority**

**Board Meeting Minutes**

August 25, 2021

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Wednesday, August 25, 2021, at the Reese Technology Center, LRRRA Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

These are the minutes of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

<b><u>MEMBERS PRESENT:</u></b>	Joe Rapier	Todd McKee	Tim Pierce
	Dewayne Askins	Steve Verett	John Tye

**MEMBERS ABSENT:** Tim Collins

**OTHERS PRESENT:**

**Reese Staff:** Murvat Musa-Executive Director, Don Provost-Manager of Business Development, Sandy Hamilton-Manager of Accounting, Chris Evans-Manager of Operations, Lacy Elliott-Administrative Coordinator, Cecilia Davila-Administrative Assistant, and Gloria Matheson-Intern

**Legal Counsel:**

**Others:** George McMahan John Hamilton

**Call the meeting to order.**

Joe Rapier called the meeting to order at 8:05 a.m.

**ITEM 1** **Citizen Comments** – Joe Rapier called for any citizen comments. There were none.

**ITEM 2** **Hold an Executive Session.** Joe Rapier called the Executive Session to order at 8:06 a.m.

- a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property.
- b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters.

Executive Director  
Manager of Business Development

Manager of Accounting  
Manager of Operations  
Operations Lead  
Service Technician  
Service Technician  
Administrative Coordinator  
Administrative Assistant  
Board of Directors

- c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.

No action was taken in the Executive Session.

**Reconvene the Board of Directors Meeting**

Joe Rapier adjourned the Executive Session at 10:05 a.m. and reconvened Open Session at 10:15 a.m.

- ITEM 3**      **Consider the Minutes of the June 22, 2021, Board of Directors Meeting.**  
**Action Item** – Todd McKee moved to approve the minutes and Dewayne Askins seconded. The minutes were approved 6-0.
- ITEM 4**      **Consider Board Appointments/Reappointment for John Tye, George McMahan, and John Hamilton** **Action Item** – Steve Verett moved to approve the appointments of George McMahan and John Hamilton and the reappointment of John Tye to the LRR board. Tim Pierce seconded, and the motion passed 6-0.
- ITEM 5**      **Consider Lease for Building 790, for Texas Tech University** **Action Item** – Tim Pierce moved to approve the lease and John Tye seconded, and the motion passed 6-0.
- ITEM 6**      **Consider Awarding Bid for New Roof on Building 70.** **Action Item** – Steve Verett moved to award the bid to Schrader Roofing, the lowest responsible bidder. Tim Pierce seconded, and the motion passed with a 6-0 vote.
- ITEM 7**      **Preliminary FY2022 Operating, Fiber Optics & Capital Budgets.** **Discussion Item** - No action required. Murvat presented and discussed current and preliminary budgets.
- ITEM 8**      **Financial Reports and Make Ready Cost Reporting.** **Discussion Item** - Sandy Hamilton presented financial reports.
- ITEM 9**      **Marketing Report.** **Discussion Item** – No action required. Lacy Elliott presented social media updates and comments.

**ITEM 10      Reese Events and Activities. Discussion Item** – No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

**Adjourn the meeting.** Joe Rapier adjourned the meeting at 11:04 a.m.

Content of minutes agreed to and approved by:

Approved by \_\_\_\_\_  
Joseph R. Rapier, President

ATTEST:

\_\_\_\_\_  
LRRR Board Member



**LUBBOCK REESE REDEVELOPMENT AUTHORITY  
EXECUTIVE / COMPENSATION COMMITTEE MEETING MINUTES  
September 7, 2021**

The Lubbock Reese Redevelopment Authority held a meeting of the Executive / Compensation Committee of the Board of Directors at 3:00 p.m. on Wednesday, September 7, 2021 at Peoples Bank, 5820 82<sup>nd</sup> Street, Lubbock, TX 79424.

These are the minutes of the Executive / Compensation Committee of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

**Members Present:**                      Todd McKee                      Steve Verett                      Joe Rapier

**Members Absent:**                      None

**Others Present**

**Reese Staff:**                              Murvat Musa

**Legal Counsel:**                          None

**Others:**                                      None

---

---

**Call the meeting to order**

Todd McKee called the meeting to order at 3:02 p.m.

Todd McKee called the Executive Session to order at 3:02 p.m.

1. A. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters:
  - a. Executive Director
  - b. Manager of Business Development
  - c. Manager of Accounting
  - d. Manager of Operations
  - e. Operations Lead
  - f. Service Technician / Security
  - g. Service Technician
  - h. Administrative Coordinator
  - i. Administrative Assistant

No action was taken in Executive Session.

Todd McKee adjourned the Executive Session and the meeting at 4:20 p.m.

Content of minutes agreed to and approved by:

Approved by \_\_\_\_\_  
Todd McKee, Compensation Committee Chairman

ATTEST:

\_\_\_\_\_  
LRRRA Compensation Committee Member

**AGENDA ITEM 5**  
**COMPENSATION COMMITTEE RECOMMENDATION**  
**FY2022 MBD INCENTIVE PAY PLAN, EMPLOYEE BONUS PLAN, AND EXECUTIVE**  
**DIRECTOR INCENTIVE PAY AND BONUS PLAN**

Staff is requesting board approval for the FY2022 MBD Incentive Pay Plan, Employee Bonus Plan, and Executive Director Incentive Pay and Bonus Plan as recommended by the Compensation Committee. The plans, which are the same as the FY2021 plans, are attached for your review.

## **Proposed Incentive & Bonus Pay Plan FY2022 Executive Director**

The Executive Director (ED) will receive Incentive and Bonus Pay as follows:

1. The ED will receive fifty percent (50%) of the amount earned by the Manager of Business Development (MBD). If the MBD is not employed for the entire fiscal year, revenue earned because of the sole activity of the ED will also earn 50% of what the MBD would have earned.
2. The ED will be evaluated and rewarded for her efforts on the top priorities of the Board.
3. In addition, the ED will be evaluated on any other areas where the ED has exceeded the duties of her job or made an exceptional positive impact on the organization or customers. The Compensation Committee will evaluate and recommend to the Board a bonus amount commensurate with those efforts. This annual review will take place in November.
4. All approved incentive and bonus pay will be paid to the ED on December 1, 2022.

## **Proposed FY2022 Employee Bonus Plan**

LRRA has two ways to reward and retain employees for their performance. One is through a merit increase and the other is through a bonus plan. A proposed FY 2022 Employee Bonus Plan is outlined below.

Bonuses will be determined and paid to the employee by December 1, 2022. The Executive Director and Manager of Business Development do not participate in this plan since there is a plan specifically for those positions.

An employee may be eligible for a Bonus after two tests are met: The Organization Eligibility Test and the Individual Eligibility Test.

- The Organization Eligibility Test – this test is needed to determine whether any bonus pay will be available to employees.
  - An NOI of 90% of previous fiscal year.
  - A Customer Retention Rate of 90% of customers from previous fiscal year.
  - Customers that leave for reasons not related to customer service issues will not be included in the calculations.
- The Individual Eligibility Test - employees' bonus will be calculated based on their individual performance.
  - For an employee to be eligible for a bonus, they must either “exceed” or “meet” standards. The Performance Score Scale is 0 – 3. A score below 1.5 is not eligible for incentive pay, a score of 1.5 – 2.49 meets standards, and a score greater than or equal to 2.5 exceeds standards.
  - Notwithstanding an employee meeting the criteria above, and because a score does not always give a complete picture of an employee's performance, the Executive Director will have discretion in deciding who will and will not receive a bonus.
  - An employee may receive up to 100% of their base monthly salary (i.e. one month's salary) as a bonus. However, the Board may approve amounts greater than this. The amount will be recommended by the Executive Director.
  - An employees' base monthly salary is that base salary as of September 30.

The Executive Director will recommend the amount of bonus to the Compensation Committee for support of the recommendation, and the Board will have final approval.

The above plan will be reviewed annually and updated as needed and approved by the Board.

## **Proposed Incentive Pay Plan FY2022 Manager of Business Development**

Annual FY Maximum Incentive Pay \$100,000

The MBD will earn Incentive Pay based on Qualifying Incentive Revenue (QIR) as calculated and described below. The maximum amount of Incentive Pay that will be paid out in a single fiscal year is \$100,000.

Qualifying Incentive Revenue is defined as:

1. Revenue from renewals of existing customers after all renewal options in the current lease have been exhausted – 3% will be paid out as incentive for this type of revenue.
2. Revenue from a lease for existing customers that adds new square footage – 5% will be paid out as incentive for this type of revenue.
3. Revenue from a new customer – 8% will be paid out as incentive for this type of revenue.

Non- Qualifying Incentive Revenue is defined as:

1. Lease revenue for co-location space does not qualify.
2. Revenue from Right of Usage/Right of Entry Agreements does not qualify.

Other:

- Customer renewals that are part of the original existing lease are not eligible as QIR.
- Leases that are assigned or transferred to another customer, do not qualify as QIR.
- That portion of a lease payment that contains a capital expenditure reimbursement to Reese or a pass through payment to another entity, does not qualify as QIR.
- Claw Back Provision: if after incentive pay has been made to the MBD a tenant defaults on their lease, a prorated portion of the incentive pay will be reimbursed to Reese via a credit that must be met prior to any other incentive pay paid to the MBD. If the MBD resigns from Reese and owes any defaulted incentive pay to Reese, that amount must be repaid and may be withheld from the last paycheck.
- The incentive pay will be made to the MBD at the last pay period of each quarter (December, March, June, and September), if earned, following the lease approval and signature by both the tenant and Reese.
- This Incentive Plan will be administered on a fiscal year basis (October 1 – September 30), will be reviewed annually, and is subject to change.

**BOARD ACTION ITEM No. 2021-0922-092**  
**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY**  
**SEPTEMBER 22, 2021**

Item to be Considered:

Approval of the Compensation Committee Recommendation for the FY2022 MBD Incentive Pay Plan, Employee Bonus Plan, and ED Incentive Pay and Bonus Plan.

Previous Board Action:

The Board regularly approves compensation plans and incentive and/or bonus pay plans.

Statement of Pertinent Facts:

- a. The terms of these plans are the same as the approved plans for FY2021.
- b. The Compensation Committee has reviewed and supports these plans.
- c. A copy of all three plans are attached.

Advice, Opinions, Recommendations, and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the FY 2022 MBD Incentive Pay Plan, Employee Bonus Plan, and ED Incentive Pay and Bonus Plan, attached, as submitted, on this 22<sup>nd</sup> day of September 2021.”

---

Joseph R. Rapier, President

ATTEST:

---

LRRA Board Member

**AGENDA ITEM 6**  
**EXECUTIVE SUMMARY**  
**FY2022 LRRA BOARD AND HOLIDAY SCHEDULES**

Attached are the proposed LRRA holiday and board meeting schedules for Fiscal Year 2022 for your consideration and approval.



## LRRA HOLIDAY SCHEDULE FY 2021-2022

DATE	DAY OF WEEK	HOLIDAY
November 25, 2021	Thursday	Thanksgiving Day
November 26, 2021	Friday	Day after Thanksgiving Day
December 24, 2021	Friday	Christmas Day - Observed
December 27, 2021	Monday	Christmas Monday
December 28, 2021	Tuesday	Christmas Tuesday
December 30, 2021	Thursday	New Year's Eve – Observed
December 31, 2021	Friday	New Year's Day – Observed
April 15, 2022	Friday	Good Friday
May 30, 2022	Monday	Memorial Day
July 4, 2022	Monday	Independence Day
September 5, 2022	Monday	Labor Day

## LRRR BOARD MEETING SCHEDULE FISCAL YEAR 2021-2022

DATE	TIME	PLACE
October 27, 2021	8:00 a.m.	LRRR Board Room
November 24 meeting moved to December 8, 2021	8:00 a.m.	LRRR Board Room
December 22, 2021- Cancelled	8:00 a.m.	LRRR Offices Closed for Holiday
January 26, 2022	8:00 a.m.	LRRR Board Room
February 23, 2022	8:00 a.m.	LRRR Board Room
March 23, 2022	8:00 a.m.	LRRR Board Room
April 27, 2022	8:00 a.m.	LRRR Board Room
May 25, 2022	8:00 a.m.	LRRR Board Room
June 22, 2022	8:00 a.m.	LRRR Board Room
July 27, 2022 – Cancelled	8:00 a.m.	Board meeting canceled for vacations/lack of quorum
August 24, 2022	8:00 a.m.	LRRR Board Room
September 28, 2022	8:00 a.m.	LRRR Board Room

**BOARD ACTION ITEM #2021-0922-093**

**BOARD OF DIRECTORS  
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)  
September 22, 2021**

**Item to Be Considered :**

Approve FY 2021-2022 LRRRA Holiday Schedule and LRRRA Board of Directors Meeting Schedule

**Previous Board Action:**

- a. The LRRRA Board of Directors approves the annual Holiday Schedule and Meeting Schedule as a routine matter at the end of every fiscal year.

**Statement of Pertinent Facts:**

- a. See Holiday Schedule Attached.
- b. See Board of Directors Meeting Schedule attached.

**Advice Opinions Recommendations and Motion:**

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the FY 2021-2022 LRRRA Holiday Schedule and LRRRA Board of Directors Meeting Schedule as submitted on the 22<sup>nd</sup> day of September, 2021.”

Approved by: \_\_\_\_\_  
Joseph R. Rapier - President

ATTEST: \_\_\_\_\_  
LRRRA Board Member

## AGENDA ITEM 7

### EXECUTIVE SUMMARY

### FY2022 FIBER OPTICS BUDGET

We are pleased to present you with the following proposed Fiber Optics budget for Fiscal Year 2022. A summary of FY2021 and five years comparison are below.

#### Current Year – FY 2021

- We project total income at FYE to be approximately \$224,450, about 2% more than the budgeted amount of \$220,000.
- On the expense side, we expect total expenses of \$143,758, an approximate 2.5% decrease than what was budgeted.
- We project to end FY 2021 with net income before depreciation of approximately \$80,692, versus the budgeted amount of \$72,500 resulting in a 11% increase then what was projected.

#### Proposed Budget – FY 2022

- Our proposed FY 2022 budget calls for small growth in use of fiber by customers and the loss of United Supermarket resulting in less data center income over FY2021. Income is projected to be \$207,000.
- FY 2022 projected expenses, \$142,500, are about even with the FY 2021 projected year end amount of \$143,758.

### FIBER OPTICS FUND - COMPARISON

	FY 2018 - Audited	FY 2019 - Audited	FY 2020 - Audited	FY 2021 - Projected	FY 2022 - Proposed
TOTAL INCOME	\$ 200,921	\$ 196,291	\$ 217,781	\$ 224,450	\$ 207,000
TOTAL EXPENSES	\$ 193,505	\$ 169,211	\$ 166,652	\$ 143,758	\$ 142,500
NET INCOME	\$ 7,416	\$ 27,080	\$ 51,129	\$ 80,692	\$ 64,500

Amounts do not include depreciation & capital expenses

**FIBER OPTICS BUDGET - FY2022 PROPOSED**

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2021 ACTUAL YTD AUGUST 31, 2021	FYE 2021 APPROVED BUDGET	FYE 2021 PROJECTED YEAR END	FYE 2021 % Change Approved Budget to Projected Year End	FYE 2022 PROPOSED BUDGET	% Change FYE21 Projected YE to FYE22 Proposed	% Change FYE21 Approved Budget to FYE22 Proposed	NOTES
1												
2	INCOME							Column F to G		Column G to I	Column F to I	
3		4260	0	Usage Fees	\$ 23,066.32	\$ 30,000.00	\$ 25,163.26	-16.12%	\$ 12,000.00	-52.31%	-60.00%	Metered usage charged to customers-TTU, & SitePro
5		4800	0	Fiber Optic Income	\$ 182,679.68	\$ 190,000.00	\$ 199,286.92	4.89%	\$ 195,000.00	-2.15%	2.63%	Co-location leases, fiber & conduit fees. United to move out.
6	INCOME TOTAL				\$ 205,746.00	\$ 220,000.00	\$ 224,450.18	2.02%	\$ 207,000.00	-7.77%	-5.91%	
7												
8	UTILITIES	5220	502	Internet Charges	\$ 18,763.74	\$ 22,000.00	\$ 20,469.53	-6.96%	\$ 22,000.00	7.48%	0.00%	UPN \$1550/mo 80% billed to DC. Suddenlink \$490 100% to DC
9		5380	423	Electric	\$ 58,718.83	\$ 60,000.00	\$ 64,056.91	6.76%	\$ 60,000.00	-6.33%	0.00%	SPEC bill for data center, avg monthly \$5000
10		5380	439	Gas	\$ 1,457.27	\$ 1,700.00	\$ 1,589.75	-6.49%	\$ 1,700.00	6.94%	0.00%	Atmos bill for data center
11	UTILITIES TOTAL				\$ 78,939.84	\$ 83,700.00	\$ 86,116.19	2.89%	\$ 83,700.00	-2.81%	0.00%	
12												
13	ADMINISTRATION	5310	428	Janitorial Cleaning	\$ 3,455.87	\$ 3,800.00	\$ 3,770.04	-0.79%	\$ 3,800.00	0.79%	0.00%	Valentines \$314.17 per month
14		5350	114	Insurance	\$ 8,226.39	\$ 9,000.00	\$ 8,974.24	-0.29%	\$ 10,000.00	11.43%	11.11%	TML. 5% of all insurance except workers comp is allocated here
16	ADMIN TOTAL				\$ 11,682.26	\$ 12,800.00	\$ 12,744.28	-0.44%	\$ 13,800.00	8.28%	7.81%	
17												
18	OPERATIONS	5560	0	Building Maintenance	\$ 5,873.24	\$ 10,000.00	\$ 6,407.17	-35.93%	\$ 10,000.00	56.08%	0.00%	Expenses for all things related to B36
19		5800	0	Equipment Maintenance	\$ 8,333.00	\$ 11,000.00	\$ 9,090.55	-17.36%	\$ 11,000.00	21.00%	0.00%	Maintenance contracts. TDI \$4,268/yr, Eaton \$5,891/yr
20		5800	414	IT Support/NOC Maint	\$ 26,950.00	\$ 30,000.00	\$ 29,400.00	-2.00%	\$ 24,000.00	-18.37%	-20.00%	Switch \$1,950/mo & \$500/mo for United. United moving out.
21	OPERATIONS TOTAL				\$ 41,156.24	\$ 51,000.00	\$ 44,897.72	-11.97%	\$ 45,000.00	0.23%	-11.76%	
22												
23	EXPENSE TOTAL				\$ 131,778.34	\$ 147,500.00	\$ 143,758.19	-2.54%	\$ 142,500.00	-0.88%	-3.39%	
24												
25	NET INCOME BEFORE DEPRECIATION				\$ 73,967.66	\$ 72,500.00	\$ 80,691.99	11.30%	\$ 64,500.00	-20.07%	-11.03%	
26	DEPRECIATION	5305	0	Depreciation	\$ 28,052.42	\$ 42,000.00	\$ 30,602.64	-27.14%	\$ 35,000.00	14.37%	100.00%	Actual needs to be trued up
27	NET INCOME				\$ 45,915.24	\$ 30,500.00	\$ 50,089.35	64.23%	\$ 29,500.00	-41.11%	-3.28%	
28												
29	FY 2021 CAPITAL PROJECTS											
30	None											
31												
32												
33	FY 2022 CAPITAL PROJECTS											
34	None											
35												
36												

## AGENDA ITEM 7

### EXECUTIVE SUMMARY

### FY2022 OPERATING BUDGET

We are pleased to present you with the following proposed Operating Budget for Fiscal Year 2022. A summary of FY2021 and five years comparison are below.

#### Current Year – FY 2021

- We project total income at FYE to be \$3,275,543 which is approximately 20% greater than what was budgeted. The increase is due to our ability to quickly replace lost income from the departure of Zachry Industrial and revenues from insurance proceeds.
- On the expense side, we expect total expenses of \$2,266,623, which is about 8% more than what was budgeted. Driving this increase is a \$131,000 expense for tree removal from RBP.
- We project to end FY 2021 with net income before depreciation of \$1,008,920 versus the budgeted amount of \$629,950; a 61% increase caused by a 20% increase in total revenues.

#### Proposed Budget – FY 2022

- Our proposed FY 2022 budget calls for net income of \$3,121,500. About 57% of the \$590,000 lost Zachry income has been replaced.
- Total expenses for FY2022 are projected to be \$2,880,020, an increase of 27% over the FY2021 projected year end. This increase is due to a proposed clean-up of the Reese Business Park that will cost approximately \$650,000.

#### OPERATING FUND - COMPARISON

	FY 2018 - Audited	FY 2019 - Audited	FY 2020 - Audited	FY 2021 - Projected	FY 2022 - Proposed
TOTAL INCOME	\$ 2,964,888	\$ 2,978,541	\$3,129,779	\$ 3,275,543	\$ 3,121,500
TOTAL EXPENSES	\$ 2,342,035	\$ 2,621,989	\$ 1,984,442	\$ 2,266,623	\$ 2,880,020
<b>NET INCOME</b>	<b>\$ 622,853</b>	<b>\$ 356,552</b>	<b>\$ 1,145,337</b>	<b>\$ 1,008,920</b>	<b>\$ 241,480</b>

Amounts do not include depreciation & capital expenses.

The increase in expenses in FY2019 was due to the large demo project.

The decrease in net income for the proposed FY2022 budget is due to the cleanup of RBP.

GENERAL OPERATING BUDGET - FY2022 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2021 ACTUAL YTD AUGUST 31, 2021	FYE 2021 APPROVED BUDGET	FYE 2021 PROJECTED YEAR END	FYE 2021 % Change Approved Budget to Projected Year End	FYE 2022 PROPOSED BUDGET	% Change FYE21 Projected YE to FYE22 Proposed	% Change FYE21 Approved Budget to FYE22 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
3	INCOME	4200	0	Lease	\$ 1,845,880.48	\$ 1,715,000.00	\$ 2,013,687.80	17.42%	\$ 2,100,000.00	4.29%	22.45%	Leases currently in place. Assumes customers will exercise option
4		4250	0	CAM	\$ 660,263.67	\$ 720,000.00	\$ 720,287.64	0.04%	\$ 720,000.00	-0.04%	0.00%	TTU, SPC, COL pay monthly. TTU agreement for FY22 has no increase
5		4260	0	Usage Fees	\$ 262,512.12	\$ 250,000.00	\$ 286,376.86	14.55%	\$ 250,000.00	-12.70%	0.00%	FY20=\$312, FY19=\$322K
6		4300	0	Contract Work	\$ 20,633.32	\$ 15,000.00	\$ 22,509.08	50.06%	\$ 15,000.00	-33.36%	0.00%	KBR Event extras
7		4350	0	Insurance Proceeds	\$ 188,523.42	\$ -	\$ 188,523.42	100.00%	\$ -	-100.00%	0.00%	Not budgeted
8		4400	0	Interest Income	\$ 9,592.00	\$ 6,500.00	\$ 10,464.00	60.98%	\$ 7,500.00	-28.33%	15.38%	PCB 25 bps on account and Peoples Bank 0 bps on Sweep Account
10		4650	423	Utility Franchise Fee - Electric	\$ 22,516.76	\$ 20,000.00	\$ 24,563.74	22.82%	\$ 20,000.00	-18.58%	0.00%	SPEC franchise fees, pays monthly based on customer usage
11		4650	439	Utility Franchise Fee - Gas	\$ 9,130.92	\$ 9,000.00	\$ 9,130.92	1.45%	\$ 9,000.00	-1.43%	0.00%	Atmos franchise fees pays once per year
12	INCOME TOTAL				\$ 3,019,052.69	\$ 2,735,500.00	\$ 3,275,543.45	19.74%	\$ 3,121,500.00	-4.70%	14.11%	
13												
14	PAYROLL	5100	0	Salaries	\$ 682,099.42	\$ 715,000.00	\$ 744,108.46	4.07%	\$ 780,000.00	4.82%	9.09%	Includes \$ for MBD incentive cap \$100k and other for rest of emp \$60K
15		5110	0	Payroll Taxes	\$ 52,203.68	\$ 55,000.00	\$ 56,949.47	3.54%	\$ 59,000.00	3.60%	7.27%	Based on number above
16		5120	116	Insurance - Health	\$ 80,202.90	\$ 87,000.00	\$ 87,494.07	0.57%	\$ 85,000.00	-2.85%	-2.30%	plans changed and rate decreased
17		5120	117	Insurance - Dental/Vision	\$ 4,412.32	\$ 4,900.00	\$ 4,813.44	-1.77%	\$ 4,900.00	1.80%	0.00%	no rate increase
18		5120	118	Insurance - Life/AD&D	\$ 308.88	\$ 400.00	\$ 336.96	-15.76%	\$ 350.00	3.87%	-12.50%	no rate increase
19		5120	119	Insurance - LTD	\$ 5,621.33	\$ 5,400.00	\$ 6,132.36	13.56%	\$ 6,200.00	1.10%	14.81%	Principle Financial
20		5120	120	Insurance - Dread Disease	\$ 3,316.83	\$ 4,000.00	\$ 3,618.36	-9.54%	\$ 3,700.00	2.26%	-7.50%	Manhattan
21		5140	121	Insurance - Workers Comp	\$ 6,589.70	\$ 6,200.00	\$ 7,188.76	15.95%	\$ 8,000.00	11.28%	29.03%	TML - based on actual rate plus audit extra
22		5150	131	Retirement - TCDRS	\$ 18,552.99	\$ 21,000.00	\$ 20,239.63	-3.62%	\$ 28,000.00	38.34%	33.33%	Rate changes in January 22 from 2.77% to 3.95%
23		5700	211	Payroll Service	\$ 993.10	\$ 1,000.00	\$ 1,083.38	8.34%	\$ 1,000.00	-7.70%	0.00%	Snelling fees for processing payroll
24	PAYROLL TOTAL				\$ 854,301.15	\$ 899,900.00	\$ 931,964.89	3.56%	\$ 976,150.00	4.74%	8.47%	

GENERAL OPERATING BUDGET - FY2022 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2021 ACTUAL YTD AUGUST 31, 2021	FYE 2021 APPROVED BUDGET	FYE 2021 PROJECTED YEAR END	FYE 2021 % Change Approved Budget to Projected Year End	FYE 2022 PROPOSED BUDGET	% Change FYE21 Projected YE to FYE22 Proposed	% Change FYE21 Approved Budget to FYE22 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
25	ADMINISTRATION											
26		2651	111	Prin Exp Xerox Lease Copier Payment	\$ 2,769.07	\$ 3,100.00	\$ 3,020.80	-2.55%	\$ 3,210.00	6.26%	3.55%	Principle portion of Xerox lease payment, expires March 2024
27		5200	101	General Office Supplies	\$ 11,046.39	\$ 10,000.00	\$ 12,050.61	20.51%	\$ 10,000.00	-17.02%	0.00%	General office supplies. Includes Xerox usage expenses
28		5200	103	Office Equip/Software	\$ 19,242.67	\$ 20,000.00	\$ 20,992.00	4.96%	\$ 20,000.00	-4.73%	0.00%	software/hardware. \$17K is software
29		5210	101	Board Expenses	\$ 1,482.49	\$ 1,500.00	\$ 1,617.26	7.82%	\$ 1,500.00	-7.25%	0.00%	Board breakfast
30		5250	111	Interest Exp Xerox Copier Lease	\$ 485.68	\$ 550.00	\$ 529.83	-3.67%	\$ 360.00	-32.05%	-34.55%	Interest portion of lease payment which expires March 2024
31		5310	107	Janitorial/Building Maint	\$ 23,679.35	\$ 22,000.00	\$ 25,832.02	17.42%	\$ 25,000.00	-3.22%	13.64%	Valentines. Includes B800, 50, 20
32		5320	106	Telephone Admin Cell	\$ 2,215.68	\$ 2,400.00	\$ 2,417.11	0.71%	\$ 2,400.00	-0.71%	0.00%	Cell phone reimbursements for 4 emp at \$50 per month
33		5340	127	Postage	\$ 1,706.39	\$ 2,000.00	\$ 1,861.52	-6.92%	\$ 2,000.00	7.44%	0.00%	Postage and cost of machine and equipment
34		5350	114	Insurance - Liability & Property	\$ 156,342.31	\$ 175,000.00	\$ 170,555.25	-2.54%	\$ 191,300.00	12.16%	9.31%	TML Insurance
35		5360	208	License and Fee	\$ 1,079.00	\$ 1,000.00	\$ 1,177.09	17.71%	\$ 1,500.00	27.43%	50.00%	TCEQ , boiler, and elevator licenses/fees
36		5363	124	Staff Meetings	\$ 3,268.19	\$ 5,000.00	\$ 3,565.30	-28.69%	\$ 5,000.00	40.24%	0.00%	Staff lunch meetings & employee Christmas Party
37		5363	305	Meetings & Memberships	\$ 919.00	\$ 3,000.00	\$ 1,002.55	-66.58%	\$ 3,000.00	199.24%	0.00%	Overflow Chamber events. For those not scheduled
40		5400	125	Recruitment - Customer and New Emp	\$ 1,629.96	\$ 1,000.00	\$ 1,778.14	77.81%	\$ 1,000.00	-43.76%	0.00%	D&B used for vetting customers
41		5400	303	Advertising & Printing	\$ 382.00	\$ 2,000.00	\$ 416.73	-79.16%	\$ 2,000.00	379.93%	0.00%	Stationary - letterhead, envelopes, checks
42		5410	132	Awards & Recognition	\$ -	\$ 500.00	\$ 250.00	-50.00%	\$ 500.00	100.00%	0.00%	Employee service awards
43		5540	134	Prof Services - Document Shredding	\$ 1,072.93	\$ 1,200.00	\$ 1,170.47	-2.46%	\$ 1,200.00	2.52%	0.00%	VRC storage and shredding. Reduced services in 2020
44		5540	401	Prof Services - Campus	\$ 5,000.00	\$ 2,000.00	\$ 5,000.00	150.00%	\$ 2,000.00	-60.00%	0.00%	Other Staff training and other misc. services
45		5545	112	Serv Contract - Network Maintenance	\$ 7,171.54	\$ 8,000.00	\$ 7,823.50	-2.21%	\$ 8,000.00	2.26%	0.00%	Switch IT support. Maint contract is \$2772 yr
46		5610	110	ED Travel/Meetings	\$ 1,425.40	\$ 3,500.00	\$ 1,554.98	-55.57%	\$ 3,500.00	125.08%	0.00%	ED training/travel
47		5620	404	Campus Training	\$ 1,485.24	\$ 5,000.00	\$ 1,620.26	-67.59%	\$ 5,000.00	208.59%	0.00%	All other employee training, SGR and cyber security
48		5700	203	Audit Fee	\$ 30,900.00	\$ 30,900.00	\$ 30,900.00	0.00%	\$ 37,000.00	19.74%	19.74%	Per Jimmy \$32,000 for audit and \$5000 for single audit
49		5710	113	Legal Fees	\$ 26,603.00	\$ 50,000.00	\$ 29,021.45	-41.96%	\$ 50,000.00	72.29%	0.00%	FY16 \$61,000, FY17 \$45,000, FY18 \$23,400, FY19 \$38,612, FY20\$36,391
50	ADMIN TOTAL				\$ 299,906.29	\$ 349,650.00	\$ 324,156.86	-7.29%	\$ 375,470.00	15.83%	7.38%	



GENERAL OPERATING BUDGET - FY2022 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2021 ACTUAL YTD AUGUST 31, 2021	FYE 2021 APPROVED BUDGET	FYE 2021 PROJECTED YEAR END	FYE 2021 % Change Approved Budget to Projected Year End	FYE 2022 PROPOSED BUDGET	% Change FYE21 Projected YE to FYE22 Proposed	% Change FYE21 Approved Budget to FYE22 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
51												
52	UTILITIES	5380	122	Telephone Land Line	\$ 8,475.84	\$ 8,500.00	\$ 9,246.37	8.78%	\$ 9,300.00	0.58%	9.41%	Digium \$220/mo and Vexus \$480/mo
53		5380	405	Water	\$ 168,030.79	\$ 200,000.00	\$ 183,306.32	-8.35%	\$ 200,000.00	9.11%	0.00%	COL bill. FY20=\$197,000 FY19=\$200,000, FY18=\$122,000
54		5380	423	Electricity	\$ 97,822.07	\$ 88,000.00	\$ 106,714.99	21.27%	\$ 90,000.00	-15.66%	2.27%	SPEC bill
55		5380	439	Gas	\$ 13,674.50	\$ 12,000.00	\$ 14,917.64	24.31%	\$ 15,000.00	0.55%	25.00%	Atmos bill
56		5380	502	Internet	\$ 4,306.83	\$ 4,500.00	\$ 4,698.36	4.41%	\$ 4,600.00	-2.09%	2.22%	Vexus for KBR = \$70/mo and UPN billed 20% = \$310/mo
57	UTILITIES TOTAL				\$ 292,310.03	\$ 313,000.00	\$ 318,883.67	1.88%	\$ 318,900.00	0.01%	1.88%	
58												
59	MARKETING	5430	102	Office Enhancements	\$ 173.58	\$ 1,000.00	\$ 189.36	-81.06%	\$ 1,000.00	428.09%	0.00%	Décor
60		5430	133	Sponsorships	\$ 9,332.00	\$ 7,000.00	\$ 10,180.36	45.43%	\$ 8,500.00	-16.51%	21.43%	Chamber, LEDA, LBB Apt Assn, FISD, SPC Events, United Way
61		5430	301	Marketing General	\$ 2,904.43	\$ 3,000.00	\$ 3,168.47	5.62%	\$ 3,000.00	-5.32%	0.00%	Other marketing
62		5430	302	ED Expenses	\$ 9,742.66	\$ 5,000.00	\$ 10,628.36	112.57%	\$ 7,000.00	-34.14%	40.00%	ED lunch's with customers, customer gifts/Christmas gifts
63		5430	303	Advertisement & Printing	\$ 226.00	\$ 2,000.00	\$ 246.55	-87.67%	\$ 2,000.00	711.21%	0.00%	Other marketing ads
64		5430	304	Ads in Publications	\$ 385.00	\$ 1,000.00	\$ 420.00	-58.00%	\$ 1,000.00	100.00%	0.00%	Magazine ads
65		5430	305	Meetings & Memberships	\$ 1,387.72	\$ 3,000.00	\$ 1,513.88	-49.54%	\$ 3,000.00	98.17%	0.00%	MBD Memberships - Highgrounds, etc. and prof orgn meetings
66		5430	307	MBD Meals and Ent	\$ 4,533.15	\$ 2,000.00	\$ 4,945.25	147.26%	\$ 2,000.00	-59.56%	0.00%	MBD customer and potential customer lunches
67		5430	310	MBD Travel	\$ 1,146.12	\$ 2,000.00	\$ 1,250.31	-37.48%	\$ 2,000.00	59.96%	0.00%	Conference travel
68		5430	311	Marketing Training	\$ -	\$ -	\$ -	0.00%	\$ 2,000.00	100.00%	100.00%	Leadership Lubbock, other
69		5430	312	Technology	\$ 16,164.83	\$ 25,000.00	\$ 17,634.36	-29.46%	\$ 25,000.00	41.77%	0.00%	LoopNet \$4860/yr, Contract Cre8tive \$3800/yr, Adobe Stock \$360
70	MARKETING TOTAL				\$ 45,995.49	\$ 51,000.00	\$ 50,176.90	-1.61%	\$ 56,500.00	12.60%	10.78%	
71												

GENERAL OPERATING BUDGET - FY2022 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2021 ACTUAL YTD AUGUST 31, 2021	FYE 2021 APPROVED BUDGET	FYE 2021 PROJECTED YEAR END	FYE 2021 % Change Approved Budget to Projected Year End	FYE 2022 PROPOSED BUDGET	% Change FYE21 Projected YE to FYE22 Proposed	% Change FYE21 Approved Budget to FYE22 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
72	OPERATIONS	5900	401	Campus General	\$ 157,970.27	\$ 30,000.00	\$ 161,970.27	439.90%	\$ 680,000.00	319.83%	2166.67%	Things that don't fit anywhere else. YTD expense includes \$131K for tree removal and proposed budget Includes \$650K for RBP cleanup
73		5900	402	Shop Supplies	\$ 8,004.26	\$ 7,000.00	\$ 8,731.92	24.74%	\$ 7,000.00	-19.83%	0.00%	Supplies for shop
74		5900	403	Tools & Tool Repair	\$ 10,273.63	\$ 5,000.00	\$ 11,207.60	124.15%	\$ 5,000.00	-55.39%	0.00%	Tools and small repairs
75		5900	405	Water System	\$ 10,435.36	\$ 10,000.00	\$ 11,384.03	13.84%	\$ 10,000.00	-12.16%	0.00%	Repairs for water system breaks
76		5900	406	Ops Cell Phone	\$ 3,947.39	\$ 5,000.00	\$ 4,306.24	-13.88%	\$ 5,000.00	16.11%	0.00%	4 cell phone reimb = \$2400 per yr plus Verizon iPad at \$180/mo
77		5900	407	Work Clothes	\$ 803.98	\$ 2,000.00	\$ 877.07	-56.15%	\$ 2,000.00	128.03%	0.00%	Per policy, 11 shirts, 6 pants, 3 shorts, 1 jacket, 1 shoes
78		5900	417	Animal/Pest control	\$ 1,415.00	\$ 1,000.00	\$ 1,543.64	54.36%	\$ 1,000.00	-35.22%	0.00%	Terminix and other bills associated with pest removal (L. Watson)
79		5900	419	Building Security	\$ 10,643.29	\$ 12,000.00	\$ 11,610.86	-3.24%	\$ 12,000.00	3.35%	0.00%	All security: S2 - toll tags, badges, software, Corvus - B800, B36, pump house, keys and cores
80		5900	420	Roof	\$ 11,412.96	\$ 5,000.00	\$ 12,450.50	149.01%	\$ 5,000.00	-59.84%	0.00%	Roof repairs
81		5900	421	HVAC	\$ 16,518.32	\$ 20,000.00	\$ 18,019.99	-9.90%	\$ 20,000.00	10.99%	0.00%	Anthony Mechanical annual maint fees
82		5900	422	Painting	\$ 1,153.93	\$ 10,000.00	\$ 1,258.83	-87.41%	\$ 15,000.00	1091.58%	50.00%	No large paint projects planned
83		5900	423	Electric	\$ 35,469.58	\$ 8,000.00	\$ 38,694.09	383.68%	\$ 8,000.00	-79.33%	0.00%	LED replacement and some electrical outsourcing
84		5900	424	Fence Repair	\$ 10,543.13	\$ 3,000.00	\$ 11,501.60	283.39%	\$ 3,000.00	-73.92%	0.00%	Fence repairs - mostly collected from insurance
85		5900	425	Plumbing & Irrigation	\$ 12,717.61	\$ 10,000.00	\$ 13,873.76	38.74%	\$ 10,000.00	-27.92%	0.00%	Plumbing repairs
86		5900	428	Cleaning	\$ 2,841.67	\$ 2,500.00	\$ 3,100.00	24.00%	\$ 2,500.00	-19.35%	0.00%	Building cleaning to enable customer walk through. Cintas mat cleaning
87		5900	429	Building Make Ready	\$ 16,471.34	\$ 3,500.00	\$ 17,968.73	413.39%	\$ 5,000.00	-72.17%	42.86%	For new customer move in
88		5900	430	Ground Maintenance	\$ 252,398.92	\$ 285,000.00	\$ 275,344.28	-3.39%	\$ 285,000.00	3.51%	0.00%	L&N = \$204,705. Chrestman = \$68,900
89		5900	434	Signage	\$ 3,025.18	\$ 3,000.00	\$ 3,300.20	10.01%	\$ 3,000.00	-9.10%	0.00%	Signs as needed for new customers
90		5900	440	Door Repair	\$ 2,513.35	\$ 5,000.00	\$ 2,741.84	-45.16%	\$ 5,000.00	82.36%	0.00%	Repair of doors
91		5900	441	Environmental	\$ 600.00	\$ 2,500.00	\$ 654.55	-73.82%	\$ 2,500.00	100.00%	0.00%	Misc. environmental
92		5900	442	Safety Supplies	\$ 1,472.47	\$ 2,000.00	\$ 1,606.33	-19.68%	\$ 2,000.00	24.51%	0.00%	Safety equipment; harnesses, etc..
93		5900	445	Architect & Engineering	\$ 7,607.35	\$ 40,000.00	\$ 8,298.93	-79.25%	\$ 40,000.00	381.99%	0.00%	Parkhill misc engineering fees
94		5900	448	KBR Event Expenses	\$ 3,370.98	\$ 10,000.00	\$ 3,677.43	-63.23%	\$ 10,000.00	171.93%	0.00%	Equipment rented for KBR events. Mostly vehicles.
95		5900	449	Vehicle Repair & Maint	\$ 8,054.57	\$ 3,500.00	\$ 8,786.80	151.05%	\$ 5,000.00	-43.10%	42.86%	Vehicle repairs
96		5900	450	Gas/Fuel	\$ 5,820.27	\$ 7,000.00	\$ 6,349.39	-9.29%	\$ 7,000.00	10.25%	0.00%	Fuel for vehicles and equipment
97		5900	451	Windows	\$ 1,999.85	\$ 3,000.00	\$ 2,181.65	-27.28%	\$ 3,000.00	37.51%	0.00%	Broken window repairs
98	OPERATIONS TOTAL				\$ 597,484.66	\$ 495,000.00	\$ 641,440.51	29.58%	\$ 1,153,000.00	79.75%	132.93%	
99												
100	EXPENSE TOTAL				\$ 2,089,997.62	\$ 2,108,550.00	\$ 2,266,622.83	7.50%	\$ 2,880,020.00	27.06%	36.59%	
101	NET INCOME BEFORE DEPRECIATION				\$ 929,055.07	\$ 626,950.00	\$ 1,008,920.62	60.93%	\$ 241,480.00	-76.07%	-61.48%	
102	DEPRECIATION	5305		Depreciation	\$ 499,896.54	\$ 565,000.00	\$ 545,341.68	-3.48%	\$ 570,000.00	4.52%	NA	update
103	NET INCOME				\$ 429,158.53	\$ 61,950.00	\$ 463,578.94	648.31%	\$ (328,520.00)	-170.87%	-630.30%	

## FYE 2022 CAPITAL PROJECTS

### Seal Coat

Staff is requesting \$75,000 for street seal coat. This is part of an on-going street maintenance plan which will put the roads on a rotating five year schedule.



### Bobcat Skid Steer

We need a skid steer, a very versatile piece of equipment, that can do so much more than any equipment we currently have. We can purchase a good, used one for \$35,000.



### **Valve Maintenance Trailer**

If we learned anything from the February freeze event (Winter Storm Uri) it is that we need to be able to exercise/turn our water valves without breaking them. The equipment we currently use for this is unable to turn large valves. This piece of equipment will save us a fortune in broken valves and lost water. It is also capable of helping locate lines (pot holing). We estimate the cost to be \$83,000.





### **New Roof – Building 210**

Building 210, the gym, is currently occupied by Premier. This building has two roofs, an upper roof that covers the gym floor and a lower roof that covers the rest of the building. While the upper roof is currently in good condition, the lower roof needs replacing. Since Premier moved in, we have had the lower roof repaired of leaks several times and it is now time to replace it. A TPO roof is estimated to be \$50,000.



### **Isolation Valves – South Campus**

Installing isolation valves around campus has been an on-going project. Installing these valves on the south side of campus will allow us to repair water lines while not having to shut off all of Texas Tech University buildings. The estimate of \$50,000 is for three valves.



### Parking lot at Hanger 92

Hanger 92 is occupied by Rhodes USA. There is no parking for this building and to keep traffic off the flight line and provide parking for this building as well as a neighboring building, staff is requesting installing a new parking lot at an estimated cost of \$60,000.



<b>FY 2021 CAPITAL PROJECTS</b>	<b>ACTUAL YTD</b>		<b>APPROVED BUDGET</b>	
EDA Grant Match for Airfield Project	\$	38,860.78	\$	865,600.00
2020 Seal Coat Roll Over & 2021 Seal Coat	\$	85,232.68	\$	150,000.00
<b>TOTAL</b>	<b>\$</b>	<b>124,093.46</b>	<b>\$</b>	<b>1,015,600.00</b>

<b>FY 2022 PROPOSED CAPITAL PROJECTS</b>	<b>PROPOSED BUDGET</b>	
Bobcat Skid Steer - Used	\$	35,000.00
Valve Maintenance Trailer	\$	83,000.00
2022 Seal Coat	\$	75,000.00
B210 Lower Roof	\$	50,000.00
Isolation Valves - South Campus	\$	50,000.00
B92 New Parking Lot	\$	60,000.00
<b>TOTAL</b>	<b>\$</b>	<b>353,000.00</b>



**BOARD ACTION ITEM #2021-0922-094**

**BOARD OF DIRECTORS  
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)  
SEPTEMBER 22, 2021**

**Item to be Considered:**

Approve FY 2021-2022 Annual Operating, Fiber Optics, and Capital Improvement Budgets

**Previous Board Action:**

- a. ***June 22, 2021*** – The Board was provided a preliminary detailed budget for FY 2020-2021 for review, discussion, and comment at the regular board meeting.
- b. ***August 25, 2021*** – An \*updated\* preliminary budget was presented to the Board at the regular meeting.

**Statement of Pertinent Facts:**

- a. The full LRRRA staff reviewed current and past budget statements and past expenditures as well as anticipated expenditures for development of the FY 2021-2022 Budget.
- b. A Detailed Budget report was prepared and presented to the full Board for discussion and input.
- c. The FY 2021-2022 Budget has been reviewed and discussed with management by the LRRRA Board of Directors and Board President.

**Advice, Opinions, Recommendations and Motion:**

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the FY 2021-2022 Annual Budgets, as submitted, on this 22<sup>nd</sup> day of September 2021.”

Approved by: \_\_\_\_\_  
Joseph R. Rapier - President

ATTEST: \_\_\_\_\_  
LRRRA Board Member

## CASH BALANCES - AUGUST 31, 2021

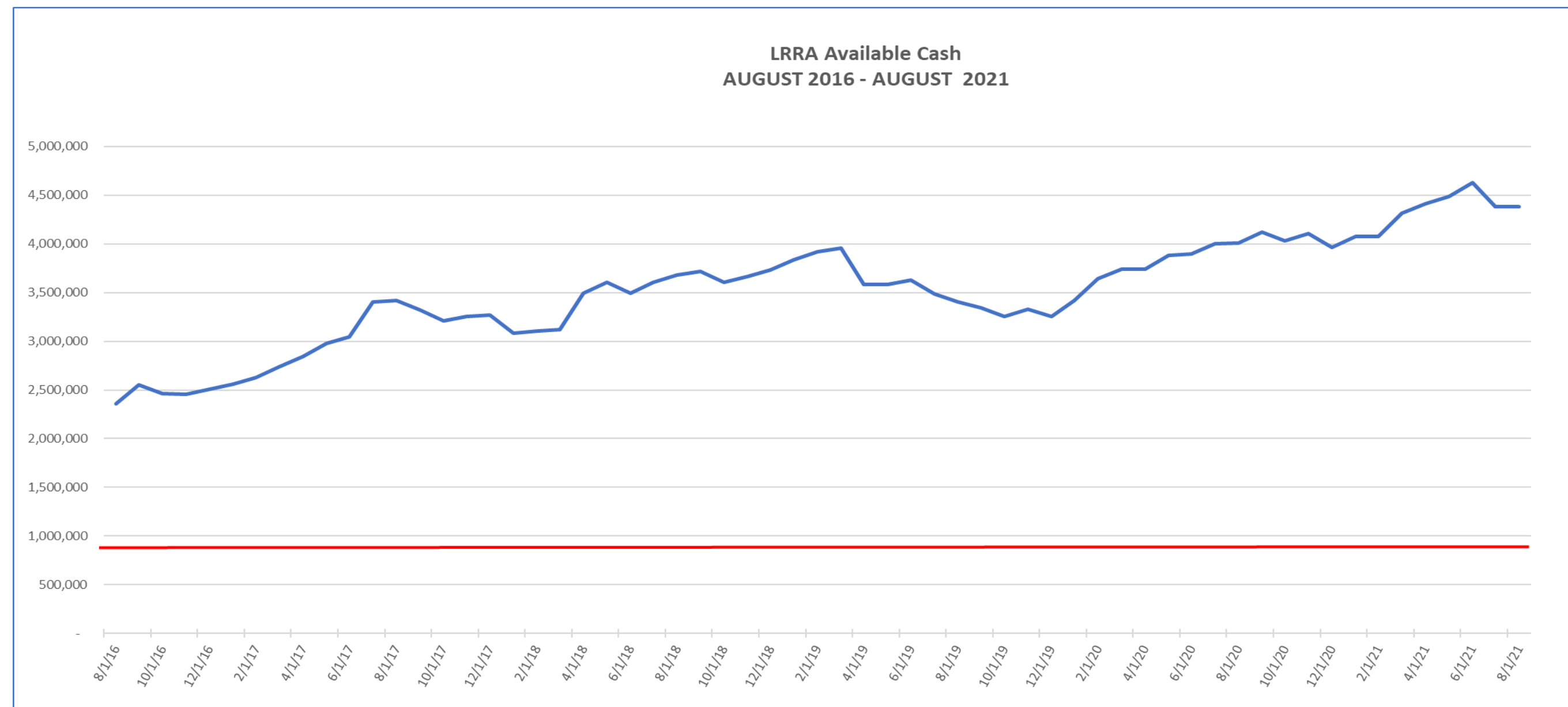
	7/31/2021	8/31/2021	Change
General Fund Bank Accounts	\$ 3,358,752	\$ 3,457,088	\$ 98,336
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 167,839	\$ 162,732	\$ (5,107)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ 100	\$ 100	\$ -
<b>Total Cash</b>	<b>\$ 4,381,691</b>	<b>\$ 4,474,920</b>	<b>\$ 93,229</b>
Accounts Receivable - G/F	\$ 272,427	\$ 288,309	\$ 15,882
Accounts Receivable - F/O	\$ 14,365	\$ 11,625	\$ (2,740)
<b>Total Accounts Receivable</b>	<b>\$ 286,792</b>	<b>\$ 299,934</b>	<b>\$ 13,142</b>
<b>Total Cash &amp; Accounts Receivable</b>	<b>\$ 4,668,483</b>	<b>\$ 4,774,854</b>	<b>\$ 106,371</b>

### Aged Accounts Receivable as of 08/31/2021

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
299,808.11	246,432.90	53,375.21	-	-	599,616.22

### Aged Accounts Receivable as of 09/16/2021

111,938.79	21,894.89	-	-	-	133,833.68
------------	-----------	---	---	---	------------



## FINANCIAL HIGHLIGHTS - AUGUST 2021

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 252,053	\$ 20,644	\$ 272,697	\$ 2,349,196	\$ 182,680	\$ 2,531,876	
Other Revenue - Usage Fees	\$ 60,024	\$ 1,926	\$ 61,950	\$ 660,264	\$ 23,066	\$ 683,330	
Total Revenue	\$ 312,077	\$ 22,570	\$ 334,647	\$ 3,009,460	\$ 205,746	\$ 3,215,206	
Expenses	\$ 197,957	\$ 12,690	\$ 210,647	\$ 2,087,230	\$ 131,778	\$ 2,219,008	
Net Income BPSID	\$ 114,120	\$ 9,880	\$ 124,000	\$ 922,230	\$ 73,968	\$ 996,198	
Interest Income - Plus	\$ 929		\$ 929	\$ 9,592		\$ 9,592	
Depreciation - Less	\$ (45,445)	\$ (2,550)	\$ (47,995)	\$ (499,897)	\$ (28,052)	\$ (527,949)	
Net Income	\$ 69,604	\$ 7,330	\$ 76,934	\$ 431,925	\$ 45,916	\$ 477,841	

### EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

FINAL - REMOVAL & DISPOSAL OF TREES IN FORMER HOUSEING 26,330.00

PARKHILL - SCHEMATIC FOR REESE BUSINESS PARK 4,700.00

**\$ 31,030.00**

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet  
As of 8/31/2021

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
<b>ASSETS</b>				
CASH	3,457,188	162,732	-	3,619,920
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	288,309	-	11,625	299,934
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	-	-	-	-
CONSTRUCTION IN PROGRESS	470,154	37,943	-	508,097
PROPERTY AND EQUIPMENT, NET	6,411,428	-	114,150	6,525,578
OTHER ASSETS	68,023	-	13,014	81,037
<b>Total ASSETS</b>	<b><u>11,550,103</u></b>	<b><u>200,675</u></b>	<b><u>138,789</u></b>	<b><u>11,889,566</u></b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	8,066	-	-	8,066
ACCRUED EXPENSES	60,030	-	3,958	63,988
DEFERRED REVENUE	334,040	-	15,010	349,051
NET PENSION LIABILITIES	-	-	-	-
NOTES PAYABLE	8,502	-	-	8,502
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	61,967	-	223	62,190
OTHER LIABILITIES	2,939	-	-	2,939
<b>Total LIABILITIES</b>	<b><u>475,545</u></b>	<b><u>-</u></b>	<b><u>19,191</u></b>	<b><u>494,736</u></b>
<b>FUND EQUITY</b>				
BEGINNING OF PERIOD	11,740,336	-	(820,166)	10,920,170
YEAR TO DATE EARNINGS	431,926	-	45,915	477,841
<b>Total FUND EQUITY</b>	<b><u>12,172,261</u></b>	<b><u>-</u></b>	<b><u>(774,251)</u></b>	<b><u>11,398,011</u></b>
<b>TOTAL LIABILITY AND FUND</b>	<b><u>12,647,806</u></b>	<b><u>-</u></b>	<b><u>(755,059)</u></b>	<b><u>11,892,747</u></b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
From 10/1/2020 Through 8/31/2021

*(In Whole Numbers)*

	<u>General Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	3,009,461	205,746	3,215,207
OPERATING EXPENSES	2,587,127	159,831	2,746,958
<b>OPERATING INCOME(LOSS)</b>	<b><u>422,334</u></b>	<b><u>45,915</u></b>	<b><u>468,249</u></b>
NONOPERATING INTEREST INCOME	9,592	-	9,592
NET NONOPERATING REVENUES	9,592	-	9,592
<b>INCREASE (DECREASE) IN FUND EQUITY</b>	<b><u>431,926</u></b>	<b><u>45,915</u></b>	<b><u>477,841</u></b>
<b>FUND EQUITY, BEGINNING</b>	<b>11,740,336</b>	<b>(820,166)</b>	<b>10,920,170</b>
<b>FUND EQUITY, ENDING</b>	<b>12,172,261</b>	<b>(774,251)</b>	<b>11,398,011</b>

## LUBBOCK REESE REDEVELOPMENT AUTHORITY

## SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2020 Through 8/31/2021

*(In Whole Numbers)*

	<b>General Fund</b>	<b>Fiber Optic Fund</b>	<b>Total</b>
LEASES	1,845,880	-	1,845,880
USAGE FEES	262,512	23,066	285,578
PBT CAM FEES	660,264	-	660,264
CONTRACT SERVICES	20,633	-	20,633
FIBER OPTIC/WIRELESS INCOME	-	182,680	182,680
<b>TOTAL OPERATING REVENUE</b>	<b><u>2,789,290</u></b>	<b><u>205,746</u></b>	<b><u>2,995,036</u></b>
UTILITY FRANCHISE FEES	31,648	-	31,648
INSURANCE PROCEEDS	188,523	-	188,523
OTHER MISCELLANEOUS	-	-	-
<b>TOTAL REVENUES</b>	<b><u>3,009,461</u></b>	<b><u>205,746</u></b>	<b><u>3,215,207</u></b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2020 Through 8/31/2021

(In Whole Numbers)

	<b><u>General Fund</u></b>	<b><u>Fiber Optic Fund</u></b>	<b><u>Total</u></b>
<b>OPERATING EXPENSES</b>			
SALARIES & TAXES	734,303	-	734,303
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	119,005	-	119,005
INSURANCE - PROPERTY & GENERAL ADMINISTRATIVE EXPENSES	156,342	8,226	164,569
GENERAL OFFICE EXPENSES	11,339	-	11,339
ACCTG. & AUDITING SERVICES	61,872	3,456	65,328
COMPUTER SOFTWARE & MAINT.	31,893	-	31,893
INTERNET	-	35,283	35,283
LEGAL SERVICES	-	18,764	18,764
NETWORK MAINTENANCE CONTRACT	26,603	-	26,603
TRAINING & TRAVEL	7,172	-	7,172
MARKETING EXPENSES	2,911	-	2,911
OPERATIONS - GROUND MAINT. AND ENGINEERING CONTRACTS	45,995	-	45,995
UTILITIES	597,485	-	597,485
DEPRECIATION EXPENSE	292,310	60,176	352,486
	499,897	28,052	527,949
<b>Total OPERATING EXPENSES</b>	<b><u>2,587,127</u></b>	<b><u>153,958</u></b>	<b><u>2,741,084</u></b>



LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 8/1/2021 Through 8/31/2021

## GENERAL FUND

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Leases	193,025	142,917	50,109	1,845,880	1,572,083	273,797
PBT Cam Fees	60,024	60,000	24	660,264	660,000	264
Usage Fees	53,951	20,833	33,117	262,512	229,167	33,345
Contract Services	3,220	1,250	1,970	20,633	13,750	6,883
Utility Franchise Fees	1,857	2,417	(559)	31,648	26,583	5,064
Insurance Proceeds	-	-	-	188,523	-	188,523
<b>Total REVENUES</b>	<b>312,077</b>	<b>227,417</b>	<b>84,661</b>	<b>3,009,461</b>	<b>2,501,583</b>	<b>507,877</b>
<b>EXPENSES</b>						
Salaries & Taxes	51,506	64,167	12,661	734,303	705,833	(28,470)
Benefits - Health, Retirement & Wkr's Comp	9,502	10,742	1,240	119,005	118,158	(847)
Insurance -Property & General Liabilities	14,203	14,583	380	156,342	160,417	4,074
Administrative Expenses	91	892	801	11,339	11,808	469
General Office Expenses	6,400	5,121	(1,279)	61,872	56,329	(5,543)
Accounting & Auditing Services	174	83	(91)	31,893	31,817	(76)
Legal Services	1,596	4,167	2,571	26,603	45,833	19,230
Network Maintenance Contract	1,033	667	(366)	7,172	7,333	162
Training & Travel	1,706	708	(998)	2,911	7,792	4,881
Marketing Expenses	6,934	4,250	(2,684)	45,995	46,750	755
Operations	66,665	41,250	(25,415)	597,485	453,750	(143,735)
Utilities	38,148	33,417	(4,731)	292,310	285,583	(6,727)
<b>Total EXPENSES</b>	<b>197,957</b>	<b>180,046</b>	<b>(17,911)</b>	<b>2,087,230</b>	<b>1,931,404</b>	<b>(155,826)</b>
<b>NIBPSID</b>	<b>114,120</b>	<b>47,371</b>	<b>66,749</b>	<b>922,230</b>	<b>570,179</b>	<b>352,051</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	929	542	387	9,592	5,958	3,634
<b>Total NON OPERATING REVENUE</b>	<b>929</b>	<b>542</b>	<b>387</b>	<b>9,592</b>	<b>5,958</b>	<b>3,634</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(45,445)	(47,083)	1,638	(499,897)	(517,917)	18,020
<b>Total DEPRECIATION</b>	<b>(45,445)</b>	<b>(47,083)</b>	<b>1,638</b>	<b>(499,897)</b>	<b>(517,917)</b>	<b>18,020</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>69,604</b>	<b>829</b>	<b>68,774</b>	<b>431,926</b>	<b>58,221</b>	<b>373,705</b>

GENERAL FUND

Explanation of Significant Budget Variances

2021 AUGUST

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Leases	4200, 4201	\$ 50,109	\$ 273,797	Budgeted less monies due to loss of ZACHRY	Year End is expected to be over budget.
Revenues, Insurance Proceeds	4350	\$ -	\$ 188,523	Insurance Proceeds for HWY 114 \$ 3,893., \$ 3,309. & Roof BLDG 70 \$ 181,320.	Year End is expected to be over budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 12,661	\$ (28,470)	Incentive Pay for Quarter 3 was paid - Budget differences are catching up for YTD	Year End is expected to be on budget.
Expenses, Operations	5900	\$ (25,415)	\$ (143,735)	\$ 131,650 Tree removal for Reese Business Park	Year End is expected to be over budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 8/1/2021 Through 8/31/2021

## ***FIBER OPTIC FUND***

*(In Whole Numbers)*

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Usage Fees	1,926	2,500	(574)	23,066	27,500	(4,434)
Fiber Optic/Wireless Income	20,644	15,833	4,811	182,680	174,167	8,513
<b>Total REVENUES</b>	<b>22,570</b>	<b>18,333</b>	<b>4,237</b>	<b>205,746</b>	<b>201,667</b>	<b>4,079</b>
<b>EXPENSES</b>						
Insurance -Property & General Liabilities	748	750	2	8,226	8,250	24
General Office Expenses	314	317	3	3,456	3,483	28
Computer Software & Maintenance	2,941	3,417	476	35,283	37,583	2,300
Internet	1,722	1,833	111	18,764	20,167	1,403
Building Maintenance & Repairs	1,067	833	(234)	5,873	9,167	3,293
Utilities	5,899	5,142	(757)	60,176	56,558	(3,618)
<b>Total EXPENSES</b>	<b>12,690</b>	<b>12,292</b>	<b>(399)</b>	<b>131,778</b>	<b>135,208</b>	<b>3,430</b>
<b>NIBPSID</b>	<b>9,880</b>	<b>6,042</b>	<b>3,838</b>	<b>73,968</b>	<b>66,458</b>	<b>7,509</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(2,550)	(3,500)	950	(28,052)	(38,500)	10,448
<b>Total DEPRECIATION</b>	<b>(2,550)</b>	<b>(3,500)</b>	<b>950</b>	<b>(28,052)</b>	<b>(38,500)</b>	<b>10,448</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>7,329</b>	<b>2,542</b>	<b>4,788</b>	<b>45,915</b>	<b>27,958</b>	<b>17,957</b>

## COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Leases	193,025	142,917	50,109	1,845,880	1,572,083	273,797
PBT Cam Fees	60,024	60,000	24	660,264	660,000	264
Usage Fees	55,877	23,333	32,543	285,578	256,667	28,912
Contract Services	3,220	1,250	1,970	20,633	13,750	6,883
Utility Franchise Fees	1,857	2,417	(559)	31,648	26,583	5,064
Insurance Proceeds	-	-	-	188,523	-	188,523
Fiber Optic/Wireless Income	20,644	15,833	4,811	182,680	174,167	8,513
<b>Total REVENUES</b>	<b>334,647</b>	<b>245,750</b>	<b>88,897</b>	<b>3,215,207</b>	<b>2,703,250</b>	<b>511,957</b>
<b>EXPENSES</b>						
Salaries & Taxes	51,506	64,167	12,661	734,303	705,833	(28,470)
Benefits - Health, Retirement & Wkr's	9,502	10,742	1,240	119,005	118,158	(847)
Insurance -Property & General Liabilities	14,950	15,333	383	164,569	168,667	4,098
Administrative Expenses	91	892	801	11,339	11,808	469
General Office Expenses	6,714	5,438	(1,277)	65,328	59,813	(5,516)
Accounting & Auditing Services	174	83	(91)	31,893	31,817	(76)
Computer Software & Maintenance	2,941	3,417	476	35,283	37,583	2,300
Internet	1,722	1,833	111	18,764	20,167	1,403
Legal Services	1,596	4,167	2,571	26,603	45,833	19,230
Network Maintenance Contract	1,033	667	(366)	7,172	7,333	162
Training & Travel	1,706	708	(998)	2,911	7,792	4,881
Marketing Expenses	6,934	4,250	(2,684)	45,995	46,750	755
Operations	66,665	41,250	(25,415)	597,485	453,750	(143,735)
Building Maintenance & Repairs	1,067	833	(234)	5,873	9,167	3,293
Utilities	44,046	38,558	(5,488)	352,486	342,142	(10,345)
<b>Total EXPENSES</b>	<b>210,647</b>	<b>192,337</b>	<b>(18,310)</b>	<b>2,219,009</b>	<b>2,066,612</b>	<b>(152,396)</b>
<b>NIBPSID</b>	<b>124,000</b>	<b>53,413</b>	<b>70,587</b>	<b>996,198</b>	<b>636,638</b>	<b>359,561</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	929	542	387	9,592	5,958	3,634
<b>Total NON OPERATING REVENUE</b>	<b>929</b>	<b>542</b>	<b>387</b>	<b>9,592</b>	<b>5,958</b>	<b>3,634</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(47,995)	(50,583)	2,588	(527,949)	(556,417)	28,468
<b>Total DEPRECIATION</b>	<b>(47,995)</b>	<b>(50,583)</b>	<b>2,588</b>	<b>(527,949)</b>	<b>(556,417)</b>	<b>28,468</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>76,933</b>	<b>3,371</b>	<b>73,562</b>	<b>477,841</b>	<b>86,179</b>	<b>391,662</b>

## MONTHLY & YTD COMPARISONS OF CURRENT & PRIOR YEAR'S ACTUALS

(In Whole Numbers)

	Current Month	Prior Year		Prior Year YTD		
	Actual	Actual	Variance	YTD Actual	Actual	Variance
<b>REVENUES</b>						
Leases	193,025	196,207	(3,182)	1,845,880	1,842,291	3,589
PBT Cam Fees	60,024	60,276	(252)	660,264	663,035	(2,771)
Usage Fees	55,877	44,155	11,722	285,578	302,828	(17,250)
Contract Services	3,220	460	2,760	20,633	7,983	12,650
Utility Franchise Fees	1,857	1,887	(30)	31,648	26,497	5,151
Insurance Proceeds	-	24,172	(24,172)	188,523	25,597	162,926
Other-Miscellaneous	-	56	(56)	-	17,056	(17,056)
Fiber Optic/Wireless Income	20,644	16,356	4,288	182,680	166,336	16,344
<b>Total REVENUES</b>	<b>334,647</b>	<b>343,569</b>	<b>(8,922)</b>	<b>3,215,207</b>	<b>3,051,622</b>	<b>163,585</b>
<b>EXPENSES</b>						
Salaries & Taxes	51,506	49,287	2,219	734,303	610,773	123,530
Benefits - Health, Retirement & Wkr's	9,502	9,939	(437)	119,005	112,803	6,202
Insurance -Property & General Liabilities	14,950	14,689	261	164,569	161,582	2,987
Administrative Expenses	91	3,088	(2,997)	11,339	10,150	1,189
General Office Expenses	6,714	9,062	(2,348)	65,328	64,031	1,297
Accounting & Auditing Services	174	76	98	31,893	38,332	(6,439)
Computer Software & Maintenance	2,941	5,664	(2,723)	35,283	38,310	(3,027)
Internet	1,722	1,695	27	18,764	27,695	(8,931)
Legal Services	1,596	2,887	(1,291)	26,603	33,577	(6,974)
Network Maintenance Contract	1,033	503	530	7,172	9,770	(2,598)
Training & Travel	1,706	-	1,706	2,911	4,662	(1,751)
Marketing Expenses	6,934	5,046	1,888	45,995	43,620	2,375
Operations	66,665	32,546	34,119	597,485	419,873	177,612
Building Maintenance & Repairs	1,067	1,280	(213)	5,873	9,527	(3,654)
Utilities	44,046	44,497	(451)	352,486	311,828	40,658
<b>Total EXPENSES</b>	<b>210,647</b>	<b>180,258</b>	<b>30,389</b>	<b>2,219,009</b>	<b>1,896,533</b>	<b>322,476</b>
<b>NIBPSID</b>	<b>124,000</b>	<b>163,310</b>	<b>(39,310)</b>	<b>996,198</b>	<b>1,155,089</b>	<b>(158,891)</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	929	857	72	9,592	22,330	(12,738)
<b>Total NON OPERATING REVENUE</b>	<b>929</b>	<b>857</b>	<b>72</b>	<b>9,592</b>	<b>22,330</b>	<b>(12,738)</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(47,995)	(50,267)	2,272	(527,949)	(510,799)	(17,150)
<b>Total DEPRECIATION</b>	<b>(47,995)</b>	<b>(50,267)</b>	<b>2,272</b>	<b>(527,949)</b>	<b>(510,799)</b>	<b>(17,150)</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>76,933</b>	<b>113,900</b>	<b>(36,967)</b>	<b>477,841</b>	<b>666,620</b>	<b>(188,779)</b>

## SEPTEMBER 2021 – EVENTS & ACTIVITIES

	DATE	EVENT
<b>SEPTEMBER</b>	September 15, 2021	SPAG Annual Meeting
	September 22, 2021	LRRA Board of Directors Meeting
	September 28, 2021	State of the TTU System Chamber Luncheon
	September 30, 2021	TML Regional Quarterly Meeting
<b>LOOKING AHEAD</b>		
<b>OCTOBER</b>	October 5-8, 2021	TML Conference – Houston, TX
	October 27, 2021	LRRA Board of Directors Meeting
	October 28, 2021	6 <sup>th</sup> Annual Customer/Partner Meeting