

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

Date: Wednesday, September 28, 2022

Time: 8:00 a.m.

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

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Steve Verett
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Steve Verett
<p>2. 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.</p> <p>b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters:</p> <ul style="list-style-type: none"> • 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 <p>c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.</p>	TAB 2	<p>John Tye Muvat Musa</p> <p>Steve Verett Muvat Musa</p> <p>Darrell Guthrie</p>
3. Presentation Item – KBR Leadership	TAB 3	<p>Mark Kavanaugh</p> <p>James Bolin</p> <p>Paul Schendel</p> <p>Colby Stevens</p> <p>Mark Dieter</p>
4. Action Item – Consider the Minutes of the August 24, 2022, Board of Directors Meeting	TAB 4	Steve Verett

5. Action Item – Consider LRRRA Board of Directors Meeting Schedule and LRRRA Holiday Schedule	TAB 5	Murvat Musa
6. Action Item – Consider Easement Improvement Agreement, Easement, and Partial Release of Restrictive Easements for Safety Area for Group NIRE and GE.	TAB 6	Murvat Musa
7. Action Item – Consider FY2023 Operating, Data Center/Fiber Optics, & Capital Budgets	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports	TAB 8	Sandy Hamilton
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
Adjourn the Meeting		Steve Verett

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 23, 2022.

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

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

ITEM 3

KBR Presentation

Lubbock Reese Redevelopment Authority

Board Meeting Minutes

August 25, 2022

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Wednesday, August 25, 2022, 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.

MEMBERS PRESENT:

Steve Verett
Tim Collins

Todd McKee

John Tye

MEMBERS ABSENT:

Tim Pierce

John Hamilton

George McMahan

OTHERS PRESENT:

Reese Staff:

Murvat Musa-Executive Director, Don Provost-Manager of Business Development, Chris Evans-Manager of Operations, Lacy Elliott-Administrative Coordinator, Cecilia Davila-Administrative Assistant.

Legal Counsel:

Darrell Guthrie via video conference

Others:

None

Call the meeting to order.

Steve Verett called the meeting to order at 8:04 a.m.

ITEM 1 Citizen Comments Steve Verett called for any citizen comments. There were none.

ITEM 2 Hold an Executive Session, Steve Verett called the Executive Session to order at 8:05 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

Steve Verett adjourned the Executive Session at 8:43 a.m. and reconvened Open Session at 8:44 a.m.

- ITEM 3** **Consider the Minutes of the June 22, 2022, Board of Directors Meeting**
Action Item – Todd McKee moved to approve the minutes of the June 22, 2022, Board of Directors meeting and John Tye seconded; the motion passed 4-0.
- ITEM 4** **Consider Commercial Contract – Improved Property at 809 Hoover Drive (Building 629) and authorize CEO/ED to execute any documents necessary to complete the transaction.** **Action Item** – Todd McKee moved to approve the Commercial Contract-Improved Property at 809 Hoover Drive (Building 629) and authorized CEO/ED to execute any documents necessary to complete the transaction, and Tim Collins seconded; the motion passed 4-0.
- ITEM 5** **Consider Awarding Bid for New Parking Lot at Building 92.** **Action Item** – Todd McKee moved to authorize the CEO/Executive Director to award the bid for a New Parking Lot at Building 92 for up to \$80,000 to upgrade to 6" concrete, and John Tye seconded; the motion passed 4-0.
- ITEM 6** **Preliminary FY2023 Operating, Data Center/Fiber Optics, & Capital Budgets.** **Discussion Item** – No action required. Murvat Musa presented the preliminary FY2023 Operating, Data Center/Fiber Optics & Capital Budgets.

ITEM 7 Financial Reports

Discussion Item – No action required. Murvat Musa presented the June and July financial reports.

ITEM 6 Reese Events and Activities

Discussion Item – No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

Adjournment

Steve Verett adjourned the meeting at 9:31 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Steve Verett, President

ATTEST:

LRRA Board Member

AGENDA ITEM 5
EXECUTIVE SUMMARY
FY2023 LRRRA BOARD AND HOLIDAY SCHEDULES

Attached are the proposed LRRRA holiday and board meeting schedules for Fiscal Year 2023 for your consideration and approval.

LRRA HOLIDAY SCHEDULE FY 2023

DATE	DAY OF WEEK	HOLIDAY
November 24, 2022	Thursday	Thanksgiving Day
November 25, 2022	Friday	Day after Thanksgiving Day
December 26, 2022	Monday	Christmas Day - Observed
December 27, 2022	Tuesday	Christmas Holiday
December 28, 2022	Wednesday	Christmas Holiday
December 29, 2022	Thursday	New Year's Eve – Observed
December 30, 2022	Friday	New Year's Day – Observed
April 7, 2023	Friday	Good Friday
May 29, 2023	Monday	Memorial Day
July 4, 2023	Tuesday	Independence Day
September 4, 2023	Monday	Labor Day

LRRR BOARD MEETING SCHEDULE FISCAL YEAR 2023

DATE	TIME	PLACE
October 26, 2022	8:00 a.m.	LRRR Board Room
November 30, 2022 - Moved	8:00 a.m.	LRRR Board Room - Moved for Thanksgiving
December 28, 2022- Cancelled	8:00 a.m.	LRRR Offices Closed for Holiday
January 25, 2023	8:00 a.m.	LRRR Board Room
February 22, 2023	8:00 a.m.	LRRR Board Room
March 22, 2023	8:00 a.m.	LRRR Board Room
April 26, 2023	8:00 a.m.	LRRR Board Room
May 24, 2023	8:00 a.m.	LRRR Board Room
June 28, 2023	8:00 a.m.	LRRR Board Room
July 26, 2023 – Cancelled	8:00 a.m.	Cancelled for Vacations/Lack of Quorum
August 23, 2023	8:00 a.m.	LRRR Board Room
September 27, 2023	8:00 a.m.	LRRR Board Room

BOARD REPORT ITEM #2022-0928-117

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
September 28, 2022**

Item to Be Considered :

Approve FY 2022-2023 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 2022-2023 LRRRA Holiday Schedule and LRRRA Board of Directors Meeting Schedule as submitted on the 28th day of September, 2022.”

Approved by: _____
Steve Verett - President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 6
EXECUTIVE SUMMARY
GROUP NIRE/GE EASEMENT ACCESS, RELEASE OF RESTRICTIVE
EASEMENT, AND IMPROVEMENT AGREEMENT

At the previous Board meeting, we discussed GE's desire for an access easement as well as a partial release of a restrictive easement for a safety area for them to construct a new wind turbine (P5) on a neighboring property. In exchange for granting them this request, staff was able to negotiate the following terms:

- GE will fund the construction of the entire length of Perimeter Road (roughly 2.5 miles) and
- Accept responsibility for its maintenance for as long as P5 remains on the property.

This exchange is very beneficial to LRRRA as Perimeter Road is in terrible condition and can hardly be called a road. This road is very useful to LRRRA and other customers and will be a great asset once completed.

Staff is requesting that the Board authorize the CEO/ED to execute the following documents, attached, to complete this transaction:

1. Easement Improvement Agreement
2. Easement
3. Partial Release of Restrictive Easements for Safety Area

EASEMENT IMPROVEMENT AGREEMENT

On this the ____ day of September 2022, NIRE HOLDINGS CORPORATION, a Texas corporation, also known as Group NIRE (hereinafter, “GNIRE”) on behalf of General Electric, a Delaware corporation (hereinafter, “GE”), desires to enter into this Easement Improvement Agreement (the “Agreement”) with LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas, (“LRRA”). Collectively, GNIRE, GE, and LRRA may be referred to as the “Parties.”

RECITALS

WHEREAS, GE desires to build a 657 foot tall wind energy turbine on property immediately adjacent to the west of the LRRA airfield;

WHEREAS, GNIRE on behalf of GE desires to make improvements to LRRA’s perimeter road, as set forth on Exhibit A;

WHEREAS, LRRA in consideration for the improvements being made to its perimeter desires to partially release certain purposes of two Restrictive Easement for Safety Area established in 1975 and grant GNIRE on behalf of GE a non-exclusive easement for use of LRRA’s perimeter road; and

WHEREAS, GNIRE on behalf of GE agrees to pay for all improvements to LRRA’s perimeter road and meet the specifications set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. In consideration for the entering into this Agreement the Parties agree to the following terms and conditions:
 - a. Use of Perimeter Road. LRRA agrees to grant GNIRE, GE, and their contractors and assigns a non-exclusive easement for ingress and egress of the Property, as identified on Exhibit A that is attached hereto, and pursuant to the terms and conditions set forth herein.
 - b. Restrictive Easement for Safety Area (hereinafter, “Safety Area Easements”). LRRA agrees to partially release certain purposes of the Restrictive Easement for Safety Area associated with Tract Nos. 113E and 112E of the former Reese Air Force Base and covering property by virtue of easements conveyed and recorded in the Official Public Records of Lubbock County, Texas in Volume 1445, Page 360 on October 16, 1975, and Volume 1450, Page 108 on November 25, 1975, respectively. Specifically, LRRA agrees to release the following purposes of the Safety Area Easements that (a) prohibit gatherings of more than twenty-five (25) persons, (b) allow the posting of signs to indict the nature and extent

of control of LRRA over the Property, (c) allow ingress and egress, and (d) exercise any and all other rights consistent with the purposes for which the easements were conveyed.

- c. Term. Sections 1.a. and b. shall remain in effect for so long as GE or its assigns constructs, operates, and maintains the wind energy turbine and associated facilities on the property identified in the Safety Area Easement and abides by the terms set forth in Section 1.d.
- d. Perimeter Road Construction, Operation and Maintenance Requirements.
 - (1) Excavate existing asphalt pavement and recycling the existing asphalt for construction of the new perimeter road. Haul off all debris that cannot be recycled.
 - (2) Pave approximately 158,400 sq. ft. with milled asphalt at approximately 4" rolled to compaction. All material shall be worked with water and thoroughly compacted with a dd25 vibratory roller.
 - (3) The road width will match the previous road width of 12 feet. The road will begin at the existing western most Highway 114 gate and extend to the northwest corner of the LRRA property, as indicated on **Exhibit A**. Construction may not disturb the area marked on the map as the Southwest Landfill and must comply with all covenants and restrictions contained the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652.
 - (4) The 24-foot gate will be constructed of materials that match the fencing used in the EDA grant security fence project that is currently under construction.
 - (5) GNIRE or its assigns shall maintain the road in the following condition: GNIRE and GE agree to maintain the road upon the Property constructed by it in a serviceable condition, to include but not limited to weed control treatments, filling holes and cracks, and seal coating, as necessary, for so long as the P5 Wind Turbine is present on the adjacent property.
- e. Fiber Optic Cable Installation. In coordination with South Plains Electric Cooperative, GNIRE may install fiber optic cable, using UPN fiber, on existing electrical poles on the east side of the LRRA property perimeter road and then underground on the north side of our property (due to the presence of existing aviation easements) and back on poles to their new GE turbine as depicted on **Exhibit B**.

2. Indemnify, Defend, and Hold Harmless.

GNIRE, GE, OR ITS AGENTS OR ASSIGNS SHALL INDEMNIFY, DEFEND, AND HOLD LRRA HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF LRRA'S PROPERTY FOR WHICH GNIRE, GE OR THEIR AGENTS, ASSIGNS, OR EMPLOYEES ARE RESPONSIBLE. THE INDEMNITY

CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF GNIRE OR GE'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LRRA BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LRRA.

3. LRRA Rules, Regulations, and Security Protocols. GNIRE, GE, or their agents or assigns agree to abide by all rules, regulations, and security protocols that are now in existence or that may come into existence in the future. Specifically, they agree to coordinate use of the perimeter road or during installation of the fiber optic cable, as set forth in Section 1.e., at least seven (7) days in advance. LRRA agrees not to unreasonably deny GNIRE, GE, or their agents or assigns, provided they make a good faith effort to comply with the seven (7) day advance notice requirement. GNIRE, GE, or their agents or assigns, further, understand and agree that the airfield property may be closed to access for controlled events, to include but not limited to use of the runways. LRRA shall make commercially reasonable efforts to notify GNIRE, GE, or their agents or assigns in advance of such controlled events. In the event of an emergency, LRRA may take action to shut down access to the airfield property, to include but limited to the perimeter road.
4. Assignment. GNIRE or GE may assign its rights or delegate its duties under this Agreement either in whole or in part with the prior written consent of the LRRA, which should not be unreasonably withheld. Any attempted assignment or delegation without such consent will be void. This Agreement will bind and inure to the benefit of each party's successors and permitted assigns.
5. Default by LRRA; Events. Defaults by LRRA are failing to comply with any provision of this Agreement within thirty (30) days after written notice and failing to resolve the non-compliance within thirty (30) days after written notice.
6. Default by LRRA: GNIRE or GE's Remedies. GNIRE or GE's remedies for LRRA's default are to sue for damages and, if LRRA does not remedy the default for thirty (30) days after default, terminate this Agreement.
7. Default by GNIRE and/or GE: Events. Defaults by GNIRE and/or GE is failure to comply within ten (10) days after written notice with any provision of this Agreement.
8. Default by GNIRE and/or GE: LRRA's Remedies. LRRA's remedies for GNIRE or GE's default are to terminate this Agreement by written notice and sue for damages.
9. Notices. Any notices sent or required to be given hereunder must be in writing and sent by certified mail, return receipt requested, or nationally recognized overnight courier to the following addresses:

Lubbock Reese Redevelopment Authority

9801 Reese Boulevard
Suite 200
Lubbock, Texas 79416
Attn: Executive Director
Telephone: (806) 885-6592
E-mail: mmusa@reeseccenter.com

GNIRE
Attn: Joshua MacFie
1011 Gilbert Drive
Lubbock, TX 79416
Telephone: _____
E-mail: _____

GE
Attn: _____

Telephone: _____
E-mail: _____

Notices will be deemed given on the date received (or refused) when addressed to the parties at the addresses set forth above or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Without limiting the foregoing, any notice required or permitted to be given under this Agreement may be sent by e-mail at the appropriate e-mail address set forth in this Section, as the same may be amended, or to such other e-mail address as the Parties may from time to time designate in a notice to the other; provided that such e-mailed notice expressly states that it represents a notice under this Agreement. Any e-mailed notice shall be deemed given on the date of delivery, provided that (i) such delivery is reasonably confirmed as received by the recipient (i.e., no error report is received by the sender); and (ii) if delivery occurs after 5:00 p.m. in the time zone of the recipient or on a non-business day, then such notice shall be deemed received on the first business day after the day of delivery.

10. Further Instruments. Each party agrees to execute such further instruments as may be reasonably required to consummate the transactions contemplated by this Agreement, as long as the terms thereof are fully consistent with the terms of this Agreement.
11. Terms of This Agreement. In the event of any conflict or inconsistency between the terms of the Access Easement and Partial Release of Restrictive Easement for Safety Area and the terms of this Agreement, the terms of the Access Easement and Partial Release of Restrictive Easement for Safety Area shall govern as between the Parties.

12. Governing Law. This Agreement constitutes a contract made under and shall be construed and interpreted in accordance with the laws of the State of Texas, and all obligations of the parties are performable in Lubbock County, Texas.
13. Authority. GNIRE and GE are duly organized and validly existing and have full power and authority to enter into this Agreement and to perform the obligations of GNIRE and GE under this Agreement. LRRA is duly organized and validly existing and has full power and authority to enter into this Agreement and to perform the obligations of LRRA under this Agreement.
14. Successors and Assigns. All terms and provisions of this Agreement shall bind the successors and assigns of the parties hereto.
15. Attorney's Fees. If either party retains an attorney to enforce this Agreement, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.
16. Headings. The headings of the articles, sections, and subdivisions of this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.
17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed and original and all of which, taken together, shall constitute one instrument.
18. Trafficking of Persons. Under §2155.0061, Texas Government Code, GNIRE and GE certify that the individual or business entity named in the Agreement is not ineligible to receive the specified Agreement and acknowledges that the Agreement may be terminated if this certification is inaccurate.
19. Chapter 2270 of the Texas Government Code. GNIRE and GE acknowledge that in accordance with Chapter 2270 of the Texas Government Code, LRRA is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the other party that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Lease, Tenant certifies that Tenant's signature provides written verification to the Landlord that Tenant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.***

The execution of this Agreement by LRRA shall not be considered a waiver of its sovereign immunity to suit.

IN WITNESS WHEREOF, having read and intending to be bound by the terms hereof, the Parties have signed this Agreement on the date(s) set forth below.

[SIGNATURE PAGE FOLLOWS]

Lubbock Reese Redevelopment Authority,
a political subdivision of the State of Texas

By: _____
Muvat Musa
Its: Chief Executive Officer

THE STATE OF TEXAS §
 §
COUNTY OF LUBBOCK §

BEFORE ME, the undersigned authority, on this day personally appeared Muvat Musa, Chief Executive Officer of the Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of September 2022.

Notary Public, State of Texas
My commission expires:

NIRE Holdings Corporation

By: _____

Joshua MacFie

Its: Chief Executive Officer

THE STATE OF TEXAS §

§

COUNTY OF LUBBOCK §

BEFORE ME, the undersigned authority, on this day personally appeared Joshua MacFie, the Chief Executive Officer of NIRE Holdings Corporation, a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of September 2022.

Notary Public, State of Texas

My commission expires:

General Electric,
a Delaware Corporation

By: _____

Its: _____

THE STATE OF TEXAS §
 §
COUNTY OF LUBBOCK §

BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of General Electric, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.


GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of September 2022.

Notary Public, State of Texas
My commission expires:

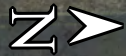
EXHIBIT A - Group NIRE Turbine Sites
Safety Easement and Perimeter Road Reconstruction

Legend

-  Curtis Harrist - Landowner
-  Jo Beth Walker - Landowner
-  Perimeter Road - To Be Rebuilt by GE
-  Reese Boundary
-  Safety Easement
-  Turbine Sites - Group NIRE


Group NIRE Turbine P6


Group NIRE Turbine P5






Group NIRE Proposed Fiber Construction

EXHIBIT B



Group NIRE Turbine P5

Legend

-  Existing Fiber
-  Group NIRE Turbine P5
-  New Fiber



After Recording Return to: Darrell J. Guthrie, Law Office of Darrell J. Guthrie, PLLC, 4414 82nd Street, Ste 212, PMB #328, Lubbock, Texas 79424

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

EASEMENT

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF LUBBOCK §

WHEREAS, General Electric, a Delaware corporation (hereinafter, "GE"), in conjunction with NIRE Holdings Corporation, a Texas corporation, also known as Group NIRE (hereinafter, "GNIRE") desires to have non-exclusive ingress and egress access from Highway 114 along the western boundary of LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas, (hereinafter, "LRRRA") property (the "Perimeter Road");

WHEREAS, GE, GNIRE, and LRRRA understand that ingress and egress over Perimeter Road facilities the construction, operation, and maintenance of a wind energy turbine on adjacent property to the west of the LRRRA airfield;

WHEREAS, the easement property is located from an existing gate to access the property along an existing path designated as Perimeter Road; and

WHEREAS, LRRRA agrees to grant this easement to GE and GNIRE in order to facilitate the construction, operation, and maintenance of a wind energy turbine on adjacent property to the west of the LRRRA airfield.

NOW THEREFORE, GNIRE, GE, and LRRRA agree as follows:

LRRRA, herein called "GRANTOR", for a good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant unto GE and GNIRE, and their legal representatives, successors and assigns, herein called "GRANTEE", a non-exclusive easement in, on, over, across, under, and through the following described real property owned by Grantor and located in the County of Lubbock, State of Texas, for the non-exclusive use of the existing path designated as Perimeter Road, which property (the "Easement Property") is described as set forth at **Exhibit A** attached hereto.

The Easement granted by this instrument (the "Easement") is subject to the following conditions:

1. The Easement is granted to GE and GNIRE to facilitate the construction, operation, and maintenance of a wind energy turbine immediately adjacent and west of the LRRRA airfield, as shown on **Exhibit A** attached hereto.
 2. GE and GNIRE have the obligation to install, operate, relocate, construct, reconstruct, add to, maintain, inspect, patrol, repair, and replace Perimeter Road across the Property included in the Easement.
 3. GE and GNIRE have the right to remove all trees, branches, or other obstructions which might endanger or interfere with the operation, safety, or efficiency of Perimeter Road on the Property on which the Easement is located.
 4. GE and GNIRE shall enjoy the rights, benefits, and privileges conveyed by this instrument only until such time as the wind energy turbine on the adjacent property west of the LRRRA airfield is abandoned and removed, at which time all right, title, and interest of GE and GNIRE in the Property will revert to the party that then owns the Property.
 5. The Easement herein granted is non-exclusive and Grantor will have the right to grant easements to other persons and to use the Property for any purposes consistent with the rights granted to GE and GNIRE by this Easement if Grantor's use or other easements granted by Grantor do not endanger or interfere with GE and GNIRE's use of this Easement.
 6. GE and GNIRE, its successors and assigns, shall have the right of ingress and egress over immediately adjacent lands of Grantor and from the easement or right-of-way for the purpose of constructing, reconstructing, repairing, inspecting, patrolling, maintaining, adding to or removing the Perimeter Road, provided that the placement of construction, maintenance, and repair material shall only be made in the Easement Property.
 7. GE and GNIRE have the right to assign all or part of the rights it receives under the Easement. The Easement will inure to the benefit of GE and GNIRE's successors and assigns.
 8. Grantor reserves unto itself all oil, gas, and other minerals in and under the easement property above described, it being the intent of Grantor and GE and GNIRE that no claim whatsoever to the minerals is given or implied by the grant of this easement.
 9. The undersigned Grantor covenants that it is the owner of the above-described lands and that said lands are free and clear of encumbrances and liens of whatsoever character.
- Grantor binds Grantor and Grantor's heirs, successors, and assigns to WARRANT and FOREVER DEFEND, all and singular, the rights granted to GE and GNIRE by this instrument.

/-----Signature Page Follows-----/

LUBBOCK REESE REDEVELOPMENT
AUTHORITY

By: Murvat Musa
Its: Chief Executive Officer

STATE OF TEXAS §
 §
COUNTY OF LUBBOCK §

This instrument was acknowledged before me on this the ____ day of September 2022 by Murvat Musa, Chief Executive Officer, Lubbock Reese Redevelopment Authority on behalf of the Lubbock Reese Redevelopment Authority.

Notary Public, State of Texas

EXHIBIT A - Group NIRE Turbine Sites

Safety Easement and Perimeter Road Reconstruction

Legend

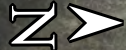
-  Curtis Harrist - Landowner
-  Jo Beth Walker - Landowner
-  Perimeter Road - To Be Rebuilt by GE
-  Reese Boundary
-  Safety Easement
-  Turbine Sites - Group NIRE



Group NIRE Turbine P6



Group NIRE Turbine P5



After Recording Return to: Darrell J. Guthrie, Law Office of Darrell J. Guthrie, PLLC, 4414 82nd Street, Ste 212, PMB #328, Lubbock, Texas 79424

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

PARTIAL RELEASE OF RESTRICTIVE EASEMENTS FOR SAFETY AREA

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF LUBBOCK §

BE IT KNOWN, that on this the ____ day of September 2022, came and appeared Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas (hereinafter, "LRRA") being the successor in title from the United States of America who acquired fee simple title to a Restrictive Easement for Safety Area for the establishment, maintenance, operation, and use of a safety area in, on, over and across land designated Tract Nos. 113E and 112E of the former Reese Air Force Base and covering property, being more particularly described in attached Exhibit "A," (the "Property") by virtue of easements conveyed and recorded in the Official Public Records of Lubbock County, Texas in Volume 1445, Page 360 on October 16, 1975 and Volume 1450, Page 108 on November 25, 1975, respectively (hereinafter, collectively, the "Safety Area Easements"). The Safety Area Easements prohibit human habitation and provides the right to remove buildings presently or hereafter being used for human habitation, the right to prohibit gatherings of more than twenty-five (25) persons, the right to post signs indicting the nature and extent of control, the right of ingress and egress over and across the Property for purposes of exercising the rights set forth in the easement, and any and all other rights consistent with the purposes for which the easement was conveyed (the "Safety Area Easement Purposes").

WHEREAS, it is desired of LRRA to partially release certain of the Safety Area Easement Purposes covering the Property; and

IN CONSIDERATION FOR Ten and NO/100s Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

Be it know that I, Murvat Musa, as Chief Executive Officer, LRRA, duly authorized and acting on behalf of LRRA, does here state the following:

1. "The Safety Area Easements acquired by the United States of America and its assigns is an easement to prohibit and provide certain rights associated with establishing a safety area.

2. LRRA does not currently own, nor has it ever owned any right, title, or interest in and to the surface or minerals of the Property.
3. LRRA grants a partial release of certain of the Safety Area Easement Purposes to permit the construction, operation, and maintenance by General Electric, a Delaware corporation (hereinafter, "GE"), in conjunction with NIRE Holdings Corporation, a Texas corporation, also known as Group NIRE, or their assigns of a wind energy turbine of approximately 657 feet in height and associated facilities to be constructed, operated, and maintained on the Property.
4. The following Safety Area Easement Purposes are modified to (a) permit gatherings of more than twenty-five (25) persons during construction, operation, and maintenance of the wind energy turbine and associated facilities, (b) permit GE and/or Group NIRE to post signs indicting the nature and extent of control of the wind energy turbine and associate facilities, (c) permit GE and/or Group NIRE to ingress and egress from LRRA's airfield property over and across the Property for purposes of construction, operation, and maintenance of the wind energy turbine and associated facilities, and (d) exercise any and all other rights consistent with the purposes for which the Safety Area Easements were conveyed.
5. The construction, operation, and maintenance of any structures over 657 feet in height on the Property will be subject to the prior written approval of the Lubbock Reese Redevelopment Authority and the Federal Aviation Administration."

IN WITNESS WHEREOF, this instrument is executed and effective this ____ day of September 2022.

/-----Signature Page Follows-----/

LUBBOCK REESE REDEVELOPMENT
AUTHORITY

By: Murvat Musa
Its: Chief Executive Officer

STATE OF TEXAS §

 §
COUNTY OF LUBBOCK §

 This instrument was acknowledged before me on this the ____ day of September 2022 by Murvat Musa, Chief Executive Officer, Lubbock Reese Redevelopment Authority on behalf of the Lubbock Reese Redevelopment Authority.

Notary Public, State of Texas

Exhibit "A"

[attached hereto]

REESE AIR FORCE BASE
LUBBOCK COUNTY, TEXAS

TRACT NO: 113E

OWNER: C. E. Ream, et ux

ACREAGE: 18.83

A tract of land situated in the County of Lubbock, State of Texas, being part of the E 1/2 of the SW 1/4 of Section 45, A. C. H. & B. Survey A-294, Block P, E. L. & R. R. R. Co., and being more particularly described as follows:

BEGINNING at the northwest corner for a 161.48 acre tract of land acquired by the United States of America from Richard Cook Williams, et ux, by Final Judgment dated 22 September 1958 in Civil Action 2001 in the United States District Court for the Northern District of Texas, Lubbock Division, and being designated as Tract No. 101 for Reese Air Force Base, Texas, said point also being the NE corner of the SW 1/4 of said Section 45;

THENCE along a west boundary line for said Reese Air Force Base, south 00°06'29" west, 1293.86 feet to a point;

THENCE departing from said west boundary line, north 70°17'33" west, 200 feet to a point;

THENCE north 54°18' west, 230 feet to a point;

THENCE north 46°19' west, 250 feet to a point;

THENCE north 31°53' west, 300 feet to a point;

THENCE north 21°52' west, 200 feet to a point;

THENCE north 13°41' west, 169.30 feet to a point;

THENCE north 00°06'29" east, 312.49 feet to a point situated in the north line for said SW 1/4 of Section 45;

THENCE along the north line for said SW 1/4 of Section 45, north 89°50'53" east, 830.71 feet to the point of beginning, containing 18.83 acres, more or less,

and being part of the same land conveyed to C. E. Ream, et ux, by R. C. Williams, et ux, by deed dated 27 February 1937 and recorded in Volume 200 at Page 409 of the Deed Records of Lubbock County, Texas.

113E

REESE AIR FORCE BASE
LUBBOCK COUNTY, TEXAS

VOL 11207 PAGE 447

TRACT NO: 112E

OWNER: Dale Cook

ACREAGE: 15.51

A tract of land situated in the County of Lubbock, State of Texas, being part of the SE 1/4 of the NW 1/4 of Section 45, A. C. H. & B. Survey A-294, Block P, E. L. & R. R. R. Co., and being more particularly described as follows:

FROM the northwest corner for a 146.01 acre tract of land acquired by the United States of America from Lura Gray Williams by Final Judgment dated 22 September 1958 in Civil Action 2001 in the United States District Court for the Northern District of Texas, Lubbock Division, and being designated as Tract No. 104 for Reese Air Force Base, Texas, along a west boundary line for said Reese Air Force Base, south 00°06'29" west, 72.47 feet to the point of beginning;

THENCE continuing along a west boundary line for said Reese Air Force Base, south 00°06'29" west, 1115.61 feet to a point for the southwest corner for said Tract No. 104 for Reese Air Force Base, same being the southeast corner of the NW 1/4 of said Section 45;

THENCE departing from said west boundary line, along the south line of said SE 1/4 of the NW 1/4 of Section 45, south 89°50'53" west, 830.71 feet to a point;

THENCE north 00°06'29" east, 141.84 feet to a point;

THENCE north 13°53' east, 169.30 feet to a point;

THENCE north 22°04' east, 200 feet to a point;

THENCE north 32°05' east, 300 feet to a point;

THENCE north 46°31' east, 250 feet to a point;

THENCE north 54°30' east, 230 feet to a point;

THENCE north 70°36'01" east, 200.16 feet to the point of beginning, containing 15.51 acres, more or less,

and being part of the same land conveyed to Dale Cook by San Angelo National Bank, as Independent Executor and Trustee under the Will of R. C. Williams, Deceased, and Blanche Margaret Williams, a widow, by deed dated 18 April 1974 and recorded in Volume 1384 at Page 732 of the Deed Records of Lubbock County, Texas.

112E.1

BOARD ACTION ITEM #2022-0928-117
GROUP NIRE / GE EASEMENT RELEASE AND ROAD AGREEMENT

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
SEPTEMBER 28, 2022

Item to be Considered:

Consider Easement Improvement Agreement, Easement, and Partial Release of Restrictive Easements for Safety Area for Group NIRE and GE

Previous Board Action:

None

Statement of Pertinent Facts:

- a. GE, in concert with one of our customers, Group NIRE, has requested the partial release of a restrictive safety easement and road access easement to construct a new wind turbine (P5) on a neighboring property.
- b. In exchange for granting this request, staff negotiated the following terms:
 - 1. GE will fund the construction of the entire length of perimeter road on our west boundary (2.5 miles) and
 - 2. GE will accept responsibility for its maintenance as long as P5 remains on the property.
- c. This will be a great benefit to LRRRA and its customers.

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 authorizes its CEO/Executive Director to Execute any and all necessary documents, including an Easement Improvement Agreement, an Easement, and a Partial Release of Restrictive Easements for Safety Area, subject to negotiation of final terms and conditions, on this 28th day of September 2022.”

Steve Verett, President

ATTEST:

Board Member

AGENDA ITEM 7

EXECUTIVE SUMMARY

FY2023 DATA CENTER/FIBER OPTICS BUDGET

We are pleased to present you with the following proposed Data Center/Fiber Optics budget for Fiscal Year 2023. A summary of FY2022 and five years comparison are below.

Current Year – FY 2022

- We project total income at FYE to be approximately \$257,437, about 24% more than the budgeted amount of \$207,000. This difference is due to United Supermarkets who was scheduled to be moved out of the Data Center over 12 months ago; they continue to operate there and are very slowly moving from a cage to a rack. Additionally, we have added one new rack customer to the Data Center.
- On the expense side, we expect total expenses of \$165,941, an approximate 16% increase than what was budgeted. This increase is due to a large building maintenance expense and higher than expected electric utility costs.
- We project to end FY 2022 with net income before depreciation of approximately \$91,496, versus the budgeted amount of \$64,500 resulting in a 42% increase than what was projected.

Proposed Budget – FY 2023

- Our proposed FY 2023 budget calls for small growth in use of fiber by customers and additional rack space customers resulting in projected income of \$237,000.
- FY 2023 projected expenses, \$170,100, are about 3% greater than the FY 2022 projected year end amount of \$165,941. We plan for additional expenses to service the generator.

DATA CENTER/FIBER OPTICS FUND - COMPARISON

	FY 2019 - Audited	FY 2020 - Audited	FY 2021 - Audited	FY 2022 - Projected	FY 2023 - Proposed
TOTAL INCOME	\$ 196,291	\$ 217,781	\$ 222,734	\$ 257,437	\$ 237,000
TOTAL EXPENSES	\$ 169,211	\$ 166,652	\$ 145,051	\$ 165,941	\$ 170,100
NET INCOME	\$ 27,080	\$ 51,129	\$ 77,683	\$ 91,496	\$ 66,900

Amounts do not include depreciation & capital expenses

DATA CENTER/FIBER OPTICS BUDGET - FY2023 PROPOSED

	A	B	C	D	E		F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2022 YTD 31, 2022	ACTUAL AUGUST	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 Proposed	NOTES
2	INCOME								Column F to G		Column G to I	Column F to I	
3		4260	0	Usage Fees	\$ 24,963.00		\$ 12,000.00	\$ 27,232.36	126.94%	\$ 27,000.00	-0.85%	125.00%	Metered usage charged to customers-United, TTU, & SitePro
5		4800	0	Fiber Optic Income	\$ 211,020.90		\$ 195,000.00	\$ 230,204.62	18.05%	\$ 210,000.00	-8.78%	7.69%	Co-location leases, fiber & conduit fees. United to move out??
6	INCOME TOTAL				\$ 235,983.90		\$ 207,000.00	\$ 257,436.98	24.37%	\$ 237,000.00	-7.94%	14.49%	
7													
8	UTILITIES	5220	502	Internet Charges	\$ 18,943.76		\$ 22,000.00	\$ 20,665.92	-6.06%	\$ 22,000.00	6.46%	0.00%	UPN \$1550/mo 80% billed to DC. Suddenlink \$490 100% to DC
9		5380	423	Electric	\$ 70,644.49		\$ 60,000.00	\$ 77,066.72	28.44%	\$ 75,000.00	-2.68%	25.00%	SPEC bill for data center, avg monthly \$6,000
10		5380	439	Gas	\$ 1,640.52		\$ 1,700.00	\$ 1,789.66	5.27%	\$ 2,300.00	28.52%	35.29%	Atmos bill for data center, avg monthly \$190
11	UTILITIES TOTAL				\$ 91,228.77		\$ 83,700.00	\$ 99,522.29	18.90%	\$ 99,300.00	-0.22%	18.64%	
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	\$ 9,037.69		\$ 10,000.00	\$ 9,859.30	-1.41%	\$ 11,000.00	11.57%	10.00%	TML. Re-rates received 7/28/22. 5% of total ins allocated here. Inc from last yr 8%
16	ADMIN TOTAL				\$ 12,493.56		\$ 13,800.00	\$ 13,629.34	-1.24%	\$ 14,800.00	8.59%	7.25%	
17													
18	OPERATIONS	5560	0	Building Maintenance	\$ 15,191.83		\$ 10,000.00	\$ 16,572.91	65.73%	\$ 10,000.00	-39.66%	0.00%	Expenses for all things related to B36
19		5800	0	Equipment Maintenance	\$ 6,248.80		\$ 11,000.00	\$ 6,816.87	-38.03%	\$ 16,000.00	134.71%	45.45%	Maint contracts. TDI \$4,268/yr, Eaton \$5,891/yr. generator maint scheduled for FY23
20		5800	414	IT Support/NOC Maint	\$ 26,950.00		\$ 24,000.00	\$ 29,400.00	22.50%	\$ 30,000.00	2.04%	25.00%	Switch \$1,950/mo & \$500/mo for United. United moving out??
21	OPERATIONS TOTAL				\$ 48,390.63		\$ 45,000.00	\$ 52,789.78	17.31%	\$ 56,000.00	6.08%	24.44%	
22													
23	EXPENSE TOTAL				\$ 152,112.96		\$ 142,500.00	\$ 165,941.41	16.45%	\$ 170,100.00	2.51%	19.37%	
24													
25	NET INCOME BEFORE DEPRECIATION				\$ 83,870.94		\$ 64,500.00	\$ 91,495.57	41.85%	\$ 66,900.00	-26.88%	3.72%	
26	DEPRECIATION	5305	0	Depreciation	\$ 30,985.38		\$ 35,000.00	\$ 33,802.23	-3.42%	\$ 35,000.00	3.54%	100.00%	
27	NET INCOME				\$ 52,885.56		\$ 29,500.00	\$ 57,693.34	95.57%	\$ 31,900.00	-44.71%	8.14%	
28													
29	FY 2022 CAPITAL PROJECTS												
30	None												
31													
32													
33	FY 2023 CAPITAL PROJECTS												
34	None												
35													
36													

AGENDA ITEM 7

EXECUTIVE SUMMARY

FY2023 OPERATING BUDGET

We are pleased to present you with the following proposed Operating Budget for Fiscal Year 2023. A summary of FY2022 and five years comparison are below.

Current Year – FY 2022

- We project total income at FYE to be \$3,267,005 which is about 5% greater than what was budgeted.
- On the expense side, we expect total expenses of \$2,948,968, which is about 3% greater than what was budgeted.
- We project to end FY 2022 with net income before depreciation of \$318,037 versus the budgeted amount of \$241,480; a 32% increase caused by less than expected expenses for professional services and more revenues from usage fees and interest income.

Proposed Budget – FY 2023

- Our proposed FY 2023 budget calls for total income of \$3,208,400. Affecting this increase are several new customers filling all the vacancies left by the departure of Zachry Industrial.
- Total expenses for FY2023 are projected to be \$2,449,250, a decrease of 16% from FY2022 projected year end. This decrease is due to removing the expense for the clean-up of the Reese Business Park which cost approximately \$650,000.

OPERATING FUND - COMPARISON

	FY 2019 - Audited	FY 2020 - Audited	FY 2021 - Audited	FY 2022 - Projected	FY 2023 - Proposed
TOTAL INCOME	\$ 2,978,541	\$ 3,129,779	\$ 3,319,176	\$ 3,267,005	\$ 3,208,400
TOTAL EXPENSES	\$ 2,621,989	\$ 1,984,442	\$ 2,311,492	\$ 2,948,968	\$ 2,449,250
NET INCOME	\$ 356,552	\$ 1,145,337	\$ 1,007,684	\$ 318,037	\$ 732,150

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 projected FY2022 budget is due to the cleanup of RBP.

GENERAL OPERATING BUDGET - FY2023 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2022 ACTUAL YTD AUGUST 31, 2022	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
3	INCOME	4200	0	Lease	\$ 2,003,129.02	\$ 2,100,000.00	\$ 2,185,231.66	4.06%	\$ 2,150,000.00	-1.61%	2.38%	Leases currently in place. Assumes customers will exercise option
4		4250	0	CAM	\$ 660,263.67	\$ 720,000.00	\$ 720,287.64	0.04%	\$ 734,400.00	1.96%	2.00%	TTU, SPC, COL pay monthly. All will receive a 2% increase.
5		4260	0	Usage Fees	\$ 271,007.41	\$ 250,000.00	\$ 295,644.45	18.26%	\$ 275,000.00	-6.98%	10.00%	FY21 = \$297 FY20=\$312, FY19=\$322K
6		4300	0	Contract Work	\$ 9,159.39	\$ 15,000.00	\$ 9,992.06	-33.39%	\$ 10,000.00	0.08%	-33.33%	KBR Event extras
7		4350	0	Insurance Proceeds	\$ 3,975.00	\$ -	\$ 3,975.00	100.00%	\$ -	-100.00%	0.00%	Not budgeted
8		4400	0	Interest Income	\$ 16,031.40	\$ 7,500.00	\$ 17,488.80	133.18%	\$ 10,000.00	-42.82%	33.33%	PCB 70 bps on account and Peoples Bank 82 bps on Sweep Account
10		4650	423	Utility Franchise Fee - Electric	\$ 23,338.55	\$ 20,000.00	\$ 25,460.24	27.30%	\$ 20,000.00	-21.45%	0.00%	SPEC franchise fees, pays monthly based on customer usage
11		4650	439	Utility Franchise Fee - Gas	\$ 8,181.49	\$ 9,000.00	\$ 8,925.26	-0.83%	\$ 9,000.00	0.84%	0.00%	Atmos franchise fees pays once per year. Notice of amt rec'd July
12	INCOME TOTAL				\$ 2,995,085.93	\$ 3,121,500.00	\$ 3,267,005.11	4.66%	\$ 3,208,400.00	-1.79%	2.78%	
13												
14	PAYROLL	5100	0	Salaries	\$ 742,765.85	\$ 780,000.00	\$ 782,765.85	0.35%	\$ 795,000.00	1.56%	1.92%	Includes \$ for MBD incentive cap \$100k and other for rest of emp \$60K
15		5110	0	Payroll Taxes	\$ 52,256.81	\$ 59,000.00	\$ 57,007.43	-3.38%	\$ 61,000.00	7.00%	3.39%	Based on number above
16		5120	116	Insurance - Health	\$ 69,872.92	\$ 85,000.00	\$ 76,225.00	-10.32%	\$ 95,000.00	24.63%	11.76%	Actual rate increase of 12%
17		5120	117	Insurance - Dental/Vision	\$ 4,015.24	\$ 4,900.00	\$ 4,380.26	-10.61%	\$ 4,900.00	11.87%	0.00%	budgeted for no rate increase
18		5120	118	Insurance - Life/AD&D	\$ 277.29	\$ 350.00	\$ 302.50	-13.57%	\$ 350.00	15.70%	0.00%	budgeted for no rate increase
19		5120	119	Insurance - LTD	\$ 6,146.11	\$ 6,200.00	\$ 6,704.85	8.14%	\$ 7,800.00	16.33%	25.81%	Principle Financial
20		5120	120	Insurance - Dread Disease	\$ 2,894.55	\$ 3,700.00	\$ 3,157.69	-14.66%	\$ 3,700.00	17.17%	0.00%	Manhattan
21		5140	121	Insurance - Workers Comp	\$ 7,315.88	\$ 8,000.00	\$ 7,980.96	-0.24%	\$ 8,700.00	9.01%	8.75%	TML -actual re=rate is \$7,600 + amt for audit
22		5150	131	Retirement - TCDRS	\$ 20,758.95	\$ 28,000.00	\$ 22,646.13	-19.12%	\$ 31,000.00	36.89%	10.71%	Rate changes in January 23 from 3.95% to 3.81% but will pay higher rate
23		5700	211	Payroll Service	\$ 1,062.82	\$ 1,000.00	\$ 1,159.44	15.94%	\$ 1,400.00	20.75%	40.00%	Snelling fees for processing payroll. Price increase at 7/2022
24	PAYROLL TOTAL				\$ 907,366.42	\$ 976,150.00	\$ 962,330.11	-1.42%	\$ 1,008,850.00	4.83%	3.35%	

GENERAL OPERATING BUDGET - FY2023 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2022 ACTUAL YTD AUGUST 31, 2022	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 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	\$ 2,931.47	\$ 3,210.00	\$ 3,197.97	-0.37%	\$ 3,400.00	6.32%	5.92%	Principle portion of Xerox lease payment, expires March 2024
27		5200	101	General Office Supplies	\$ 10,699.90	\$ 10,000.00	\$ 11,672.62	16.73%	\$ 15,000.00	28.51%	50.00%	General office supplies. Includes Xerox usage expenses
28		5200	103	Office Equip/Software	\$ 9,949.57	\$ 20,000.00	\$ 10,854.08	-45.73%	\$ 20,000.00	84.26%	0.00%	software/hardware. \$10K is software
29		5210	101	Board Expenses	\$ 2,110.54	\$ 1,500.00	\$ 2,302.41	53.49%	\$ 3,000.00	30.30%	100.00%	Board breakfast
30		5250	111	Interest Exp Xerox Copier Lease	\$ 335.36	\$ 360.00	\$ 365.85	1.62%	\$ 200.00	-45.33%	-44.44%	Interest portion of lease payment which expires March 2024
31		5310	107	Janitorial/Building Maint	\$ 24,738.99	\$ 25,000.00	\$ 26,987.99	7.95%	\$ 28,000.00	3.75%	12.00%	Valentines. Includes B800 \$1,662.36; B50 \$201.05; B20 \$94.24
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	\$ 1,697.51	\$ 2,000.00	\$ 1,851.83	-7.41%	\$ 2,000.00	8.00%	0.00%	Postage and cost of machine and equipment
34		5350	114	Insurance - Liability & Property	\$ 171,716.15	\$ 191,300.00	\$ 187,326.71	-2.08%	\$ 220,000.00	17.44%	15.00%	TML Actual Re-rate received 7/28/22. Net increase 8%
35		5360	208	License and Fee	\$ 524.71	\$ 1,500.00	\$ 572.41	-61.84%	\$ 1,500.00	162.05%	0.00%	TCEQ , boiler, and elevator licenses/fees
36		5363	124	Staff Meetings	\$ 4,375.43	\$ 5,000.00	\$ 4,773.20	-4.54%	\$ 5,000.00	4.75%	0.00%	Staff lunch meetings & employee Christmas Party
37		5363	305	Meetings & Memberships	\$ 2,891.50	\$ 3,000.00	\$ 3,154.36	5.15%	\$ 4,000.00	26.81%	33.33%	Overflow Chamber events. For those not scheduled
40		5400	125	Recruitment - Customer and New Emp	\$ 1,828.28	\$ 1,000.00	\$ 1,994.49	99.45%	\$ 1,000.00	-49.86%	0.00%	D&B used for vetting customers
41		5400	303	Advertising & Printing	\$ 758.74	\$ 2,000.00	\$ 827.72	-58.61%	\$ 2,000.00	141.63%	0.00%	Stationary - letterhead, envelopes, checks
42		5410	132	Awards & Recognition	\$ 390.03	\$ 500.00	\$ 425.49	-14.90%	\$ 500.00	17.51%	0.00%	Employee service awards
43		5540	134	Prof Services - Document Shredding	\$ 1,038.46	\$ 1,200.00	\$ 1,132.87	-5.59%	\$ 1,200.00	5.93%	0.00%	VRC storage and shredding. Reduced services in 2020
44		5540	401	Prof Services - Campus	\$ -	\$ 2,000.00	\$ -	-100.00%	\$ 2,000.00	#DIV/0!	0.00%	Other Staff training and other misc. services
45		5545	112	Serv Contract - Network Maintenance	\$ 6,695.41	\$ 8,000.00	\$ 7,304.08	-8.70%	\$ 8,000.00	9.53%	0.00%	Switch IT support. Maint contract is \$2772 yr
46		5610	110	ED Travel/Meetings	\$ 7,559.55	\$ 3,500.00	\$ 8,246.78	135.62%	\$ 5,000.00	-39.37%	42.86%	ED training/travel
47		5620	404	Campus Training	\$ 5,429.52	\$ 5,000.00	\$ 5,923.11	18.46%	\$ 5,000.00	-15.58%	0.00%	All other employee training, SGR and cyber security
48		5700	203	Audit Fee	\$ 34,200.00	\$ 37,000.00	\$ 34,200.00	-7.57%	\$ 39,000.00	14.04%	5.41%	Per Jimmy \$34,250 for audit and \$5,000 for single audit
49		5710	113	Legal Fees	\$ 37,377.88	\$ 50,000.00	\$ 40,775.87	-18.45%	\$ 50,000.00	22.62%	0.00%	FY16 \$61,000, FY17 \$45,000, FY18 \$23,400, FY19 \$38,612, FY20\$36,392
50	ADMIN TOTAL				\$ 329,464.68	\$ 375,470.00	\$ 356,306.92	-5.10%	\$ 418,200.00	17.37%	11.38%	

GENERAL OPERATING BUDGET - FY2023 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2022 ACTUAL YTD AUGUST 31, 2022	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
51												
52	UTILITIES	5380	122	Telephone Land Line	\$ 6,861.42	\$ 9,300.00	\$ 7,485.19	-19.51%	\$ 9,000.00	20.24%	-3.23%	Digium \$220/mo and Vexus \$380/mo
53		5380	405	Water/Wastewater	\$ 174,088.06	\$ 200,000.00	\$ 189,914.25	-5.04%	\$ 200,000.00	5.31%	0.00%	COL bill. FY21=\$169K FY20=\$197K FY19=\$200K FY18=\$122K
54		5380	423	Electricity	\$ 145,837.69	\$ 90,000.00	\$ 159,095.66	76.77%	\$ 150,000.00	-5.72%	66.67%	SPEC bill. Significant rate increases
55		5380	439	Gas	\$ 23,292.31	\$ 15,000.00	\$ 25,409.79	69.40%	\$ 30,000.00	18.06%	100.00%	Atmos bill.
56		5380	502	Internet	\$ 5,793.25	\$ 4,600.00	\$ 6,319.91	37.39%	\$ 6,200.00	-1.90%	34.78%	Vexus for KBR & TV= \$205/mo and UPN billed 20% = \$310/mo
57	UTILITIES TOTAL				\$ 355,872.73	\$ 318,900.00	\$ 388,224.80	21.74%	\$ 395,200.00	1.80%	23.93%	
58												
59	MARKETING	5430	102	Office Enhancements	\$ 21.92	\$ 1,000.00	\$ 23.91	-97.61%	\$ 1,000.00	4081.87%	0.00%	Décor
60		5430	133	Sponsorships	\$ 10,398.23	\$ 8,500.00	\$ 11,343.52	33.45%	\$ 13,000.00	14.60%	52.94%	Chamber, LEDA, LBB Apt Assn, FISD, SPC Events, United Way
61		5430	301	Marketing General	\$ 5,898.52	\$ 3,000.00	\$ 6,434.75	114.49%	\$ 3,000.00	-53.38%	0.00%	Other marketing
62		5430	302	ED Expenses & Customer Gifts	\$ 10,322.76	\$ 7,000.00	\$ 11,261.19	60.87%	\$ 10,000.00	-11.20%	42.86%	ED lunch's with customers, customer gifts/Christmas gifts
63		5430	303	Advertisement & Printing	\$ 989.47	\$ 2,000.00	\$ 1,079.42	-46.03%	\$ 2,000.00	85.28%	0.00%	Other marketing ads
64		5430	304	Ads in Publications	\$ 2,200.00	\$ 1,000.00	\$ 2,400.00	140.00%	\$ 1,000.00	100.00%	0.00%	Magazine ads
65		5430	305	Meetings & Memberships	\$ 2,582.75	\$ 3,000.00	\$ 2,582.75	-13.91%	\$ 3,000.00	16.16%	0.00%	MBD Memberships - Highgrounds, etc. and prof orgn meetings
66		5430	307	MBD Meals and Entertainment	\$ 732.38	\$ 2,000.00	\$ 798.96	-60.05%	\$ 2,000.00	150.33%	0.00%	MBD customer and potential customer lunches
67		5430	310	MBD Travel	\$ 1,516.28	\$ 2,000.00	\$ 1,654.12	-17.29%	\$ 2,000.00	20.91%	0.00%	Conference travel
68		5430	311	Marketing Training	\$ -	\$ 2,000.00	\$ -	0.00%	\$ 2,000.00	100.00%	100.00%	Leadership Lubbock, other
69		5430	312	Technology	\$ 15,125.57	\$ 25,000.00	\$ 16,500.62	-34.00%	\$ 25,000.00	51.51%	0.00%	LoopNet \$4860/yr, Contract Cre8tive \$3800/yr, Adobe Suite \$2300/yr
70	MARKETING TOTAL				\$ 49,787.88	\$ 56,500.00	\$ 54,079.26	-4.28%	\$ 64,000.00	18.34%	13.27%	
71												

GENERAL OPERATING BUDGET - FY2023 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2022 ACTUAL YTD AUGUST 31, 2022	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
72	OPERATIONS	5900	401	Campus General	\$ 717,022.79	\$ 680,000.00	\$ 717,022.79	5.44%	\$ 30,000.00	-95.82%	-95.59%	YTD expense includes \$650K for RBP cleanup
73		5900	402	Shop Supplies	\$ 4,421.99	\$ 7,000.00	\$ 4,823.99	-31.09%	\$ 7,000.00	45.11%	0.00%	Supplies for shop
74		5900	403	Tools & Tool Repair	\$ 2,807.64	\$ 5,000.00	\$ 3,062.88	-38.74%	\$ 5,000.00	63.25%	0.00%	Tools and small repairs
75		5900	405	Water System	\$ 12,145.02	\$ 10,000.00	\$ 13,249.11	32.49%	\$ 10,000.00	-24.52%	0.00%	Repairs for water system breaks
76		5900	406	Ops Cell Phone	\$ 4,675.28	\$ 5,000.00	\$ 5,100.31	2.01%	\$ 5,000.00	-1.97%	0.00%	4 cell phone reimb = \$2400 per yr plus Verizon iPad at \$180/mo
77		5900	407	Work Clothes	\$ 3,164.91	\$ 2,000.00	\$ 3,164.91	58.25%	\$ 2,000.00	-36.81%	0.00%	Per policy, 11 shirts, 6 pants, 3 shorts, 1 jacket, 1 shoes
78		5900	417	Animal/Pest control	\$ 1,480.00	\$ 1,000.00	\$ 1,614.55	61.45%	\$ 1,000.00	-38.06%	0.00%	Terminix and other bills associated with pest removal (L. Watson)
79		5900	419	Security/Safety	\$ 7,501.80	\$ 12,000.00	\$ 8,183.78	-31.80%	\$ 12,000.00	46.63%	0.00%	All security: S2 - toll tags, badges, software, Corvus - B800, B36, pump house, keys and cores, all fire related
80		5900	420	Roof	\$ -	\$ 5,000.00	\$ -	-100.00%	\$ 5,000.00	#DIV/0!	0.00%	Roof repairs
81		5900	421	HVAC	\$ 33,403.78	\$ 20,000.00	\$ 33,403.78	67.02%	\$ 20,000.00	-40.13%	0.00%	Anthony Mechanical annual maint fees
82		5900	422	Painting	\$ -	\$ 15,000.00	\$ -	-100.00%	\$ 15,000.00	#DIV/0!	0.00%	No large paint projects planned
83		5900	423	Electric	\$ 29,562.52	\$ 8,000.00	\$ 29,562.52	269.53%	\$ 12,000.00	-59.41%	50.00%	LED replacement and some electrical outsourcing
84		5900	424	Fence Repair	\$ 11,240.00	\$ 3,000.00	\$ 12,261.82	308.73%	\$ 3,000.00	-75.53%	0.00%	Fence repairs - mostly collected from insurance
85		5900	425	Plumbing & Irrigation	\$ 4,531.15	\$ 10,000.00	\$ 4,943.07	-50.57%	\$ 10,000.00	102.30%	0.00%	Plumbing repairs
86		5900	428	Cleaning	\$ 2,748.68	\$ 2,500.00	\$ 2,998.56	19.94%	\$ 2,500.00	-16.63%	0.00%	Building cleaning to enable customer walk through. Cintas mat cleaning
87		5900	429	Building Make Ready	\$ 130.16	\$ 5,000.00	\$ 130.16	-97.40%	\$ -	-100.00%	-100.00%	For new customer move in
88		5900	430	Ground Maintenance	\$ 275,058.84	\$ 285,000.00	\$ 297,058.84	4.23%	\$ 300,000.00	0.99%	5.26%	L&N = \$204,705. Other = \$95,000
89		5900	434	Signage	\$ -	\$ 3,000.00	\$ -	-100.00%	\$ 3,000.00	#DIV/0!	0.00%	Signs as needed for new customers
90		5900	440	Door Repair	\$ 13,423.60	\$ 5,000.00	\$ 14,643.93	192.88%	\$ 68,000.00	364.36%	1260.00%	Repair of doors. Includes replacement of 17 garage doors at \$60,000
91		5900	441	Environmental	\$ -	\$ 2,500.00	\$ -	-100.00%	\$ 2,500.00	100.00%	0.00%	Misc. environmental
92		5900	442	Safety Supplies	\$ 800.20	\$ 2,000.00	\$ 872.95	-56.35%	\$ 2,000.00	129.11%	0.00%	Safety equipment; harnesses, etc..
93		5900	445	Architect & Engineering	\$ 3,646.00	\$ 40,000.00	\$ 3,977.45	-90.06%	\$ 50,000.00	1157.09%	25.00%	Parkhill misc engineering fees
94		5900	448	KBR Event Expenses	\$ 11,503.10	\$ 10,000.00	\$ 12,548.84	25.49%	\$ 10,000.00	-20.31%	0.00%	Equipment rented for KBR events. Mostly vehicles.
95		5900	449	Vehicle Repair & Maint	\$ 11,394.17	\$ 5,000.00	\$ 12,430.00	148.60%	\$ 5,000.00	-59.77%	0.00%	Vehicle repairs
96		5900	450	Gas/Fuel	\$ 6,229.45	\$ 7,000.00	\$ 6,795.76	-2.92%	\$ 7,000.00	3.01%	0.00%	Fuel for vehicles and equipment
97		5900	451	Windows	\$ 162.36	\$ 3,000.00	\$ 177.12	-94.10%	\$ 3,000.00	1593.77%	0.00%	Broken window repairs
98	OPERATIONS TOTAL				\$ 1,157,053.44	\$ 1,153,000.00	\$ 1,188,027.12	3.04%	\$ 590,000.00	-50.34%	-48.83%	
99												
100	EXPENSE TOTAL				\$ 2,799,545.15	\$ 2,880,020.00	\$ 2,948,968.20	2.39%	\$ 2,476,250.00	-16.03%	-14.02%	
101	NET INCOME BEFORE DEPRECIATION				\$ 195,540.78	\$ 241,480.00	\$ 318,036.91	31.70%	\$ 732,150.00	130.21%	203.19%	
102	DEPRECIATION	5305		Depreciation	\$ 517,813.70	\$ 570,000.00	\$ 564,887.67	-0.90%	\$ 600,000.00	6.22%	5.26%	
103	NET INCOME				\$ (322,272.92)	\$ (328,520.00)	\$ (246,850.77)	-24.86%	\$ 132,150.00	-153.53%	-140.23%	

GENERAL OPERATING BUDGET - FY2023 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2022 ACTUAL YTD AUGUST 31, 2022	FYE 2022 APPROVED BUDGET	FYE 2022 PROJECTED YEAR END	FYE 2022 % Change Approved Budget to Projected Year End	FYE 2023 PROPOSED BUDGET	% Change FYE22 Projected YE to FYE23 Proposed	% Change FYE22 Approved Budget to FYE23 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
104												
105												
106	FY 2021 CAPITAL PROJECTS				ACTUAL YTD	APPROVED BUDGET	NOTES					
107	EDA Grant Match for Airfield Project				\$ 838,532.45	\$ 865,600.00	Under budget by \$27,067.55					
108	2021 Seal Coat				\$ 77,509.68	\$ 75,000.00	Over budget by \$2,509.68					
109	TOTAL				\$ 916,042.13	\$ 940,600.00						
110												
111												
112	FY 2022 CAPITAL PROJECTS				ACTUAL YTD	APPROVED BUDGET	NOTES					
113	Bobcat Skid Steer - Actual Purchase John Deere Tractor from Group NIRE				\$ 25,000.00	\$ 35,000.00	Under budget by \$10,000					
114	Valve Maintenance Trailer				\$ 68,718.75	\$ 83,000.00	Under budget by \$14,281.25					
115	2022 Seal Coat				\$ 54,592.55	\$ 75,000.00	Under budget by \$20,407.45					
116	B210 Lower Roof				\$ 98,446.00	\$ 50,000.00	Over budget by \$48,446					
117	Isolation Valves - South Campus				\$ -	\$ 50,000.00	on hold due to lack of and cost of materials					
118	B92 New Parking Lot				\$ -	\$ 60,000.00	August meeting, Board approved 6" concrete up to \$80,000					
119	TOTAL				\$ 246,757.30	\$ 353,000.00						
120												
121												
122												
123	FY 2023 PROPOSED CAPITAL PROJECTS								PROPOSED BUDGET			
124	2023 Seal Coat								\$ 75,000.00			
125	B1238 Rehab. New roof, lighting								\$ 60,000.00			
126	TOTAL								\$ 135,000.00			
127												

**AGENDA ITEM 7
EXECUTIVE SUMMARY
FY2023 CAPITAL BUDGET**

Seal Coat

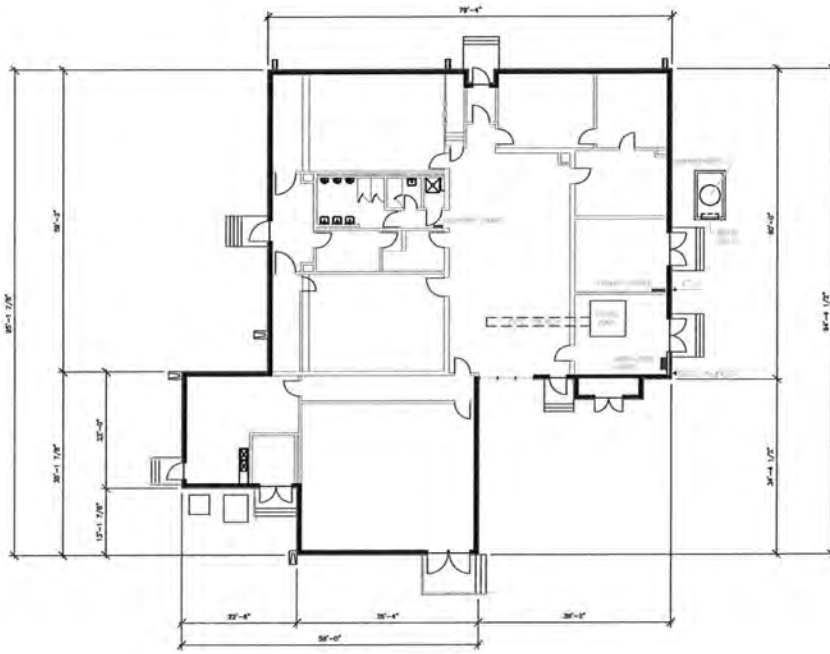
\$75,000 for street seal coat. This is part of an on-going street maintenance plan which will put the roads on a rotating five-year schedule.



New Roof & Lights – Building 1238

\$60,000 for a new roof and lights. Staff would like to be able to market this building which has been empty for over five years. It's difficult to show in the current condition and needs a new roof and lights for us to market it properly.

**BUILDING #1238
APPROXIMATELY 6,472 SF**



**BOARD REPORT ITEM #2022-0928-119
FY2022-2023 BUDGET**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
SEPTEMBER 28, 2022**

Item to be Considered:

Approve FY 2022-2023 Annual Operating, Data Center/Fiber Optics, and Capital Improvement Budgets

Previous Board Action:

- a. ***June 22, 2022*** – The Board was provided a preliminary detailed budget for FY 2022-2023 for review, discussion, and comment at the regular board meeting.
- b. ***August 24, 2022*** – 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 2022-2023 Budget.
- b. A Detailed Budget report was prepared and presented to the full Board for discussion and input.
- c. The FY 2022-2023 Budget has been reviewed and discussed with management, the LRRRA Board, 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 2022-2023 Annual Budget, as submitted, on this 28th day of September 2022.”

Approved by: _____
Steve Verett - President

ATTEST: _____
LRRRA Board Member

CASH BALANCES - AUGUST 31, 2022

	7/31/2022	8/31/2022	Change
General Fund Bank Accounts	\$ 2,528,765	\$ 2,655,752	\$ 126,987
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 479,629	\$ 413,204	\$ (66,425)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ 100	\$ 100	\$ -
Total Cash	\$ 3,863,494	\$ 3,924,056	\$ 60,562
Accounts Receivable - G/F	\$ 295,188	\$ 304,741	\$ 9,553
Accounts Receivable - F/O	\$ 15,405	\$ 7,999	\$ (7,406)
Total Accounts Receivable	\$ 310,593	\$ 312,740	\$ 2,147
Total Cash & Accounts Receivable	\$ 4,174,087	\$ 4,236,796	\$ 62,709

Aged Accounts Receivable as of 08/31/2022

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
263,777.85	34,129.17	14,746.64	-	-	312,653.66

Aged Accounts Receivable as of 09/21/2022

89,520.23	11,750.46	-	-	-	101,270.69
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EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

PARKHILL	26,558.14	CAPITALIZED
SPAG	35,000.00	CAPITALIZED
DELTA SPECIALTY CONTRACTORS	32,590.62	CAPITALIZED
BLDG # 70 ROOF - 3RD AND FINAL DRAWS	18,276.30	CAPITALIZED
HOUSING AREA BLADED/LEVELED	20,000.00	EXPENSES

\$ 132,425.06



FINANCIAL HIGHLIGHTS - AUGUST 31, 2022

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 319,740	\$ 19,694	\$ 339,434	\$ 2,708,048	\$ 211,021	\$ 2,919,069	
Other Revenue - Usage Fees	\$ 34,724	\$ 2,671	\$ 37,395	\$ 271,007	\$ 24,963	\$ 295,970	
Total Revenue	\$ 354,464	\$ 22,365	\$ 376,829	\$ 2,979,055	\$ 235,984	\$ 3,215,039	
Expenses	\$ 206,978	\$ 13,747	\$ 220,725	\$ 2,796,761	\$ 151,965	\$ 2,948,726	
Net Income BPSID	\$ 147,486	\$ 8,618	\$ 156,104	\$ 182,294	\$ 84,019	\$ 266,313	
Interest Income - Plus	\$ 3,866	\$ -	\$ 3,866	\$ 16,031	\$ -	\$ 16,031	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (517,814)	\$ (32,083)	\$ (549,897)	
Net Income	\$ 101,428	\$ 5,335	\$ 106,763	\$ (319,489)	\$ 51,936	\$ (267,553)	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 8/31/2022

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
ASSETS				
CASH	2,655,752	413,204	-	3,068,955
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	304,741	-	7,999	312,740
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	3,777	-	-	3,777
CONSTRUCTION IN PROGRESS	(231,979)	1,126,030	-	894,051
PROPERTY AND EQUIPMENT, NET	6,674,889	-	144,053	6,818,942
OTHER ASSETS	68,414	-	7,266	75,680
Total ASSETS	10,330,594	1,539,234	159,318	12,029,146
LIABILITIES				
ACCOUNTS PAYABLE	12,790	437,013	-	449,803
ACCRUED EXPENSES	110,438	-	4,568	115,005
DEFERRED REVENUE	230,576	-	18,883	249,459
NET PENSION LIABILITIES	(1,713)	-	-	(1,713)
NOTES PAYABLE	5,310	-	-	5,310
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	75,674	-	223	75,896
OTHER LIABILITIES	1,470	-	-	1,470
Total LIABILITIES	434,546	437,013	23,673	895,232
FUND EQUITY				
BEGINNING OF PERIOD	12,177,186	-	(776,816)	11,400,370
YEAR TO DATE EARNINGS	(319,489)	-	53,033	(266,456)
Total FUND EQUITY	11,857,697	-	(723,783)	11,133,914
TOTAL LIABILITY AND FUND	12,292,242	437,013	(700,110)	12,029,146

LUBBOCK REESE REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
From 10/1/2021 Through 8/31/2022

(In Whole Numbers)

	<u>General Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	2,881,739	235,984	3,117,722
OPERATING EXPENSES	3,314,575	182,951	3,497,526
OPERATING INCOME(LOSS)	<u><u>(432,837)</u></u>	<u><u>53,033</u></u>	<u><u>(379,803)</u></u>
NONOPERATING INTEREST INCOME	16,031	-	16,031
NET NONOPERATING REVENUES	<u><u>16,031</u></u>	<u><u>-</u></u>	<u><u>16,031</u></u>
INCREASE (DECREASE) IN FUND	<u><u>(416,805)</u></u>	<u><u>53,033</u></u>	<u><u>(363,772)</u></u>
FUND EQUITY, BEGINNING	12,177,186	(776,816)	11,400,370
FUND EQUITY, ENDING	11,760,381	(723,783)	11,036,598

LUBBOCK REESE REDEVELOPMENT AUTHORITY
SUPPLEMENTAL SCHEDULE OF REVENUES
From 10/1/2021 Through 8/31/2022

(In Whole Numbers)

	<u>General Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
LEASES	1,905,813	-	1,905,813
USAGE FEES	271,007	24,963	295,970
PBT CAM FEES	660,264	-	660,264
CONTRACT SERVICES	9,159	-	9,159
DATA CENTER / FIBER OPTIC	-	211,021	211,021
TOTAL OPERATING REVENUE	<u>2,846,244</u>	<u>235,984</u>	<u>3,082,227</u>
UTILITY FRANCHISE FEES	31,520	-	31,520
INSURANCE PROCEEDS	3,975	-	3,975
OTHER MISCELLANEOUS	-	-	-
TOTAL REVENUES	<u>2,881,739</u>	<u>235,984</u>	<u>3,117,722</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2021 Through 8/31/2022

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES			
SALARIES & TAXES	795,023	-	795,023
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	111,281	-	111,281
INSURANCE - PROPERTY & GENERAL LIABILITY	171,716	9,038	180,754
ADMINISTRATIVE EXPENSES	9,220	-	9,220
GENERAL OFFICE EXPENSES	54,335	3,456	57,790
ACCTG. & AUDITING SERVICES	35,263	-	35,263
COMPUTER SOFTWARE & MAINT.	-	33,199	33,199
INTERNET	-	18,944	18,944
LEGAL SERVICES	37,378	-	37,378
NETWORK MAINTENANCE CONTRACT	6,695	-	6,695
TRAINING & TRAVEL	12,989	-	12,989
MARKETING EXPENSES	49,788	-	49,788
OPERATIONS - GROUND MAINT. AND ENGINEERING	1,157,053	-	1,157,053
UTILITIES	355,873	72,285	428,158
DEPRECIATION EXPENSE	517,814	30,985	548,799
Total OPERATING EXPENSES	3,314,427	167,907	3,482,334

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 8/1/2022 Through 8/31/2022

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
REVENUES						
Leases	159,503	175,000	(15,497)	1,905,813	1,925,000	(19,187)
PBT Cam Fees	60,024	60,000	24	660,264	660,000	264
Usage Fees	34,724	20,833	13,890	271,007	229,167	41,841
Contract Services	-	1,250	(1,250)	9,159	13,750	(4,591)
Utility Franchise Fees	2,898	1,667	1,231	31,520	27,333	4,187
Insurance Proceeds	-	-	-	3,975	-	3,975
Total REVENUES	257,148	258,750	(1,602)	2,881,739	2,855,250	26,489
EXPENSES						
Salaries & Taxes	52,123	69,917	17,794	795,023	769,083	(25,939)
Benefits - Health, Retirement & Wkr's Comp	10,534	11,346	812	111,281	124,804	13,523
Insurance -Property & General Liabilities	15,611	15,942	331	171,716	175,358	3,642
Administrative Expenses	95	933	838	9,220	12,267	3,047
General Office Expenses	3,927	5,355	1,428	54,335	58,905	4,570
Accounting & Auditing Services	84	83	(1)	35,263	37,917	2,654
Legal Services	6,570	4,167	(2,403)	37,378	45,833	8,455
Network Maintenance Contract	439	667	227	6,695	7,333	638
Training & Travel	1,090	708	(382)	12,989	7,792	(5,197)
Marketing Expenses	7,286	4,708	(2,578)	49,788	51,792	2,004
Operations	59,868	96,083	36,216	1,157,053	1,056,917	(100,137)
Building Maintenance & Repairs	148	-	(148)	148	-	(148)
Utilities	49,203	33,908	(15,295)	355,873	290,992	(64,881)
Total EXPENSES	206,978	243,818	36,839	2,796,761	2,638,993	(157,769)
NIBPSID	147,486	14,932	132,554	182,293	216,257	(33,964)
NON OPERATING REVENUE						
Interest Income	3,866	625	3,241	16,031	6,875	9,156
Total NON OPERATING REVENUE	3,866	625	3,241	16,031	6,875	9,156
DEPRECIATION						
Depreciation Expense	(49,924)	(47,500)	(2,424)	(517,814)	(522,500)	4,686
Total DEPRECIATION	(49,924)	(47,500)	(2,424)	(517,814)	(522,500)	4,686
Increase (Decrease) In Fund Equity	4,112	(31,943)	36,054	(416,805)	(299,368)	(117,437)

GENERAL FUND

Explanation of Significant Budget Variances

2022 AUGUST

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Leases	4200, 4201	\$ (15,497)	\$ (19,187)	Reclassified Revenue to Deferred Revenue	Year End is expected to be over budget.
Revenues, Usage	4260	\$ 13,890	\$ 41,841	Utility bills have increased in pricing	Year End is expected to be over budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 17,794	\$ (25,939)	YTD off due to incentive paid out	Year End is expected to be under budget
Expenses, Operations	5900	\$ 36,216	\$ (100,137)	Reese Business Park clean-up	Year End is expected to be over budget
Expenses, Utilities	5380	\$ (15,295)	\$ (64,881)	Utility bills have increased in pricing	Year End is expected to be over budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 8/1/2022 Through 8/31/2022

DATA CENTER / 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
REVENUES						
Usage Fees	2,671	1,000	1,671	24,963	11,000	13,963
Fiber Optic/Wireless Income	19,694	16,250	3,444	211,021	178,750	32,271
Total REVENUES	22,365	17,250	5,115	235,984	189,750	46,234
EXPENSES						
Insurance -Property & General Liabilities	822	833	12	9,038	9,167	129
General Office Expenses	314	317	3	3,456	3,483	28
Computer Software & Maintenance	2,941	2,917	(24)	33,199	32,083	(1,115)
Internet	490	1,833	1,343	18,944	20,167	1,223
Building Maintenance & Repairs	1,067	833	(234)	15,044	9,167	(5,877)
Utilities	8,114	5,142	(2,972)	72,285	56,558	(15,727)
Total EXPENSES	13,747	11,875	(1,872)	151,965	130,625	(21,340)
NIBPSID	8,618	5,375	3,243	84,019	59,125	24,894
DEPRECIATION						
Depreciation Expense	(3,283)	(2,917)	(367)	(30,985)	(32,083)	1,098
Total DEPRECIATION	(3,283)	(2,917)	(367)	(30,985)	(32,083)	1,098
Increase (Decrease) In Fund Equity	5,334	2,458	2,876	53,033	27,042	25,992

FIBER OPTIC FUND

Explanation of Significant Budget Variances

2022 AUGUST

	Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
EXPENSES, Building Maintenance & Repairs	\$ (234)	\$ (5,877)	Large repair expense on the Leibert CRAC system \$ 6,866.	Year End is expected to be over budget
Expenses, Utilities	\$ (2,972)	\$ (15,727)	Utility bills have increased in pricing	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 8/1/2022 Through 8/31/2022

COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Leases	159,503	175,000	(15,497)	1,905,813	1,925,000	(19,187)
PBT Cam Fees	60,024	60,000	24	660,264	660,000	264
Usage Fees	37,395	21,833	15,561	295,970	240,167	55,804
Contract Services	-	1,250	(1,250)	9,159	13,750	(4,591)
Utility Franchise Fees	2,898	1,667	1,231	31,520	27,333	4,187
Insurance Proceeds	-	-	-	3,975	-	3,975
Fiber Optic/Wireless Income	19,694	16,250	3,444	211,021	178,750	32,271
Total REVENUES	279,513	276,000	3,513	3,117,722	3,045,000	72,722
EXPENSES						
Salaries & Taxes	52,123	69,917	17,794	795,023	769,083	(25,939)
Benefits - Health, Retirement & Wkr's Comp	10,534	11,346	812	111,281	124,804	13,523
Insurance -Property & General Liabilities	16,432	16,775	343	180,754	184,525	3,771
Administrative Expenses	95	933	838	9,220	12,267	3,047
General Office Expenses	4,241	5,672	1,430	57,790	62,388	4,598
Accounting & Auditing Services	84	83	(1)	35,263	37,917	2,654
Computer Software & Maintenance	2,941	2,917	(24)	33,199	32,083	(1,115)
Internet	490	1,833	1,343	18,944	20,167	1,223
Legal Services	6,570	4,167	(2,403)	37,378	45,833	8,455
Network Maintenance Contract	439	667	227	6,695	7,333	638
Training & Travel	1,090	708	(382)	12,989	7,792	(5,197)
Marketing Expenses	7,286	4,708	(2,578)	49,788	51,792	2,004
Operations	59,868	96,083	36,216	1,157,053	1,056,917	(100,137)
Building Maintenance & Repairs	1,215	833	(381)	15,192	9,167	(6,025)
Utilities	57,317	39,050	(18,267)	428,158	347,550	(80,608)
Total EXPENSES	220,725	255,693	34,967	2,948,727	2,769,618	(179,109)
NIBPSID	58,788	20,307	38,481	168,996	275,382	(106,386)
NON OPERATING REVENUE						
Interest Income	3,866	625	3,241	16,031	6,875	9,156
Total NON OPERATING REVENUE	3,866	625	3,241	16,031	6,875	9,156
DEPRECIATION						
Depreciation Expense	(53,208)	(50,417)	(2,791)	(548,799)	(554,583)	5,784
Total DEPRECIATION	(53,208)	(50,417)	(2,791)	(548,799)	(554,583)	5,784
Increase (Decrease) In Fund Equity	9,446	(29,484)	38,930	(363,772)	(272,326)	(91,446)

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 8/1/2022 Through 8/31/2022

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

(In Whole Numbers)

	Current Month	Prior Year's			Prior Year's	
	Actual	Month Actual	Variance	YTD Actual	YTD Actual	Variance
REVENUES						
Leases	159,503	193,025	(33,522)	1,905,813	1,845,880	59,933
PBT Cam Fees	60,024	60,024	-	660,264	660,264	-
Usage Fees	37,395	55,877	(18,482)	295,970	285,578	10,392
Contract Services	-	3,220	(3,220)	9,159	20,633	(11,474)
Utility Franchise Fees	2,898	1,857	1,041	31,520	31,648	(128)
Insurance Proceeds	-	-	-	3,975	188,523	(184,548)
Fiber Optic/Wireless Income	19,694	20,644	(950)	211,021	182,680	28,341
Total REVENUES	279,513	334,647	(55,134)	3,117,722	3,215,207	(97,485)
EXPENSES						
Salaries & Taxes	52,123	51,506	617	795,023	734,303	60,720
Benefits - Health, Retirement & Wkr's Comp	10,534	9,502	1,032	111,281	119,005	(7,724)
Insurance -Property & General Liabilities	16,432	14,950	1,482	180,754	164,569	16,185
Administrative Expenses	95	91	4	9,220	11,339	(2,119)
General Office Expenses	4,241	6,714	(2,473)	57,790	65,328	(7,538)
Accounting & Auditing Services	84	174	(90)	35,263	31,893	3,370
Computer Software & Maintenance	2,941	2,941	-	33,199	35,283	(2,084)
Internet	490	1,722	(1,232)	18,944	18,764	180
Legal Services	6,570	1,596	4,974	37,378	26,603	10,775
Network Maintenance Contract	439	1,033	(594)	6,695	7,172	(477)
Training & Travel	1,090	1,706	(616)	12,989	2,911	10,078
Marketing Expenses	7,286	6,934	352	49,788	45,995	3,793
Operations	59,868	66,665	(6,797)	1,157,053	597,485	559,568
Building Maintenance & Repairs	1,215	1,067	148	15,192	5,873	9,319
Utilities	57,317	44,109	13,208	428,158	352,548	75,610
Total EXPENSES	220,725	210,710	10,015	2,948,727	2,219,071	729,656
NIBPSID	58,788	123,937	(65,149)	168,996	996,136	(827,140)
NON OPERATING REVENUE			-			-
Interest Income	3,866	929	2,937	16,031	9,592	6,439
Total NON OPERATING REVENUE	3,866	929	2,937	16,031	9,592	6,439
DEPRECIATION						
Depreciation Expense	(53,208)	(47,995)	(5,213)	(548,799)	(527,949)	(20,850)
Total DEPRECIATION	(53,208)	(47,995)	(5,213)	(548,799)	(527,949)	(20,850)
Increase (Decrease) In Fund Equity	9,446	76,871	(67,425)	(363,772)	477,779	(841,551)



SEPTEMBER 2022 EVENTS & ACTIVITIES

DATE		EVENT
SEPTEMBER	September 7, 2022	AWPA Board Meeting (Chris)
	September 28, 2022	LRRA Board of Directors Meeting & KBR Anniversary Luncheon
	September 29, 2022	Lubbock Chamber State of the TTU System Luncheon
LOOKING AHEAD		
OCTOBER	October 12, 2022	CoNetrix CyberSecurity Symposium
	October 20, 2022	Lubbock Chamber Harvest Luncheon
	October 26, 2022	LRRA Board of Directors Meeting
	October 27, 2022	Reese 7 th Annual Customer/Partner Meeting