

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

Date: Wednesday, August 23, 2023

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
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. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Business Development • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Operations, Marketing, Customer Care 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.	TAB 2	John Tye Muvat Musa Steve Verett Muvat Musa Darrell Guthrie
3. Action Item – Consider the Minutes of the June 27, 2023, Board of Directors Meeting	TAB 3	Steve Verett
4. Action Item – Consider Interlocal Wholesale Water Sales Contract with the City of Lubbock	TAB 4	Muvat Musa
5. Action Item – Consider a Resolution Delegating Authority to the CEO/ED to Make Non-Monetary Revisions to Real Property and Fiber Optic Agreements.	TAB 5	Muvat Musa
6. Discussion Item – Management’s Response to FY2022 Audit Findings	TAB 6	Muvat Musa

7. Discussion Item – Preliminary FY2024 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
<p>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, August 18, 2023.</p> <div data-bbox="217 535 485 651" data-label="Text"> </div> <p>by: _____ Murvrat Musa, ED/CEO</p> <p>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.</p>		

ITEM 1

Citizen Comments

ITEM 2

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Board of Directors Meeting Minutes

June 27, 2023

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Tuesday, June 27, 2023, at the Reese Technology Center, LRRR 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.

<u>MEMBERS PRESENT:</u>	Steve Verett	Todd McKee	Tim Collins
	George McMahan	Tim Pierce	

<u>MEMBERS ABSENT:</u>	John Tye	John Hamilton
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<u>OTHERS PRESENT:</u>	
Reese Staff:	Murvat Musa-Executive Director, Sandra Hamilton-Manager of Accounting, Andrea Hamilton-Operations, Customer Service, Marketing Coordinator, Cecilia Davila-Administrative Assistant

Legal Counsel:	Darrell Guthrie
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Others:

Call the meeting to order.

Steve Verett called the meeting to order at 8:02 a.m.

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

ITEM 2 **LRRR FY2022 Annual Financial Audit Report** Renee Babb of CRI CPA's presented the FY2022 Annual Financial Audit Report. AJ Bowers and Sara Specht, also of CRI CPA's, participated via video conference.

ITEM 3 **Hold an Executive Session.** Steve Verett called the Executive Session to order at 8:37 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 9:35 a.m. and reconvened Open Session at 9:36 a.m.

- ITEM 4 Consider the Minutes of the May 24, 2023, Board of Directors Meeting**
George McMahan moved to approve the minutes of the May 24, 2023, Board of Directors meeting. Todd McKee seconded; the motion passed 5-0.
- ITEM 5 Board President to Appoint Nominating Committee for FY2024 Executive Committee**
Steve Verett discussed creating a nominating committee for the FY24 Executive Committee. Steve Verett appointed himself and Todd McKee to be Chair and Vice Chair, respectively, of the Nominating Committee
- ITEM 6 Consider Lease for AECOM for Building 20 and Laydown**
Tim Collins moved to approve the lease for AECOM for Building 20 and Laydown. Todd McKee seconded; the motion passed 5-0.
- ITEM 7 Consider Short-Term, 6 Months, Lease for TTUHSC for Building 74**
Todd McKee moved to approve the Short-Term, 6 Months, Lease for TTUHSC for Building 74. Tim Pierce seconded; the motion passed 5-0.

- ITEM 8 Consider Lease for D&S Residential Holdings, LLC/Sevita for Building 1111**
George McMahan moved to approve the lease for D&S Residential Holdings, LLC/Sevita for Building 1111. Tim Pierce seconded; the motion passed 5-0.
- ITEM 9 Preliminary FY2024 Operating, Data Center/Fiber Optics, & Capital Budgets**
No action required. Murvat Musa presented the Preliminary FY2024 Operating, Data Center/Fiber Optics, & Capital Budgets.
- ITEM 10 Financial Reports**
No action required. Sandra Hamilton presented the May financial reports.
- ITEM 11 Reese Events and Activities**
No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

Adjournment

Steve Verett adjourned the meeting at 10:13 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Steve Verett, President

ATTEST:

LRRR Board Member

AGENDA ITEM 4
EXECUTIVE SUMMARY
CITY OF LUBBOCK INTERLOCAL WHOLESALE WATER SALES CONTRACT

Attached for your consideration is a new interlocal agreement for water sales from the city of Lubbock. Our current agreement will expire September 30, 2023. This new contract expires April 25, 2027, to match it with the expiration date of our wastewater agreement. There are no changes to this contract compared to the current contract.

As you know, previous city councils have provided Reese with an ordinance variance to pay the commercial rate in lieu of the wholesale rate. That variance will no longer be provided to Reese, and we will, beginning October 1, 2023, be paying the wholesale rate which is 1.5 times the commercial rate.

The current Lubbock rates for water are:

Block 1 – subject to AWC (Sept-Feb and updated in March)	\$4.76 per 1,000
Block 2 – amount used in excess of B1 up to 200% of AWC	\$6.50 per 1,000
Block 3 – amount used in excess of B1 and B2	\$7.79 per 1,000

We will be paying 1.5 times those rates so we will pay:

Block 1	\$7.14 per 1,000
Block 2	\$9.75 per 1,000
Block 3	\$11.69 per 1,000

In passing through water costs to our customers, it's been our policy to charge them a flat rate equal to the city of Lubbock's Block 3 rate. Therefore, when we bill our customers, we charge them a flat \$7.79 per 1,000 gallons. The spread between what we pay the city of Lubbock and what we charge our customers is 23% (the effective rate we pay the city is \$6.32 per 1,000 gallons. This rate takes into consideration the blocks as well as the meter charge which is \$986.05). To maintain that spread, effective October 1, 2023, we will increase the customer rate from \$7.79 to \$11.69. In addition, we charge customers a water base charge based upon the customer's meter size. The amount is the same amount the city of Lubbock charges their customers.

Staff is recommending the Board approve the attached interlocal agreement.

INTERLOCAL WHOLESALE WATER SALES CONTRACT

STATE OF TEXAS §

COUNTY OF LUBBOCK §

This Contract is made by and between the CITY OF LUBBOCK, a home rule municipal corporation located in Lubbock County, acting by and through its Mayor as authorized by specific action of its City Council; and the LUBBOCK REESE REDEVELOPMENT AUTHORITY (herein called "Consumer/User"), a political subdivision of the State of Texas, acting by and through its Board of Directors..

WITNESSETH

WHEREAS, the Consumer/User is an independent and locally governed political subdivision of the State of Texas located adjacent to the city limits west of the City of Lubbock;

WHEREAS, there is considerable commercial, research, construction, and education activity between both these communities due the close proximity;

WHEREAS, the City of Lubbock has historically supplied certain volumes of potable water as a provision of the redevelopment and renovation of the former Reese Air Force Base, and there is a continued need for the City of Lubbock to supply certain volumes of water;

WHEREAS, Section 22.03.091 of the Code of Ordinances of the City of Lubbock permits the sale of wholesale water outside of its municipal boundaries to federal, state, or local governments pursuant to appropriate intergovernmental contracts;

WHEREAS, the City of Lubbock is amenable to providing said wholesale water, subject to the conditions precedent and upon the terms and conditions of this Contract, to the Consumer/User; and

WHEREAS, the Government Code authorizes certain intergovernmental cooperation contracts.

NOW THEREFORE, for and in consideration of the mutual Contracts, covenants, obligations, and benefits herein expressed, the City of Lubbock and Consumer/User contract and agree as follows:

ARTICLE I PROVISIONS OF WATER

1.1 TERMS, PROVISIONS, AND CONSIDERATIONS

The City of Lubbock agrees to sell and convey wholesale water to Consumer/User outside the City of Lubbock, subject to the conditions precedent and under and pursuant to the terms, provisions, and conditions of this Contract.

ARTICLE II CONDITIONS OF SALE OF WHOLESALE WATER

2.1 QUALITY AND TREATMENT

The City of Lubbock shall supply potable water of similar quality that the City of Lubbock distributes to the residents of Lubbock, Texas treated by disinfectants and other such treatment as may in the future be directed by appropriate regulatory agencies and meeting the applicable primary drinking water standards of the Texas Commission on Environmental Quality and other local, State, and Federal government agencies at the point of delivery, as hereinafter defined, during the term of this Contract or any renewal or extension thereof. The City of Lubbock may at its sole discretion, furnish this supply out of surface water, groundwater, potable reclaimed water, or any combination of same.

THE CITY OF LUBBOCK MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESSED, STATUTORY, OR IMPLIED, INCLUDING WITHOUT LIMITATION, AS TO THE DESCRIPTION, VALUE, QUALITY, PHYSICAL CONDITION, MERCHANTABILITY, OR FITNESS FOR PURPOSE OF THE WATER SUBJECT TO THIS CONTRACT EXCEPT AS EXPRESSLY SET FORTH ABOVE.

2.2 QUANTITY

The City of Lubbock shall supply and deliver a total maximum amount of **75 million gallons** of wholesale water per any three hundred sixty-five (365) day period of time beginning October 1 of each year, based upon the historical usage of the Consumer/User. The peak maximum usage per twenty-four (24) hour period of time shall be **300,000 gallons**. Maximum hourly flow for any one (1) hour period shall not exceed **350 gallons per minute**. In the event the CONSUMER/USER shall use more than the allotted maximum amount of water in the above described (365) day period as set forth above, CONSUMER/USER shall pay an amount equal to two (2x) times the water rate set forth in Paragraph 3.2 for that amount of water that exceeds the allotted maximum quantity.

Based on this calculation, the City of Lubbock shall supply a set quantity to the Consumer/User at the point of delivery as shown in Exhibit A. All water quantities delivered shall be measured at the point of delivery. All water quantities delivered shall be measured by a metering device as specified by the City of Lubbock at the sole cost to the Consumer/User located in an area reasonably accessible by the City of Lubbock at all times. If the metering device is to include remote monitoring equipment, the Consumer/User shall bear the sole cost of this additional equipment. Installation of

this metering device shall be the responsibility of the City of Lubbock with all cost and expense of such installation reimbursed by the Consumer/User.

Such metering device may include and manage: (1) control of rate of flow; (2) measure the instantaneous flow of gallons per day; (3) measure peak hourly flow during the day of maximum flow in gallons per twenty-four hour period; (4) measure the cumulative volume of water taken; and (5) control changes in the rate of flow. At the City of Lubbock's discretion, the metering device may be remotely monitored and documented as to usage of Consumer/User. Deliveries shall be contingent upon facilities necessary or convenient for the City of Lubbock to deliver water to the Consumer/User from existing water conveyance system to the point of delivery.

2.3 POINT OF DELIVERY AND TITLE

Water provided to Consumer/User shall be delivered to one or more of the points of delivery described in Exhibit "A". Title to water passing through the flow meter shall become the property of the Consumer/User at the outlet side of the meter or designated point of delivery. Consumer/User shall be responsible for the water, for all purposes and intents, from and after title passage to the Consumer/User.

CONSUMER/USER SHALL AGREE, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY, SAVE, AND HOLD THE CITY OF LUBBOCK HARMLESS FROM ANY AND ALL CLAIMS, DEMANDS, LOSSES, AND CAUSES OF ACTION, WHICH MAY BE ASSERTED BY ANYONE RELATED TO THE TRANSPORTATION AND DELIVERY OF SAID WATER WHILE TITLE REMAINS IN THE CONSUMER/USER.

2.4 METERING DEVICE, CALIBRATION, AND READING

The City of Lubbock shall provide the maintenance of the necessary point of delivery metering device for properly measuring the quantity of water delivered to the Consumer/User. Calibration of such metering device shall be done on a reasonable time schedule, but not less frequently than once every twelve (12) months, or more frequently than once every three (3) months. A meter registering not more than three percent (3%) accuracy above or below the test result shall be deemed to be accurate or non-material.

The previous reading of any meter disclosed by test to be inaccurate beyond the acceptable range of plus or minus three percent (3%) shall be corrected in accordance with the percentage of inaccuracy found by such tests for a period extending back one-half (1/2) of the time elapsed since the last calibration date but, in no event, further back than a period of six (6) months. If the meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from reading thereof, the water delivered during the period such meter is out-of-service or out-of-repair shall be estimated upon the basis the best available data and information. The meter register shall be read by the City of Lubbock at least once a month. All metering equipment, valves, and other appurtenances associated with the metering device and installation shall be and remain the property of the City of Lubbock.

2.5 BILLING PROCEDURE

A monthly statement of the amount of water determined to be delivered to the Consumer/User through the meter at the point of delivery during the preceding month shall be mailed to:

**Executive Director
Lubbock Reese Redevelopment Authority
9801 Reese Blvd., Suite 200
Lubbock, Texas 79416**

All statements for water delivered shall be due and payable from current revenues available to Consumer/User on or before thirty (30) days after issuance of said statement. A late payment charge of ten percent (10%) per annum shall be charged for failure to pay the current due amount within thirty (30) days after issuance of the statement. If payment is not received by the City of Lubbock within thirty-five (35) days after the date of issuance of the statement, the statement shall be deemed delinquent. The City of Lubbock shall notify the Consumer/User in writing when any such payment shall become delinquent, and if such delinquency is not removed within forty-two (42) days after the date of issuance of the statement, the City of Lubbock may, at its discretion, cease deliveries of water to the Consumer/User under the terms specified in this Contract.

After water has ceased to be supplied, the City of Lubbock may, at its sole discretion, notify the Consumer/User of its intention to declare the wholesale water supply contract forfeited and null and void. Upon such notice, the Consumer/User shall have thirty (30) days to pay all delinquent charges, late fees, and reconnect charges, in order to reinstate wholesale water services prior to final action by the City of Lubbock declaring the Contract forfeited and null and void. Upon a declaration by the City of Lubbock that the Contract is forfeited and null and void, all connections providing the capability to deliver water shall be removed by the City of Lubbock.

2.6 AREA OF SERVICE

Use of water purchased under this Contract shall be restricted to the following service area:

- (a) The areas of land described in Texas Special District Local Laws Code, Section 3501.002(a);
- (b) The two existing residential structures and the single restaurant facility as depicted in Exhibit "A," attached hereto. For the purposes hereof, the "single restaurant facility" shall include the kitchen, service areas, dining spaces located in the area depicted in Exhibit "A," known as "Cagle Steakhouse." No other locations or customers on the lands presently owned and operated by John Cagle or the John Cagle family may be served.

No other customer, geographic area or premises, of any kind or nature, shall be served by the Consumer/User, directly or indirectly, with water purchased subject to the right of the Consumer/User to resell water within its defined service area.

2.7 TERM OF CONTRACT

The term of this Contract shall end on April 25, 2027.

In the event of continued and mutual interest of the terms of this Contract, a new contract shall be negotiated, developed, approved, and executed for the period after April 25, 2027. However, in the event that a new contract is not or cannot be agreed upon, there shall be no further discharge or responsibilities of the City of Lubbock and the Consumer/User.

ARTICLE III CONDITIONS OF RECEIVING SERVICE

3.1 CONSUMER/USER FACILITIES

Consumer/User agrees and understands that it will install and maintain, at its sole expense, all facilities necessary for receiving, operating and distributing water into its water system from and after the Point of Delivery and that the City of Lubbock shall be under no obligation whatsoever to bear any of said expenses aforementioned. Consumer/User shall not alter, modify, or change the metering device under any circumstances.

3.2 RATES AND PAYMENT

Consumer/User shall pay to the City of Lubbock, in a timely manner, those charges for water provided to Consumer/User pursuant to the terms of this Contract.

The base monthly rate for the meter installed at the point of delivery shall be equal to the rate established by the City Council of the City of Lubbock (City of Lubbock) for meter of equal size as set forth in Section 22.03.084 of Code of Ordinances of the City of Lubbock, as may be amended from time to time. The volume rate charged for water provided shall be equal to the rate established by the City Council of the City of Lubbock charged to wholesale customers as set forth in Section 22.03.091(h) of the Code of Ordinances of the City of Lubbock, as may be amended from time to time.

All expenses on the Consumer/User side of the point of delivery shall be the sole expense of Consumer/User.

The rates contained in this Contract are negotiated rates that are considered by each party to be fair, just, and reasonable. The Consumer/User will waive any right it may have to appeal any decision affecting the amount paid for water pursuant to this Contract to the TCEQ or any other state agency that has, or may later obtain, jurisdiction over the rates charged by the City of Lubbock.

In the event any user fee is imposed on the delivery, taking, sale, use, or consumption of the water received by the Consumer/User from the City of Lubbock, the amount of the user fee allocable to

the Consumer/User shall be borne by the Consumer/User. When and if the City of Lubbock shall be required to pay, collect or remit any user fee on water received by the Consumer/User, then the user fee that is not included in the rates under this Contract will be added to the charges otherwise payable and shall be the responsibility of the Consumer/User.

3.3 SANITARY CONTROL

A Reduced Pressure Zone (RPZ) prevention device or air gap shall be maintained at all times by the Consumer/User at the point of delivery (i.e., between the two (2) systems). Where applicable, all costs associated with the installation and maintenance of this backflow prevention device shall be the sole responsibility of the Consumer/User. The plans for the installation of such RPZ prevention device or air gap shall be approved in writing by the City of Lubbock and any and all regulatory agencies with appropriate jurisdiction, including the Texas Commission on Environmental Quality. At no time shall a by-pass be installed on or around the backflow prevention device.

Consumer/User may allow service by direct pressure, if available, from the City of Lubbock's line to the point of delivery. However, the City of Lubbock is under no obligation to provide water at any pressure above and over pressures necessary to deliver the quantities of water described in Section 2.2, above.

The Consumer/User shall permit personnel of the City of Lubbock's staff to enter upon the property of the Consumer/User for the purpose of inspecting any and all facilities of both parties relating to and regarding necessary sanitary control. Should the City of Lubbock have reasonable grounds to believe that any condition exists which might result in contamination of the City of Lubbock's water supply or jeopardize any of their certifications with the Texas Commission on Environmental Quality and/or any other federal, state, or local regulatory permits or certifications, then the City of Lubbock shall notify the Consumer/User. The Consumer/User shall immediately correct such condition.

In the event the Consumer/User fails to correct such condition then the City of Lubbock may, at its sole discretion, either correct the condition, at the Consumer/User's expense, and include the cost of materials and labor in subsequent billing statements or cease delivering water until such condition is corrected to the satisfaction of the City of Lubbock.

In the event the City of Lubbock determines that contamination of its water supply actually exists, the City of Lubbock shall have the absolute right to discontinue service to the Consumer/User until such time as said contamination has been eliminated by the Consumer/User. Nothing herein shall be construed to impose upon the City of Lubbock the duty and obligation to make any inspection or to regulate the quality of water beyond the point of delivery to the Consumer/User, and the Consumer/User shall be solely responsible for the operation, maintenance, regulation, employment and prudent management of all facilities beyond the point of delivery and the use and delivery of water herein to the citizens of the Consumer/User.

The Consumer/User water system operators should be aware that any water received from the City of Lubbock will contain chloramines disinfectant. As such, the Consumer/User should adjust their disinfection system operations and monitoring for chloramines accordingly. Since 1983, the City of Lubbock has utilized chloramines as its water system disinfectant. This practice is common for larger cities in Texas and throughout the United States. The use of chloramines reduces the levels of disinfection byproducts (DBPs) in the system, while still providing protection from waterborne disease. If these chloramines are passed on to the water customers of the Consumer/User, the Consumer/User should notify them of the following:

Chloramines can cause problems to persons dependent on dialysis machines. A condition known as hemolytic anemia can occur if the disinfectant is not completely removed from the water that is used for the dialysate. Consequently, the pretreatment scheme used for dialysis units must include some means, such as a charcoal filter, for removing the chloramines. Medical facilities should also determine if additional precautions are required for other medical equipment.

Chloraminated water may be toxic to fish. Fish tank owners, must make sure that the chemicals or filters used are designed for use in water that has been treated with chloramines. The type of filter used for fish tanks may also need to be changed.

3.4 INSURANCE REQUIREMENT FOR BACKFLOW PREVENTION DEVICE

Consumer/User shall procure and maintain until all of their obligations have been discharged, insurance against claims for injury to persons or damage to property which may arise from or in connection with the backflow prevention device described in Section 3.3, above.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City of Lubbock in no way warrants that the minimum limits contained herein are sufficient to protect the Consumer/User from liabilities that might arise under this Contract. Consumer/User is free to purchase additional insurance as may be determined necessary.

Consumer/User shall provide coverage with limits of liability not less than those stated below:

Commercial General Liability

Contract shall include bodily injury, property damage and broad form contractual liability coverage.

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Each Occurrence	\$1,000,000

The Contract shall be endorsed to include the City of Lubbock as an additional insured with respect to liability arising out of the backflow prevention device connection and delivery of water supply

under the provisions of this Contract. Consumer/User shall furnish the City of Lubbock with certificates of insurance as required by this Contract. The certificates for each insurance Contract are to be signed by a person authorized by that insurer to bind coverage on its behalf.

3.5 WATER CONSERVATION

In the event the City of Lubbock must implement its Water Conservation and/or Drought Contingency Plan for its system, then the Consumer/User shall receive the same water allotment under such plan as any other customer of similar size and water needs served by the City of Lubbock.

The Consumer/User shall adopt, develop, implement, and maintain water conservation and drought contingency plans, programs, and rules incorporating loss-reduction measures and management practices, techniques, and technologies. These water conservation and drought contingency plans, programs, and rules shall be at least as promotional of conservation as the plans, programs, and rules as developed and adopted by the City of Lubbock as determined by the City Council of the City of Lubbock. Such plans shall be designed to reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water, and increase the recycling and reuse of water in a manner that at a minimum reflects the plans, programs, and rules as developed and adopted by the City of Lubbock. The Consumer/User will at all times practice due diligence and monitoring of water for beneficial use. The Consumer/User will establish and enforce its water conservation and drought contingency plan, program, and rules, and the Consumer/User will make annual reports on its enforcement efforts to the City of Lubbock.

The Consumer/User shall develop and implement a water conservation plan or water conservation measures using the applicable elements of Title 30, Chapter 288, of the Texas Administrative Code, and any successor regulations thereto. In case of a shortage of water resulting from drought, the water to be distributed shall be divided in a fair manner among all customers as determined by the City Council of the City of Lubbock in accordance with state laws and regulations.

The City of Lubbock's obligations under this Contract shall be subject to water conservation plans and drought contingency plans adopted by the Lubbock City Council or required or approved by the Texas Commission on Environmental Quality, or any other or additional federal, state, or local regulatory district or entity with power to require or approve water conservation and drought contingency plans.

3.6 INSPECTION AND AUDIT

Complete records and accounts are to be maintained by each party heretofor a period required by law or five (5) years, whichever is greater. Each party shall at all times, upon notice, have the right at reasonable times to examine and inspect said records and accounts during normal business hours. Further, if required by any law, rule or regulation, make said records and accounts available to federal and/or state auditors.

ARTICLE IV DEFAULTS AND REMEDIES

4.1 NOTICE OF DEFAULT

In the event of that either the City of Lubbock or the Consumer/User should breach, fail to comply with or violate any term or provision of a wholesale water supply contract under the terms of this Contract (“Default”), the other party shall promptly notify, with specificity as to the alleged Default, the other respective party of the Default. Except as otherwise provided by this Contract, upon receiving such notice, the defaulting party shall have thirty (30) days to cure the Default. Unless this Contract provides otherwise, in the event said Default is not cured within the time period described above, with respect to the Consumer/User as the defaulting party, then the City of Lubbock may pursue any and all remedies provided by law, equity, contract or otherwise, including without limitation, declaring this Contract terminated and null and void. Unless this Contract provides otherwise, in the event said Default is not cured within the time period described above, with respect to the City of Lubbock as the defaulting part, then Consumer/User may as its sole and exclusive remedy, either seek specific performance of the terms of this Contract or declare the Contract terminated and null and void.

ARTICLE V MUTUAL CONDITIONS

5.1 FAILURE TO DELIVER

The City of Lubbock does not warrant that the services and deliveries provided for under this Contract will be free from, and the City of Lubbock is excused from performing hereunder in the event and for the period of, an interruption or stoppage caused by maintenance, repair, substitution, renewal, replacement, or improvement of any of the equipment involved in furnishing of any such services or deliveries of water or caused by floods, drought, alterations, strikes, lockouts, blackouts, shortages of equipment or material, labor controversies, accidents, or acts of God, the elements, or any other event of “force majeure” or cause beyond the reasonable control of the City of Lubbock. In the event of a shortage of water, or if distribution of water by the City of Lubbock to the Consumer/User is deemed inappropriate by any regulatory agency or law, the supply of water to the Consumer/User under this Contract shall be reduced or ceased as deemed necessary by the City of Lubbock to protect the interests of its citizens and/or comply with all rules and regulations of any regulatory agency having jurisdiction over the operation of the City of Lubbock’s facilities.

5.2 NO ASSIGNMENT

All promises, undertakings, Contracts, covenants and contracts herein contained by or on behalf of either the City of Lubbock or the Consumer/User shall bind the successors and permitted assigns of either party, whether so expressed or not; but neither the City of Lubbock nor the Consumer/User shall have the right to assign under this Contract, without the written consent of the other party.

5.3 ENTIRETY AND AMENDMENTS

It is expressly stipulated that the City of Lubbock and the City of Lubbock's agents have made no representations, warranties, or promises with respect to the delivery of water and all other matters contained in this Contract, except as herein expressly set forth, and this Contract supersedes all prior Contracts and understandings, if any, relating to the subject matter hereof.

This Contract may only be amended by an instrument in writing executed by the duly authorized representative of the party against whom the amendment is sought to be enforced.

5.4 WAIVER

No failure on the part of the City of Lubbock at any time to require the performance by the Consumer/User of any portion of this Contract shall in any way affect the City of Lubbock's right to enforce such provision or any other provision. Nor shall any waiver by the City of Lubbock of any provision hereof be taken or held to be a waiver of any other provision hereof or any other breach hereof. No rights under this Contract may be waived except by written amendment executed and authorized by the governing bodies of the parties. No officer or agent of the City of Lubbock or the Consumer/User is authorized to waive or modify any provision of this Contract.

5.5 REGULATORY AGENCIES

This Contract is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders and regulations of any local, state, or federal governmental authority, having or asserting jurisdiction. However, nothing contained in this Contract shall be construed as a waiver by any party to the Contract of any right to question or contest any law, order, rule or regulation which may affect the terms and conditions of the Contract in any forum having jurisdiction, and the Consumer/User and the City of Lubbock each agree to make a good faith effort to support proposed laws and regulations which would be consistent with the performance of this Contract in accordance with its terms. The Consumer/User represents and warrants to the City of Lubbock that it has obtained and will maintain during the term of its wholesale water supply contract all necessary permits and consents to supply water to the Consumer/User.

5.6 HEADINGS

All heading in this Contract have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending, or affecting in any way the express terms, provisions, and intent hereof.

5.7 LIABILITY AND HOLD HARMLESS

CONSUMER/USER SHALL INDEMNIFY, TO THE FULLEST EXTENT PERMITTED BY LAW, AND HOLD HARMLESS AND RELEASE THE CITY OF LUBBOCK FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, LOSSES, DAMAGES OR LIABILITIES, OF ANY KIND OR NATURE, WHICH ARISE DIRECTLY OR INDIRECTLY, OR ARE RELATED

TO, IN ANY WAY, MANNER, OR FORM, THE ACTIVITIES CONTEMPLATED HEREUNDER OR OMISSION OF SUCH ACTIVITIES, INCLUDING WITHOUT LIMITATION, SUCH LOSSES, DAMAGES. CLAIMS OR LIABILITIES ARISING FROM OR RELATED TO, IN ANY WAY, MANNER, OR FORM, THE NEGLIGENCE OR FAULT OF THE CITY OF LUBBOCK, ITS RESPECTIVE OFFICERS, EMPLOYEES, ELECTED OFFICIALS, AGENTS AND/OR DESIGNEES.

5.8 REPORTING BY USER FOR ADDITIONAL SOURCE/SUPPLY CAPACITY

Each October 1 of every year, the Consumer/User shall provide to the City of Lubbock a written and documented report of new water rights being negotiated and or purchased, new water wells drilled from previous annual report, formal water planning for future needs, and any other actions formally approved by the Board of Directors of the Consumer/User to balance water use, conservation, population growth, and total current water supply from all sources.

At the discretion of the City of Lubbock, the Consumer/User may be required to also verbally present such annual report to the City of Lubbock's representatives within ninety (90) days of the annual written report. The written report shall be sent to the authorized representative of the City of Lubbock in Article V Section 5.11 of this Contract no later than October 1 of each year.

5.9 NOTICE

All notices, payments and communication required or allowed by this Contract, unless otherwise provided herein, shall be in writing and be given either (i) in person or by telephonic facsimile; or (ii) by depositing the notice in the United States mail, postpaid and certified, with return receipt requested, and addressed to the party to be notified. Notice, as herein provided, shall be conclusively deemed to have been provided (i) in the event of delivery in person or by telephonic facsimile, when it is actually received; or (ii) in the event of certified mail, as described above, three (3) days after the notice is deposited in the mail, certified mail, return receipt requested. For the purposes of the notice, the addresses and parties is set forth immediately below.

LUBBOCK REESE REDEVELOPMENT AUTHORITY

ATTN: Executive Director
9801 Reese Blvd., Ste 200
Lubbock, Texas 79416
Phone: (806) 885-6592
Facsimile: (806) 885-6003

THE CITY OF LUBBOCK

ATTN: Director of Water Utilities
P.O. BOX 2000
Lubbock, Texas 79457
Phone: (806) 775-2585
Facsimile: (806) 775-3027

Either party may change its address by giving written notice of the change to the other party at least fifteen (15) days before the change becomes effective.

5.10 AUTHORITY

Consumer/User represents and warrants to the City of Lubbock that it is a political subdivision of the State of Texas and is authorized to enter into a contract under the terms of this Contract and perform each and every term and provision of said Contract, and will continue to be duly authorized to so perform during the term hereof.

5.11 PARTIAL INVALIDITY

In the event one or more of the provisions contained in this Contract shall be invalid, illegal, or unenforceable in any respect under any law, rule or regulation, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

5.12 CURRENT REVENUES

Each party paying for performance under this Contract shall make all payments from current revenues available to the paying party.

The parties understand and acknowledge that the funding of this Contract is contained in each party's annual budget and is subject to the approval of each party in each fiscal year. The parties further agree that should the governing body of either the City of Lubbock or the Consumer/User fail to approve a budget which includes sufficient funds for the continuance of this Contract, or should fail to certify funds for any reason, then and upon the occurrence of such event, this Contract shall terminate as to that party, and the party shall then have no further obligation to the other party. When the funds budgeted or certified during any fiscal year by a party to discharge its obligations under this Contract are expended, any other party's sole and exclusive remedy shall be to terminate this Contract.

5.13 EFFECTIVE DATE

This Contract shall be effective and binding between the parties hereto as of the date of execution by the City of Lubbock.

5.14 VENUE AND APPLICABLE LAW

THIS CONTRACT IS SUBJECT TO ALL PRESENT AND FUTURE VALID LAWS, ORDERS, RULES AND ORDINANCES AND/OR REGULATIONS OF THE UNITED STATES OF AMERICA, THE STATE OF TEXAS, THE CITY OF LUBBOCK, THE CONSUMER/USER, AND ANY OTHER REGULATORY BODY HAVING JURISDICTION. THIS CONTRACT SHALL BE CONSTRUED AND GOVERNED ACCORDING TO THE LAWS OF THE STATE OF TEXAS. THE SOLE VENUE FOR

ANY ACTION, CONTROVERSY, DISPUTE OR CLAIM ARISING UNDER THIS CONTRACT SHALL BE IN A COURT OF APPROPRIATE JURISDICTION IN LUBBOCK COUNTY, TEXAS EXCLUSIVELY.

5.15 NON-ARBITRATION/RIGHTS AND REMEDIES RESERVED:

The City of Lubbock reserves the right to exercise any right or remedy available to it by law, contract, equity, or otherwise, including without limitation, the right to seek any and all forms of relief in a court of competent jurisdiction. Further, the City of Lubbock shall not be subject to any arbitration process prior to exercising its unrestricted right to seek judicial remedy. The remedies set forth herein are cumulative and not exclusive, and may be exercised concurrently. To the extent of any conflict between this provision and another provision in, or related to, this Contract, the former shall control.

5.16 PUBLIC INFORMATION

This Contract is public information. To the extent, if any, that any provision of this Contract is in conflict with Tex. Gov't. Code Ann. Chapter 552 et seq., as amended (the "Texas Public Information Act") the same shall be of no force and effect.

5.17 NO THIRD-PARTY BENEFICIARIES

This Contract is entered solely by and between, and may be enforced only by and among the Parties. Except as set forth above, this Contract shall not be deemed to create any rights in or obligations to any third parties.

5.18 NO PERSONAL LIABILITY

Nothing in this Contract is construed as creating any personal liability on the part of any employee, officer or agent of any public body that may be a party to this Contract.

5.19 NO JOINT ENTERPRISE

This Contract is not intended to, and shall not be construed to create any joint enterprise between or among the parties.

5.20 SOVEREIGN IMMUNITY ACKNOWLEDGED AND RETAINED

THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT NO PROVISION OF THIS CONTRACT IS IN ANY WAY INTENDED TO CONSTITUTE A WAIVER BY ANY PARTY OF ANY IMMUNITIES FROM SUIT OR LIABILITY THAT A PARTY MAY HAVE BY OPERATION OF LAW. THE PARTIES RETAIN ALL GOVERNMENTAL IMMUNITIES.

Signed this the ____ day of September, 2023.

CITY OF LUBBOCK

BY:

Trey Payne, Mayor

ATTEST:

Courtney Paz, City Secretary

APPROVED AS TO CONTENT:

L. Wood Franklin, P.E., Division Director of Public Works

Aubrey A. Spear, P.E., Director of Water Utilities

APPROVED AS TO FORM:

Amy Sims, Assistant City Attorney

LUBBOCK REESE REDEVELOPMENT
AUTHORITY

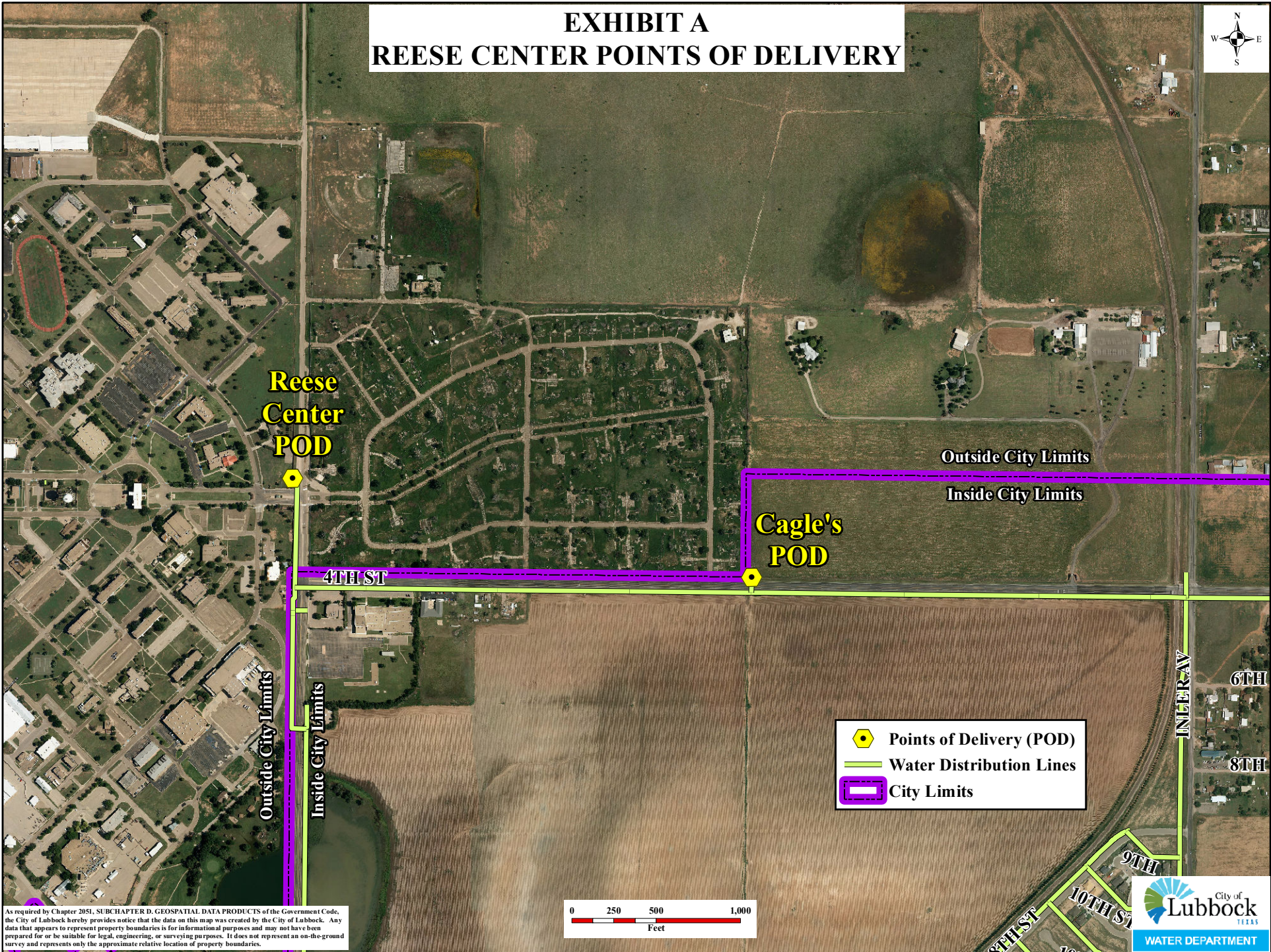
BY:

Steve Verett, President, Board of Directors

ATTEST:

Tim Pierce, Secretary/Treasurer

EXHIBIT A REESE CENTER POINTS OF DELIVERY



As required by Chapter 2051, SUBCHAPTER D, GEOSPATIAL DATA PRODUCTS of the Government Code, the City of Lubbock hereby provides notice that the data on this map was created by the City of Lubbock. Any data that appears to represent property boundaries is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

BOARD ACTION ITEM #2023-0823-142
CITY OF LUBBOCK INTERLOCAL WHOLESALE WATER SALES CONTRACT

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
AUGUST 23, 2023

Item to be Considered:

Consider City of Lubbock Interlocal Wholesale Water Sales Contract

Previous Board Action:

The Board has approved these agreements in the past, the most recent, dated October 1, 2018, expires September 30, 2023.

Statement of Pertinent Facts:

- a. This interlocal agreement will be effective October 1, 2023, and expire on April 5, 2027, to match the wastewater interlocal agreement.
- b. All the terms of this agreement are similar to the current agreement.
- c. The city council has decided not to amend the city's water ordinance to provide an exception for paying the wholesale rate; therefore, LRRRA will pay the wholesale rate of 1.5 times the commercial rate.

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 City of Lubbock Interlocal Wholesale Water Sales Contract on this 23rd day of August 2023.”

Steve Verett, President

ATTEST:

Board Member

AGENDA ITEM 5
EXECUTIVE SUMMARY
DELEGATING AUTHORITY TO THE CEO
TO MAKE NON-MONETARY REVISIONS TO CONTRACTS

In response to an audit finding, attached for your consideration is a resolution delegating authority to the CEO to make non-monetary revisions to real property and fiber optic agreements.

While we will endeavor to ensure all contracts are written as intended to be interpreted; sometimes there is ambiguity. This resolution will help provide some room for the CEO to make decisions without having to go back to the Board for changes.

**BOARD ACTION ITEM #2023-0823-143
DELEGATION OF AUTHORITY TO CEO/ED**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
August 23, 2023**

Items to be Considered:

- a. Approve a resolution regarding delegating the Executive Director/Chief Executive Officer (the “CEO”) the authority to act on the Board’s behalf in making non-monetary revisions and modifications to all real property leases and fiber optic agreements.

Previous Board Action: None.

Statement of Pertinent Facts:

- a. On December 8, 2021, the Board adopted the Third Amended Bylaws of the Lubbock Reese Redevelopment Authority (the “Bylaws”). Section 5.01 provides for a Executive Director/Chief Executive Officer. This section provides in relevant part,

The Authority may employ an Executive Director/Chief Executive Officer. The Executive Director/Chief Executive Officer, if so employed, shall serve as Chief Executive Officer of the Authority and shall oversee the development of long-term planning, day-to-day operations, and administrative functions of the Authority, as well as to execute any deeds, mortgages, bonds, contracts or ***other instruments for which the Board delegates authority*** (emphasis added).

- b. During the June 27, 2023 Board meeting, the Authority’s Auditor highlighted a Control Deficiency relating to an Agreement for Use of Dark Fiber Optic Strands with South Plains College (hereinafter, the “Lease”) that allowed in Section 5.6.a for adjustments in the number of dark fiber strands “without the necessity of entering into a new Agreement, subject to the Parties agree to amend the Agreement with the new number of Dark Fibers strands and the Monthly Fixed Service Fee.” As such, the Lease contemplates a written amendment to the Lease that under present Board procedures requires Board action at the next Board meeting. However, as noted by the Auditor, the CEO was granting the adjustments based on her understanding of the Lease and making the changes and tracking total number of dark fiber stands being used without a written amendment to the Lease.

- c. Pursuant to Section 5.01 of the Bylaws, the Board is empowered to delegate authority to the CEO to “execute any deeds, mortgages, bonds, contracts or other instruments for which the Board delegates authority.”
- d. Consultations with the Auditor and LRRRA General Counsel have determined that delegating authority to the CEO will remedy the Audit’s Control Deficiency. Additionally, delegation of authority to the CEO to revise and modify any non-monetary term of real property leases or fiber optic agreements now existing or existing in the future will ensure the Authority functions efficiently and effectively.

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 delegates to the CEO the authority to make revisions and modifications to the non-monetary terms of all real property or fiber optic leases, as submitted on this 23rd day of August 2023.

Approved by: _____
Steve Verett, President

ATTEST: _____
LRRRA Board Member

**AGENDA ITEM 6
EXECUTIVE SUMMARY
MANAGEMENT'S RESPONSE TO FY22 AUDIT FINDINGS**

In the FY2022 financial audit, the auditors identified four internal control and reportable findings. Attached is a summary of those findings and the management's response.

**MANAGEMENT'S RESPONSE TO AUDITOR'S
INTERNAL CONTROL AND REPORTABLE FINDINGS**

ITEM NOTED	AUDITOR'S SUGGESTION	MANAGEMENT'S RESPONSE
During review of the fiber optic lease agreements, it was noted that the language regarding removing fiber optic lines was not clear.	We recommend that the Authority review their agreements to ensure that language within includes both the addition and removal of fiber optic lines.	Staff is proposing the Board delegate limited authority to the Executive Director/CEO to allow her to make changes to non-monetary terms of any lease agreement. A resolution is provided for Board consideration at the August 23, 2023 meeting.
The Authority incorrectly booked the salary accrual and during the correction process the JE was incorrectly recorded, which caused an additional entry to properly state the balance at year-end.	We recommend that before an entry is finalized within the financial reporting system it is reviewed by someone other than the preparer to ensure its accuracy.	Staff found an error in the formula on the spreadsheet (which is where all JE's begin) that was unfortunately transferred to the accounting software. The ED will begin checking these JE's prior to posting.
The Authority did not reverse the prior year accrual balance related to compensated absence, causing the balance to be overstated at year-end.	We recommend that before an entry is finalized within the financial reporting system it is reviewed by someone other than the preparer to ensure its accuracy.	Staff created the JE for this adjustment but failed to post it.
The Authority should update their policies and procedures to ensure it incorporates the language required by 2 CFR 200, subparts D & E of the Uniform Guidance.	We recommend the Authority updated their policies and procedures to incorporate the language for Uniform Guidance as required by 2 CFR 200 subparts D & E.	Staff will update policies and procedures to ensure they incorporate the language in the Uniform Guidance.

AGENDA ITEM 7

EXECUTIVE SUMMARY

FY2024 DATA CENTER/FIBER OPTICS BUDGET

We are pleased to present you with the following preliminary Data Center/Fiber Optics budget for Fiscal Year 2024. A summary of FY2023 and five years comparison are below.

Current Year – FY 2023

- We project total income at FYE to be approximately \$259,608, about 9.5% more than the budgeted amount of \$237,000. This difference is due to greater than expected demand for data center services and United Supermarkets’ continued occupancy of a cage (that they were to move out of many months ago).
- On the expense side, we expect total expenses of \$156,540, an approximate 8% decrease then the budgeted amount of \$170,100.
- We project to end FY 2023 with net income before depreciation of approximately \$103,068, versus the budgeted amount of \$66,900 resulting in a 54% increase than what was projected.

Proposed Budget – FY 2024

- Our proposed FY 2024 budget calls for stable customers in the data center with income of \$242,000.
- FY 2024 projected expenses, \$174,300, are about 11% greater than the FY 2023 projected year end amount of \$156,540. We plan for additional expenses to service or replace aging equipment.

DATA CENTER/FIBER OPTICS FUND - COMPARISON

	FY 2020 - Audited	FY 2021 - Audited	FY 2022 - Audited	FY 2023 - Projected	FY 2024 - Proposed
TOTAL INCOME	\$ 217,781	\$ 222,734	\$ 265,147	\$ 259,608	\$ 242,000
TOTAL EXPENSES	\$ 166,652	\$ 145,051	\$ 168,516	\$ 156,540	\$ 174,300
NET INCOME	\$ 51,129	\$ 77,683	\$ 96,631	\$ 103,068	\$ 67,700

Amounts do not include depreciation & capital expenses

DATA CENTER/FIBER OPTICS BUDGET - FY2024 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L	
1				DESCRIPTION	FYE 2023 YTD	ACTUAL JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	NOTES
2	INCOME							Column F to G		Column G to I	Column F to I		
3		4260	0	Usage Fees	\$ 24,336.43	\$ 27,000.00	\$ 29,203.72	8.16%	\$ 27,000.00	-7.55%	0.00%	Metered usage charged to customers-United, TTU, & SitePro	
5		4800	0	Fiber Optic Income	\$ 192,003.70	\$ 210,000.00	\$ 230,404.44	9.72%	\$ 215,000.00	-6.69%	2.38%	Co-location leases, fiber & conduit fees. Include United	
6	INCOME TOTAL				\$ 216,340.13	\$ 237,000.00	\$ 259,608.16	9.54%	\$ 242,000.00	-6.78%	2.11%		
7													
8	UTILITIES	5220	502	Internet Charges	\$ 17,221.60	\$ 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	\$ 56,422.50	\$ 75,000.00	\$ 67,707.00	-9.72%	\$ 75,000.00	10.77%	0.00%	SPEC bill for data center, avg monthly \$6,000	
10		5380	439	Gas	\$ 1,692.96	\$ 2,300.00	\$ 2,031.55	-11.67%	\$ 2,300.00	13.21%	0.00%	Atmos bill for data center, avg monthly \$190	
11	UTILITIES TOTAL				\$ 75,337.06	\$ 99,300.00	\$ 90,404.47	-8.96%	\$ 99,300.00	9.84%	0.00%		
12													
13	ADMINISTRATION	5310	428	Janitorial Cleaning	\$ 2,319.19	\$ 3,800.00	\$ 2,783.03	-26.76%	\$ 1,000.00	-64.07%	-73.68%	Cruz \$40 per month. Recently changed vendors and expect a price increase	
14		5350	114	Insurance	\$ 8,937.70	\$ 11,000.00	\$ 10,725.24	-2.50%	\$ 13,000.00	21.21%	18.18%	TML. Re-rates received. 5% of total ins allocated here. Inc from last yr 22%	
16	ADMIN TOTAL				\$ 11,256.89	\$ 14,800.00	\$ 13,508.27	-8.73%	\$ 14,000.00	3.64%	-5.41%		
17													
18	OPERATIONS	5560	0	Building Maintenance	\$ 13,452.97	\$ 10,000.00	\$ 16,143.56	61.44%	\$ 15,000.00	-7.08%	50.00%	Expenses for all things related to B36. annual room alert (CPL) monitoring	
19		5800	0	Equipment Maintenance	\$ 5,903.00	\$ 16,000.00	\$ 7,083.60	-55.73%	\$ 16,000.00	125.87%	0.00%	Maint contracts. TDI \$4,268/yr, Eaton \$5,891/yr. generator maint scheduled for FY23	
20		5800	414	IT Support/NOC Maint	\$ 24,500.00	\$ 30,000.00	\$ 29,400.00	-2.00%	\$ 30,000.00	2.04%	0.00%	Switch \$1,950/mo & \$500/mo for United, ARIN	
21	OPERATIONS TOTAL				\$ 43,855.97	\$ 56,000.00	\$ 52,627.16	-6.02%	\$ 61,000.00	15.91%	8.93%		
22													
23	EXPENSE TOTAL				\$ 130,449.92	\$ 170,100.00	\$ 156,539.90	-7.97%	\$ 174,300.00	11.35%	2.47%		
24													
25	NET INCOME BEFORE DEPRECIATION				\$ 85,890.21	\$ 66,900.00	\$ 103,068.25	54.06%	\$ 67,700.00	-34.32%	1.20%		
26	DEPRECIATION	5305	0	Depreciation	\$ 32,834.60	\$ 35,000.00	\$ 39,401.52	12.58%	\$ 40,000.00	1.52%	100.00%		
27	NET INCOME				\$ 53,055.61	\$ 31,900.00	\$ 63,666.73	99.58%	\$ 27,700.00	-56.49%	-13.17%		
28													
29	FY 2023 CAPITAL PROJECTS												
30	None												
31													
32													
33	FY 2024 PROPOSED CAPITAL PROJECTS												
34	2 New UPS Units								\$ 60,000.00				
35													

AGENDA ITEM 7

EXECUTIVE SUMMARY

FY2024 OPERATING BUDGET

We are pleased to present you with the following preliminary Operating Budget for Fiscal Year 2024. A summary of FY2023 and five years comparison are below.

Current Year – FY 2023

- We project total income at FYE to be \$3,616,907, which is about 13% greater than what was budgeted. Accounting for this increase is greater than expected interest income, insurance proceeds, and utility franchise fees.
- On the expense side, we expect total expenses of \$2,180,320, which is about 12% less than what was budgeted. Accounting for this is a substantial decrease in payroll as well as decreases in expenses across all departments.
- We project to end FY 2023 with net income before depreciation of \$1,436,587 versus the budgeted amount of \$732,150; a 96% increase.

Proposed Budget – FY 2024

- Our proposed FY 2024 budget calls for total income of \$3,360,070. Additionally, an additional operations employee is being added. This will not increase the total number of employees, rather, the Business Development Manager position is being repurposed as there is a greater need in the Operations Department.
- Total expenses for FY2024 are projected to be \$2,556,759 which is greater than the FY23 year-end amount because inflation is real. We are seeing consistent increases for materials and services across the board. Additionally, we are budgeting for huge increases for water and wastewater services provided by the city of Lubbock.

OPERATING FUND - COMPARISON

	FY 2020 - Audited	FY 2021 - Audited	FY 2022 - Audited	FY 2023 - Projected	FY 2024 - Proposed
TOTAL INCOME	\$3,129,779	\$ 3,319,176	\$ 3,535,019	\$ 3,616,907	\$ 3,360,070
TOTAL EXPENSES	\$ 1,984,442	\$ 2,311,492	\$ 2,971,355	\$ 2,180,320	\$ 2,556,759
NET INCOME	\$ 1,145,337	\$ 1,007,684	\$ 563,664	\$ 1,436,587	\$ 803,311

Amounts do not include depreciation & capital expenses.

The decrease in net income for FY2022 is due to expenses associated with the clean-up of RBP.

GENERAL OPERATING BUDGET - FY2024 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2023 ACTUAL YTD JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
3	INCOME	4200	0	Lease	\$ 1,964,969.10	\$ 2,150,000.00	\$ 2,357,962.92	9.67%	\$ 2,200,000.00	-6.70%	2.33%	Leases currently in place. Assumes customers will exercise option
4		4250	0	CAM	\$ 612,244.60	\$ 734,400.00	\$ 734,693.52	0.04%	\$ 749,000.00	1.95%	1.99%	TTU, SPC, COL pay monthly. 2% increase
5		4260	0	Usage Fees	\$ 220,350.29	\$ 275,000.00	\$ 264,420.35	-3.85%	\$ 275,000.00	4.00%	0.00%	FY 22=\$307 FY21 = \$297 FY20=\$312, FY19=\$322K. Loss of SPC students
6		4300	0	Contract Work	\$ 5,469.10	\$ 10,000.00	\$ 6,562.92	-34.37%	\$ 8,000.00	21.90%	-20.00%	KBR Event extras
7		4350	0	Insurance Proceeds	\$ 72,143.32	\$ -	\$ 72,143.32	100.00%	\$ -	-100.00%	0.00%	Not budgeted
8		4400	0	Interest Income	\$ 124,243.74	\$ 10,000.00	\$ 149,092.49	1390.92%	\$ 100,000.00	-32.93%	900.00%	Averaging 4.34%. Projecting 2.5%
9		4600	0	Misc	\$ 134.40	\$ -	\$ 134.40	100.00%	\$ -	-100.00%	0.00%	Not budgeted
10		4650	423	Utility Franchise Fee - Electric	\$ 19,185.87	\$ 20,000.00	\$ 23,023.04	15.12%	\$ 20,000.00	-13.13%	0.00%	SPEC franchise fees, pays monthly based on customer usage
11		4650	439	Utility Franchise Fee - Gas	\$ 8,874.02	\$ 9,000.00	\$ 8,874.02	-1.40%	\$ 8,069.57	-9.07%	-10.34%	Atmos franchise fees pays once per year. Notice of amt rec'd July
12	INCOME TOTAL				\$ 3,027,614.44	\$ 3,208,400.00	\$ 3,616,906.98	12.73%	\$ 3,360,069.57	-7.10%	4.73%	
13												
14	PAYROLL	5100	0	Salaries	\$ 546,344.29	\$ 795,000.00	\$ 655,613.15	-17.53%	\$ 725,000.00	10.58%	-8.81%	Includes employee bonuses/rasies of \$75K. Includes addition of an operations employee
15		5110	0	Payroll Taxes	\$ 38,259.91	\$ 61,000.00	\$ 45,911.89	-24.73%	\$ 56,000.00	21.97%	-8.20%	Based on number above
16		5120	116	Insurance - Health	\$ 66,672.00	\$ 95,000.00	\$ 80,006.40	-15.78%	\$ 110,000.00	37.49%	15.79%	Estimated rate increase of 16%
17		5120	117	Insurance - Dental/Vision	\$ 3,448.56	\$ 4,900.00	\$ 4,138.27	-15.55%	\$ 5,700.00	37.74%	16.33%	Estimated rate increase of 16%
18		5120	118	Insurance - Life/AD&D	\$ 140.40	\$ 350.00	\$ 168.48	-51.86%	\$ 400.00	137.42%	14.29%	Estimated rate increase of 16%
19		5120	119	Insurance - LTD	\$ 6,008.06	\$ 7,800.00	\$ 7,209.67	-7.57%	\$ 8,700.00	20.67%	11.54%	Principle Financial
20		5120	120	Insurance - Dread Disease	\$ 2,532.30	\$ 3,700.00	\$ 3,038.76	-17.87%	\$ 3,700.00	21.76%	0.00%	Manhattan
21		5140	121	Insurance - Workers Comp	\$ 7,080.84	\$ 8,700.00	\$ 8,497.01	-2.33%	\$ 10,000.00	17.69%	14.94%	TML -actual re=rate is \$9306 + amt for audit
22		5150	131	Retirement - TCDRS	\$ 21,378.31	\$ 31,000.00	\$ 25,653.97	-17.25%	\$ 20,000.00	-22.04%	-35.48%	Rate changes in January 24 from 3.81% to 2.34%
23		5700	211	Payroll Service	\$ 860.75	\$ 1,400.00	\$ 1,032.90	-26.22%	\$ 1,200.00	16.18%	-14.29%	Snelling fees for processing payroll
24	PAYROLL TOTAL				\$ 692,725.42	\$ 1,008,850.00	\$ 831,270.50	-17.60%	\$ 940,700.00	13.16%	-6.76%	

GENERAL OPERATING BUDGET - FY2024 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2023 ACTUAL YTD JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
25	ADMINISTRATION											
26		2651	111	Prin Exp Xerox Lease Copier Payment	\$ 2,812.74	\$ 3,400.00	\$ 3,375.29	-0.73%	\$ 3,214.00	-4.78%	-5.47%	Principle portion of Xerox lease payment, expires March 2024
27		5200	101	General Office Supplies	\$ 17,793.06	\$ 15,000.00	\$ 21,351.67	42.34%	\$ 16,000.00	-25.06%	6.67%	General office supplies. Includes Xerox usage expenses
28		5200	103	Office Equip/Software	\$ 9,921.84	\$ 20,000.00	\$ 11,906.21	-40.47%	\$ 20,000.00	67.98%	0.00%	software/hardware. \$13K is software
29		5210	101	Board Expenses	\$ 1,489.54	\$ 3,000.00	\$ 1,787.45	-40.42%	\$ 3,000.00	67.84%	0.00%	Board breakfast
30		5250	111	Interest Exp Xerox Copier Lease	\$ 166.56	\$ 200.00	\$ 199.87	-0.06%	\$ 545.00	172.67%	172.50%	Interest portion of lease payment which expires March 2024
31		5310	107	Janitorial/Building Maint	\$ 20,183.76	\$ 28,000.00	\$ 24,220.51	-13.50%	\$ 28,000.00	15.60%	0.00%	changed vandor to Cruz cost is \$2160/month
32		5320	106	Telephone Admin Cell	\$ 1,477.12	\$ 2,400.00	\$ 1,772.54	-26.14%	\$ 2,400.00	35.40%	0.00%	Cell phone reimbursements for 4 emp at \$50 per month
33		5340	127	Postage	\$ 1,755.57	\$ 2,000.00	\$ 2,106.68	5.33%	\$ 2,500.00	18.67%	25.00%	Postage and cost of machine and equipment. New machine 6/23
34		5350	114	Insurance - Liability & Property	\$ 169,815.36	\$ 220,000.00	\$ 203,778.43	-7.37%	\$ 245,000.00	20.23%	11.36%	TML. actual rate received
35		5360	208	License and Fee	\$ 350.00	\$ 1,500.00	\$ 420.00	-72.00%	\$ 1,500.00	257.14%	0.00%	TCEQ , boiler, and elevator licenses/fees
36		5363	124	Staff Meetings	\$ 3,791.10	\$ 5,000.00	\$ 4,549.32	-9.01%	\$ 5,000.00	9.91%	0.00%	Staff lunch meetings & employee Christmas Party
37		5363	305	Meetings & Memberships	\$ 1,993.32	\$ 4,000.00	\$ 2,391.98	-40.20%	\$ 4,000.00	67.23%	0.00%	Overflow Chamber events. For those not scheduled
40		5400	125	Recruitment - Customer and New Emp	\$ 55.00	\$ 1,000.00	\$ 66.00	-93.40%	\$ 1,000.00	1415.15%	0.00%	D&B used for vetting customers
41		5400	303	Advertising & Printing	\$ -	\$ 2,000.00	\$ -	-100.00%	\$ 2,000.00	100.00%	0.00%	Stationary - letterhead, envelopes, checks
42		5410	132	Awards & Recognition	\$ 847.78	\$ 500.00	\$ 847.78	69.56%	\$ 500.00	-41.02%	0.00%	Employee service awards and berevement expenses
43		5540	134	Prof Services - Document Shredding	\$ 1,050.00	\$ 1,200.00	\$ 1,260.00	5.00%	\$ 1,300.00	3.17%	8.33%	VRC storage and shredding
44		5540	401	Prof Services - Campus	\$ 550.00	\$ 2,000.00	\$ 660.00	-67.00%	\$ 2,000.00	203.03%	0.00%	Other Staff training and other misc. services
45		5545	112	Serv Contract - Network Maintenance	\$ 9,073.28	\$ 8,000.00	\$ 11,299.28	41.24%	\$ 14,000.00	23.90%	75.00%	Switch IT support. Maint contract is \$1113 per month as of june 2023
46		5610	110	ED Travel/Meetings	\$ 9,776.26	\$ 5,000.00	\$ 10,776.26	115.53%	\$ 8,000.00	-25.76%	60.00%	ED training/travel
47		5620	404	Campus Training	\$ 6,151.48	\$ 5,000.00	\$ 6,151.48	23.03%	\$ 5,000.00	-18.72%	0.00%	All other employee training, SGR and cyber security
48		5700	203	Audit Fee	\$ 33,700.00	\$ 39,000.00	\$ 39,000.00	0.00%	\$ 39,200.00	0.51%	0.51%	FY24 audit \$36,000. Centralease is \$1200 annual. GASB 96 \$2000
49		5710	113	Legal Fees	\$ 58,735.64	\$ 50,000.00	\$ 72,735.64	45.47%	\$ 75,000.00	3.11%	50.00%	FY21 \$44,517, FY20 \$36,392, FY19 \$38,612
50	ADMIN TOTAL				\$ 351,489.41	\$ 418,200.00	\$ 420,656.40	0.59%	\$ 479,159.00	13.91%	14.58%	

GENERAL OPERATING BUDGET - FY2024 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2023 ACTUAL YTD JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
51												
52	UTILITIES	5380	122	Telephone Land Line	\$ 6,475.88	\$ 9,000.00	\$ 7,771.06	-13.65%	\$ 9,000.00	15.81%	0.00%	Digium \$260/mo and Vexus \$380/mo
53		5380	405	Water/Wastewater/Solid Waste	\$ 148,111.33	\$ 200,000.00	\$ 177,733.60	-11.13%	\$ 325,000.00	82.86%	62.50%	COL bill. FY22 \$248, FY21=\$169K FY20=\$197K FY19=\$200K. Water multiplier 1.50 and WW of 1.27. includes solid waste
54		5380	423	Electricity	\$ 109,536.42	\$ 150,000.00	\$ 131,443.70	-12.37%	\$ 150,000.00	14.12%	0.00%	SPEC bill. Significant rate increases
55		5380	439	Gas	\$ 15,272.77	\$ 30,000.00	\$ 18,327.32	-38.91%	\$ 25,000.00	36.41%	-16.67%	Atmos bill
56		5380	502	Internet	\$ 5,551.39	\$ 6,200.00	\$ 6,661.67	7.45%	\$ 7,000.00	5.08%	12.90%	Vexus for KBR = \$250/mo and UPN billed 20% = \$310/mo
57	UTILITIES TOTAL				\$ 284,947.79	\$ 395,200.00	\$ 341,937.35	-13.48%	\$ 516,000.00	50.90%	30.57%	
58												
59	MARKETING	5430	102	Office Enhancements	\$ 296.33	\$ 1,000.00	\$ 355.60	-64.44%	\$ 1,000.00	181.22%	0.00%	Décor
60		5430	133	Sponsorships	\$ 15,072.03	\$ 13,000.00	\$ 16,072.03	23.63%	\$ 15,000.00	-6.67%	15.38%	Chamber, LEDA, LBB Apt Assn, FISD, SPC Events, United Way
61		5430	301	Marketing General	\$ 11,235.69	\$ 3,000.00	\$ 11,235.69	274.52%	\$ 4,000.00	-64.40%	33.33%	Other marketing
62		5430	302	ED Expenses & Customer Gifts	\$ 12,200.32	\$ 10,000.00	\$ 12,200.32	22.00%	\$ 12,000.00	-1.64%	20.00%	ED lunch's with customers, customer gifts/Christmas gifts
63		5430	303	Advertisement & Printing	\$ -	\$ 2,000.00	\$ -	-100.00%	\$ 2,000.00	100.00%	0.00%	Other marketing ads
64		5430	304	Ads in Publications	\$ -	\$ 1,000.00	\$ -	-100.00%	\$ 1,000.00	100.00%	0.00%	Magazine ads
65		5430	305	Meetings & Memberships	\$ 2,109.00	\$ 3,000.00	\$ 2,530.80	-15.64%	\$ 3,000.00	18.54%	0.00%	Marketing Memberships
66		5430	307	Meals and Entertainment	\$ 394.24	\$ 2,000.00	\$ 473.09	-76.35%	\$ 2,000.00	322.75%	0.00%	Marketing customer and potential customer lunches
67		5430	310	Travel	\$ 88.13	\$ 2,000.00	\$ 105.76	-94.71%	\$ 3,000.00	2736.72%	50.00%	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	\$ 15,002.64	\$ 25,000.00	\$ 18,003.17	-27.99%	\$ 25,000.00	38.86%	0.00%	LoopNet \$6480/yr, Contract Cre8tive \$3800/yr, Adobe Suite \$2820/yr
70	MARKETING TOTAL				\$ 56,398.38	\$ 64,000.00	\$ 60,976.45	-4.72%	\$ 70,000.00	14.80%	9.38%	
71												

GENERAL OPERATING BUDGET - FY2024 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2023 ACTUAL YTD JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
72	OPERATIONS	5900	401	Campus General	\$ 26,509.11	\$ 30,000.00	\$ 31,810.93	6.04%	\$ 30,000.00	-5.69%	0.00%	general campus expenses
73		5900	402	Shop Supplies	\$ 5,244.79	\$ 7,000.00	\$ 6,293.75	-10.09%	\$ 7,000.00	11.22%	0.00%	Supplies for shop
74		5900	403	Tools & Tool Repair	\$ 1,631.10	\$ 5,000.00	\$ 1,957.32	-60.85%	\$ 5,000.00	155.45%	0.00%	Tools and small repairs
75		5900	405	Water System	\$ 12,226.01	\$ 10,000.00	\$ 14,671.21	46.71%	\$ 10,000.00	-31.84%	0.00%	Repairs for water system breaks
76		5900	406	Ops Cell Phone	\$ 3,852.40	\$ 5,000.00	\$ 4,622.88	-7.54%	\$ 5,400.00	16.81%	8.00%	5 cell phone reimb = \$3000 per yr plus Verizon iPad at \$200/mo
77		5900	407	Work Clothes	\$ 1,443.00	\$ 2,000.00	\$ 1,443.00	-27.85%	\$ 2,000.00	38.60%	0.00%	Per policy, 11 shirts, 6 pants, 3 shorts, 1 jacket, 1 shoes
78		5900	417	Animal/Pest control	\$ 1,020.62	\$ 1,000.00	\$ 1,224.74	22.47%	\$ 1,000.00	-18.35%	0.00%	Terminix and other bills associated with pest removal (L. Watson)
79		5900	419	Security/Safety	\$ 2,547.25	\$ 12,000.00	\$ 3,056.70	-74.53%	\$ 15,000.00	390.73%	25.00%	All security: S2 - toll tags, badges, software, Corvus - B800, B36, pump house, keys and cores, all fire related
80		5900	420	Roof	\$ 2,863.80	\$ 5,000.00	\$ 3,436.56	-31.27%	\$ 5,000.00	45.49%	0.00%	Roof repairs
81		5900	421	HVAC	\$ 13,424.64	\$ 20,000.00	\$ 16,109.57	-19.45%	\$ 20,000.00	24.15%	0.00%	Anthony Mechanical annual maint fees
82		5900	422	Painting	\$ -	\$ 15,000.00	\$ -	-100.00%	\$ 15,000.00	100.00%	0.00%	No large paint projects planned
83		5900	423	Electric	\$ 28,517.71	\$ 12,000.00	\$ 34,221.25	185.18%	\$ 25,000.00	-26.95%	108.33%	LED replacements - ouside of 60, 70,52,50 = 20 lights
84		5900	424	Fence Repair	\$ 17,363.04	\$ 3,000.00	\$ 17,363.04	478.77%	\$ 5,000.00	-71.20%	66.67%	Fence repairs - mostly collected from insurance
85		5900	425	Plumbing & Irrigation	\$ 3,568.18	\$ 10,000.00	\$ 4,281.82	-57.18%	\$ 10,000.00	133.55%	0.00%	Plumbing repairs
86		5900	428	Cleaning	\$ 3,022.65	\$ 2,500.00	\$ 3,627.18	45.09%	\$ 3,000.00	-17.29%	20.00%	Building cleaning to enable customer walk through. Cintas mat cleaning
88		5900	430	Ground Maintenance	\$ 202,336.73	\$ 300,000.00	\$ 257,804.08	-14.07%	\$ 300,000.00	16.37%	0.00%	L&N = \$204,705. Other = \$95,000
89		5900	434	Signage	\$ 3,089.65	\$ 3,000.00	\$ 3,707.58	23.59%	\$ 3,000.00	-19.08%	0.00%	Signs as needed for new customers
90		5900	440	Door Repair	\$ 86,249.78	\$ 68,000.00	\$ 86,249.78	26.84%	\$ 10,000.00	-88.41%	-85.29%	Repair of doors. Fy23 budget 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	\$ 1,040.78	\$ 2,000.00	\$ 1,248.94	-37.55%	\$ 4,000.00	220.27%	100.00%	Safety equipment; harnesses, etc..
93		5900	445	Architect & Engineering	\$ 12,000.00	\$ 50,000.00	\$ 14,400.00	-71.20%	\$ 50,000.00	247.22%	0.00%	Parkhill misc engineering fees
94		5900	448	KBR Event Expenses	\$ 1,850.91	\$ 10,000.00	\$ 2,221.09	-77.79%	\$ 5,000.00	125.11%	-50.00%	Equipment rented for KBR events. Mostly vehicles.
95		5900	449	Vehicle Repair & Maint	\$ 5,357.37	\$ 5,000.00	\$ 6,428.84	28.58%	\$ 5,000.00	-22.23%	0.00%	Vehicle repairs
96		5900	450	Gas/Fuel	\$ 7,748.96	\$ 7,000.00	\$ 9,298.75	32.84%	\$ 10,000.00	7.54%	42.86%	Fuel for vehicles and equipment
97		5900	451	Windows	\$ -	\$ 3,000.00	\$ -	-100.00%	\$ 3,000.00	100.00%	0.00%	Broken window repairs
98	OPERATIONS TOTAL				\$ 442,908.48	\$ 590,000.00	\$ 525,479.01	-10.94%	\$ 550,900.00	4.84%	-6.63%	
99												
100	EXPENSE TOTAL				\$ 1,828,469.48	\$ 2,476,250.00	\$ 2,180,319.72	-11.95%	\$ 2,556,759.00	17.27%	3.25%	
101	NET INCOME BEFORE DEPRECIATION				\$ 1,199,144.96	\$ 732,150.00	\$ 1,436,587.26	96.21%	\$ 803,310.57	-44.08%	9.72%	
102	DEPRECIATION	5305		Depreciation	\$ 499,244.30	\$ 600,000.00	\$ 599,093.16	-0.15%	\$ 625,000.00	4.32%	4.17%	
103	NET INCOME				\$ 699,900.66	\$ 132,150.00	\$ 837,494.10	533.75%	\$ 178,310.57	-78.71%	34.93%	

GENERAL OPERATING BUDGET - FY2024 PROPOSED

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1				DESCRIPTION	FYE 2023 ACTUAL YTD JULY 31, 2023	FYE 2023 APPROVED BUDGET	FYE 2023 PROJECTED YEAR END	FYE 2023 % Change Approved Budget to Projected Year End	FYE 2024 PROPOSED BUDGET	% Change FYE23 Projected YE to FYE24 Proposed	% Change FYE23 Approved Budget to FYE24 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
104												
105												
106												
107	FY 2023 APPROVED CAPITAL PROJECTS								PROPOSED BUDGET			
108	2023 Seal Coat - CANCELLED								\$ 75,000.00			
109	B1238 Rehab. New roof, lighting - POSTPONED UNTIL NEEDED								\$ 60,000.00			
110	TOTAL								\$ 135,000.00			
111												
112												
113	TOTAL APPROVED AND OUTSTANDING CAPITAL PROJECTS AS OF OCTOBER 2023											
114	Isolation Valves - South Campus - Carry Over from FY2022 Approved Budget - CANCELLED								\$ 50,000.00			
115	2023 Seal Coat - CANCELLED								\$ 75,000.00			
116	B1238 Rehab. New roof, lighting - POSTPONED UNTIL NEEDED								\$ 60,000.00			
117	TOTAL								\$ 185,000.00			
118												
119												
120	FY 2024 PROPOSED CAPITAL PROJECTS								PROPOSED BUDGET			
121	2024 Seal Coat								\$ 75,000.00			
122	Storm Drain Inlets - 6 on South End of Tarmac								\$ 100,000.00			
123	HVAC System Controls B20 & B36								\$ 30,000.00			
124	Work Truck								\$ 60,000.00			
125	EDA GRANT MATCH								\$ 1,042,320.00			
126	TOTAL								\$ 1,307,320.00			
127												

AGENDA ITEM 9 EXECUTIVE SUMMARY FY2024 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.



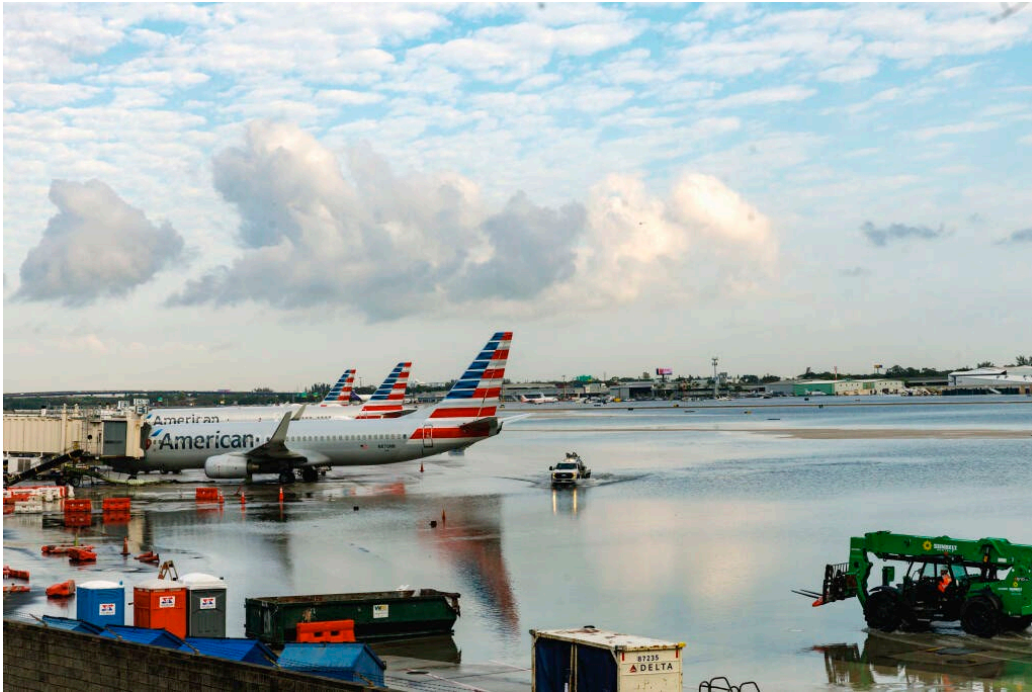
Work Truck

We plan to add an additional operations employee which will necessitate a work truck. In order to get on that functions for its intended use, we need about \$60,000 to get something like this:



Storm Drain Inlets on South Tarmac

The storm drain inlets on the south tarmac are no longer functioning and need replacing. This has been causing a large amount of standing water (when it rains) which is detrimental to the pavement and a safety hazard. The estimated cost of this project is \$100,000.



This is not the actual picture, but it makes the point.

HVAC System Controls for Buildings 20 and 36

This project, which is estimated to cost \$30,000, will provide much needed replacement for system controls for these two buildings. The controls in these two buildings rarely function, which causes a large amount of staff time to adjust the controls manually and is adversely affecting the quality of our customer service. We plan to replace the system with similar controls in building 800 which will allow us to monitor them on the same network and adjust them remotely if needed.



2 UPS Units Building 36 – Data Center Operations

Our current UPS (Uninterrupted Power Supply) units that service the data center are at the end of life (they were purchased in 2008) and the manufacturer will no longer service them. They will need to be replaced. The estimated cost is \$60,000.



CASH BALANCES - JUNE 30, 2023

	5/31/2023	6/30/2023	Change
General Fund Bank Accounts	\$ 3,733,233	\$ 3,961,072	\$ 227,839
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 21,585	\$ 15,002	\$ (6,583)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 4,609,818	\$ 4,831,074	\$ 221,256
Accounts Receivable - G/F	\$ 304,961	\$ 180,870	\$ (124,091)
Accounts Receivable - F/O	\$ 15,074	\$ 15,224	\$ 150
Total Accounts Receivable	\$ 320,035	\$ 196,094	\$ (123,941)
Total Cash & Accounts Receivable	\$ 4,929,853	\$ 5,027,168	\$ 97,315

Aged Accounts Receivable as of 06/30/2023

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
174,980.53	20,204.31	852.51	-	56.73	196,094.08

Aged Accounts Receivable as of 06/22/2023

					-
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EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

EDA - FINAL EXPENSES 6,582.93 CAPITALIZED

\$ 6,582.93

FINANCIAL HIGHLIGHTS - JUNE 30, 2023

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 256,661	\$ 20,216	\$ 276,877	\$ 2,464,294	\$ 171,788	\$ 2,636,082	
Other Revenue - Usage Fees	\$ 25,865	\$ 3,269	\$ 29,134	\$ 193,824	\$ 21,702	\$ 215,526	
Total Revenue	\$ 282,526	\$ 23,485	\$ 306,011	\$ 2,658,118	\$ 193,490	\$ 2,851,608	
Expenses	\$ 209,653	\$ 11,935	\$ 221,588	\$ 1,649,247	\$ 119,123	\$ 1,768,370	
Net Income BPSID	\$ 72,873	\$ 11,550	\$ 84,423	\$ 1,008,871	\$ 74,367	\$ 1,083,238	
Interest Income - Plus	\$ 17,201	\$ -	\$ 17,201	\$ 106,858	\$ -	\$ 106,858	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (449,320)	\$ (29,551)	\$ (478,871)	
Net Income	\$ 40,150	\$ 8,267	\$ 48,417	\$ 666,409	\$ 44,816	\$ 711,225	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 6/30/2023

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
ASSETS				
CASH	3,961,072	15,002	-	3,976,074
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	180,870	-	15,224	196,094
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	3,777	-	-	3,777
CONSTRUCTION IN PROGRESS	254,058	1,720,123	-	1,974,181
PROPERTY AND EQUIPMENT, NET	6,292,347	-	120,025	6,412,373
OTHER ASSETS	105,486	-	4,090	109,576
Total ASSETS	11,652,611	1,735,124	139,340	13,527,075
LIABILITIES				
ACCOUNTS PAYABLE	232,435	-	490	232,925
ACCRUED EXPENSES	98,029	-	-	98,029
DEFERRED REVENUE	420,330	-	18,694	439,024
NET PENSION LIABILITIES	(1,713)	-	-	(1,713)
NOTES PAYABLE	2,511	-	-	2,511
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	88,061	-	223	88,283
OTHER LIABILITIES	1,470	-	-	1,470
Total LIABILITIES	841,123	-	19,407	860,529
FUND EQUITY				
BEGINNING OF PERIOD	9,906,427	1,910,124	138,768	11,955,319
TRANSFERS IN (OUT)	238,651	(175,000)	(63,651)	-
YEAR TO DATE EARNINGS	666,410	-	44,816	711,226
Total FUND EQUITY	10,811,488	1,735,124	119,933	12,666,546
TOTAL LIABILITY AND FUND	11,652,611	1,735,124	139,340	13,527,075

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2022 Through 6/30/2023

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	2,658,119	-	193,490	2,851,609
OPERATING EXPENSES	2,098,567	-	148,674	2,247,241
OPERATING INCOME(LOSS)	<u>559,552</u>	<u>-</u>	<u>44,816</u>	<u>604,368</u>
NONOPERATING INTEREST INCOME	106,858	-	-	106,858
TRANSFERS IN (OUT)	238,651	(175,000)	(63,651)	-
NET NONOPERATING REVENUES	<u>345,509</u>	<u>(175,000)</u>	<u>(63,651)</u>	<u>106,858</u>
INCREASE (DECREASE) IN FUND	<u>905,061</u>	<u>(175,000)</u>	<u>(18,835)</u>	<u>711,226</u>
FUND EQUITY, BEGINNING	9,906,427	1,910,124	138,768	11,955,319
FUND EQUITY, ENDING	10,811,488	1,735,124	119,933	12,666,546

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2022 Through 6/30/2023

(In Whole Numbers)

	<u>General Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
LEASES	1,807,468	-	1,807,468
USAGE FEES	193,824	21,702	215,526
PBT CAM FEES	551,020	-	551,020
CONTRACT SERVICES	5,469	-	5,469
DATA CENTER / FIBER OPTIC INCOME	-	171,788	171,788
TOTAL OPERATING REVENUE	<u>2,557,781</u>	<u>193,490</u>	<u>2,751,271</u>
UTILITY FRANCHISE FEES	28,060	-	28,060
INSURANCE PROCEEDS	72,143	-	72,143
OTHER MISCELLANEOUS REVENUE	134	-	134
TOTAL REVENUES	<u>2,658,119</u>	<u>193,490</u>	<u>2,851,609</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2022 Through 6/30/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES			
SALARIES & TAXES	534,773	-	534,773
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	95,696	-	95,696
INSURANCE - PROPERTY & GENERAL LIABILITY	152,834	8,044	160,878
ADMINISTRATIVE EXPENSES	8,224	-	8,224
GENERAL OFFICE EXPENSES	44,018	2,279	46,297
ACCTG. & AUDITING SERVICES	34,479	-	34,479
COMPUTER SOFTWARE & MAINT.	-	27,462	27,462
INTERNET	-	15,499	15,499
LEGAL SERVICES	53,756	-	53,756
NETWORK MAINTENANCE CONTRACT	7,427	-	7,427
TRAINING & TRAVEL	13,352	-	13,352
MARKETING EXPENSES	46,560	-	46,560
OPERATIONS - GROUND MAINT. AND ENGINEERING	400,672	-	400,672
UTILITIES	257,456	52,385	309,841
DEPRECIATION EXPENSE	449,320	29,551	478,871
Total OPERATING EXPENSES	2,098,567	135,221	2,233,788

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 6/1/2023 Through 6/30/2023

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	192,908	179,167	13,742	1,807,468	1,612,500	194,968
PBT Cam Fees	61,224	61,200	24	551,020	550,800	220
Usage Fees	25,865	22,917	2,948	193,824	206,250	(12,426)
Contract Services	920	833	87	5,469	7,500	(2,031)
Utility Franchise Fees	1,609	2,417	(808)	28,060	21,750	6,310
Insurance Proceeds	-	-	-	72,143	-	72,143
Other-Miscellaneous	-	-	-	134	-	134
Total REVENUES	282,526	266,533	15,993	2,658,119	2,398,800	259,319
EXPENSES						
Salaries & Taxes	74,219	71,333	(2,885)	534,773	642,000	107,227
Benefits - Health, Retirement & Wkr's Comp	12,480	12,621	141	95,696	113,587	17,891
Insurance -Property & General Liabilities	16,982	18,333	1,352	152,834	165,000	12,166
Administrative Expenses	248	1,017	769	8,224	11,400	3,176
General Office Expenses	3,914	6,133	2,220	44,018	55,200	11,182
Accounting & Auditing Services	7,579	117	(7,462)	34,479	40,050	5,571
Legal Services	6,280	4,167	(2,113)	53,756	37,500	(16,256)
Network Maintenance Contract	1,501	667	(834)	7,427	6,000	(1,427)
Training & Travel	1,636	833	(803)	13,352	7,500	(5,852)
Marketing Expenses	3,077	5,333	2,256	46,560	48,000	1,440
Operations	42,536	49,167	6,631	400,672	442,500	41,829
Utilities	39,202	39,267	64	257,456	277,400	19,944
Total EXPENSES	209,653	208,988	(666)	1,649,247	1,846,138	196,891
NIBPSID	72,873	57,546	15,327	1,008,872	552,662	456,209
NON OPERATING REVENUE						
Interest Income	17,201	833	16,368	106,858	7,500	99,358
Total NON OPERATING REVENUE	17,201	833	16,368	106,858	7,500	99,358
DEPRECIATION						
Depreciation Expense	(49,924)	(50,000)	76	(449,320)	(450,000)	680
Total DEPRECIATION	(49,924)	(50,000)	76	(449,320)	(450,000)	680
Increase (Decrease) In Fund Equity	40,150	8,379	31,771	666,410	110,162	556,248

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 6/1/2023 Through 6/30/2023

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	3,269	2,250	1,019	21,702	20,250	1,452
Fiber Optic/Wireless Income	20,216	17,500	2,716	171,788	157,500	14,288
Total REVENUES	23,485	19,750	3,735	193,490	177,750	15,740
EXPENSES						
Insurance -Property & General Liabilities	894	917	23	8,044	8,250	206
General Office Expenses	40	317	277	2,279	2,850	571
Computer Software & Maintenance	2,941	3,833	893	27,462	34,500	7,038
Internet	1,722	1,833	111	15,499	16,500	1,001
Building Maintenance & Repairs	919	833	(85)	13,453	7,500	(5,953)
Utilities	5,420	6,442	1,022	52,385	57,975	5,590
Total EXPENSES	11,935	14,175	2,240	119,123	127,575	8,452
NIBPSID	11,550	5,575	5,975	74,367	50,175	24,192
DEPRECIATION						
Depreciation Expense	(3,283)	(2,917)	(367)	(29,551)	(26,250)	(3,301)
Total DEPRECIATION	(3,283)	(2,917)	(367)	(29,551)	(26,250)	(3,301)
Increase (Decrease) In Fund Equity	8,267	2,658	5,608	44,816	23,925	20,891

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	192,908	179,167	13,742	1,807,468	1,612,500	194,968
PBT Cam Fees	61,224	61,200	24	551,020	550,800	220
Usage Fees	29,134	25,167	3,968	215,526	226,500	(10,974)
Contract Services	920	833	87	5,469	7,500	(2,031)
Utility Franchise Fees	1,609	2,417	(808)	28,060	21,750	6,310
Insurance Proceeds	-	-	-	72,143	-	72,143
Other-Miscellaneous	-	-	-	134	-	134
Fiber Optic/Wireless Income	20,216	17,500	2,716	171,788	157,500	14,288
Total REVENUES	306,012	286,283	19,728	2,851,609	2,576,550	275,059
EXPENSES						
Salaries & Taxes	74,219	71,333	(2,885)	534,773	642,000	107,227
Benefits - Health, Retirement & Wkr's Comp	12,480	12,621	141	95,696	113,587	17,891
Insurance -Property & General Liabilities	17,875	19,250	1,375	160,878	173,250	12,372
Administrative Expenses	248	1,017	769	8,224	11,400	3,176
General Office Expenses	3,954	6,450	2,496	46,297	58,050	11,753
Accounting & Auditing Services	7,579	117	(7,462)	34,479	40,050	5,571
Computer Software & Maintenance	2,941	3,833	893	27,462	34,500	7,038
Internet	1,722	1,833	111	15,499	16,500	1,001
Legal Services	6,280	4,167	(2,113)	53,756	37,500	(16,256)
Network Maintenance Contract	1,501	667	(834)	7,427	6,000	(1,427)
Training & Travel	1,636	833	(803)	13,352	7,500	(5,852)
Marketing Expenses	3,077	5,333	2,256	46,560	48,000	1,440
Operations	42,536	49,167	6,631	400,672	442,500	41,829
Building Maintenance & Repairs	919	833	(85)	13,453	7,500	(5,953)
Utilities	44,622	45,708	1,086	309,841	335,375	25,534
Total EXPENSES	221,588	223,163	1,574	1,768,370	1,973,713	205,343
NIBPSID	84,423	63,121	21,302	1,083,239	602,837	480,402
NON OPERATING REVENUE						
Interest Income	17,201	833	16,368	106,858	7,500	99,358
Total NON OPERATING REVENUE	17,201	833	16,368	106,858	7,500	99,358
DEPRECIATION						
Depreciation Expense	(53,208)	(52,917)	(291)	(478,871)	(476,250)	(2,621)
Total DEPRECIATION	(53,208)	(52,917)	(291)	(478,871)	(476,250)	(2,621)
Increase (Decrease) In Fund Equity	48,416	11,037	37,379	711,226	134,087	577,139

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

(In Whole Numbers)

	Current Month Actual	Prior Year's Month Actual	Variance	YTD Actual	Prior Year's YTD Actual	Variance
REVENUES						
Leases	192,908	184,246	8,662	1,807,468	1,546,549	260,919
PBT Cam Fees	61,224	60,024	1,200	551,020	540,216	10,804
Usage Fees	29,134	30,211	(1,077)	215,526	224,764	(9,238)
Contract Services	920	1,757	(837)	5,469	8,625	(3,156)
Utility Franchise Fees	1,609	2,018	(409)	28,060	26,136	1,924
Insurance Proceeds	-	-	-	72,143	3,975	68,168
Other-Miscellaneous	-	(47)	47	134	-	134
Fiber Optic/Wireless Income	20,216	19,610	606	171,788	171,633	155
Total REVENUES	306,012	297,819	8,193	2,851,609	2,521,898	329,711
EXPENSES						
Salaries & Taxes	74,219	52,491	21,728	534,773	658,225	(123,452)
Benefits - Health, Retirement & Wkr's	12,480	10,083	2,397	95,696	89,493	6,203
Insurance -Property & General Liabilities	17,875	16,432	1,443	160,878	147,889	12,989
Administrative Expenses	248	737	(489)	8,224	8,721	(497)
General Office Expenses	3,954	4,690	(736)	46,297	49,918	(3,621)
Accounting & Auditing Services	7,579	77	7,502	34,479	35,090	(611)
Computer Software & Maintenance	2,941	2,941	-	27,462	27,317	145
Internet	1,722	1,722	-	15,499	15,499	-
Legal Services	6,280	3,000	3,280	53,756	29,785	23,971
Network Maintenance Contract	1,501	936	565	7,427	5,469	1,958
Training & Travel	1,636	1,544	92	13,352	8,934	4,418
Marketing Expenses	3,077	2,679	398	46,560	37,839	8,721
Operations	42,536	175,583	(133,047)	400,672	1,049,458	(648,786)
Building Maintenance & Repairs	919	615	304	13,453	13,876	(423)
Utilities	44,622	48,831	(4,209)	309,841	320,961	(11,120)
Total EXPENSES	221,588	322,361	(100,773)	1,768,370	2,498,474	(730,104)
NIBPSID	84,423	(24,542)	108,965	1,083,239	23,424	1,059,815
NON OPERATING REVENUE						
Interest Income	17,201	1,535	15,666	106,858	9,295	97,563
Total NON OPERATING REVENUE	17,201	1,535	15,666	106,858	9,295	97,563
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(478,871)	(442,383)	(36,488)
Total DEPRECIATION	(53,208)	(53,208)	-	(478,871)	(442,383)	(36,488)
Increase (Decrease) In Fund Equity	48,416	(76,215)	124,631	711,226	(409,664)	1,120,890

CASH BALANCES - JULY 31, 2023

	6/30/2023	7/31/2023	Change
General Fund Bank Accounts	\$ 3,961,072	\$ 3,837,747	\$ (123,325)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 15,002	\$ 15,002	\$ -
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 4,831,074	\$ 4,707,749	\$ (123,325)

Accounts Receivable - G/F	\$ 180,870	\$ 201,588	\$ 20,718
Accounts Receivable - F/O	\$ 15,224	\$ 14,589	\$ (635)
Total Accounts Receivable	\$ 196,094	\$ 216,177	\$ 20,083

Total Cash & Accounts Receivable	\$ 5,027,168	\$ 4,923,926	\$ (103,242)
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Aged Accounts Receivable as of 07/31/2023

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
163,526.09	34,514.89	17,653.99	513.33	(31.39)	216,176.91

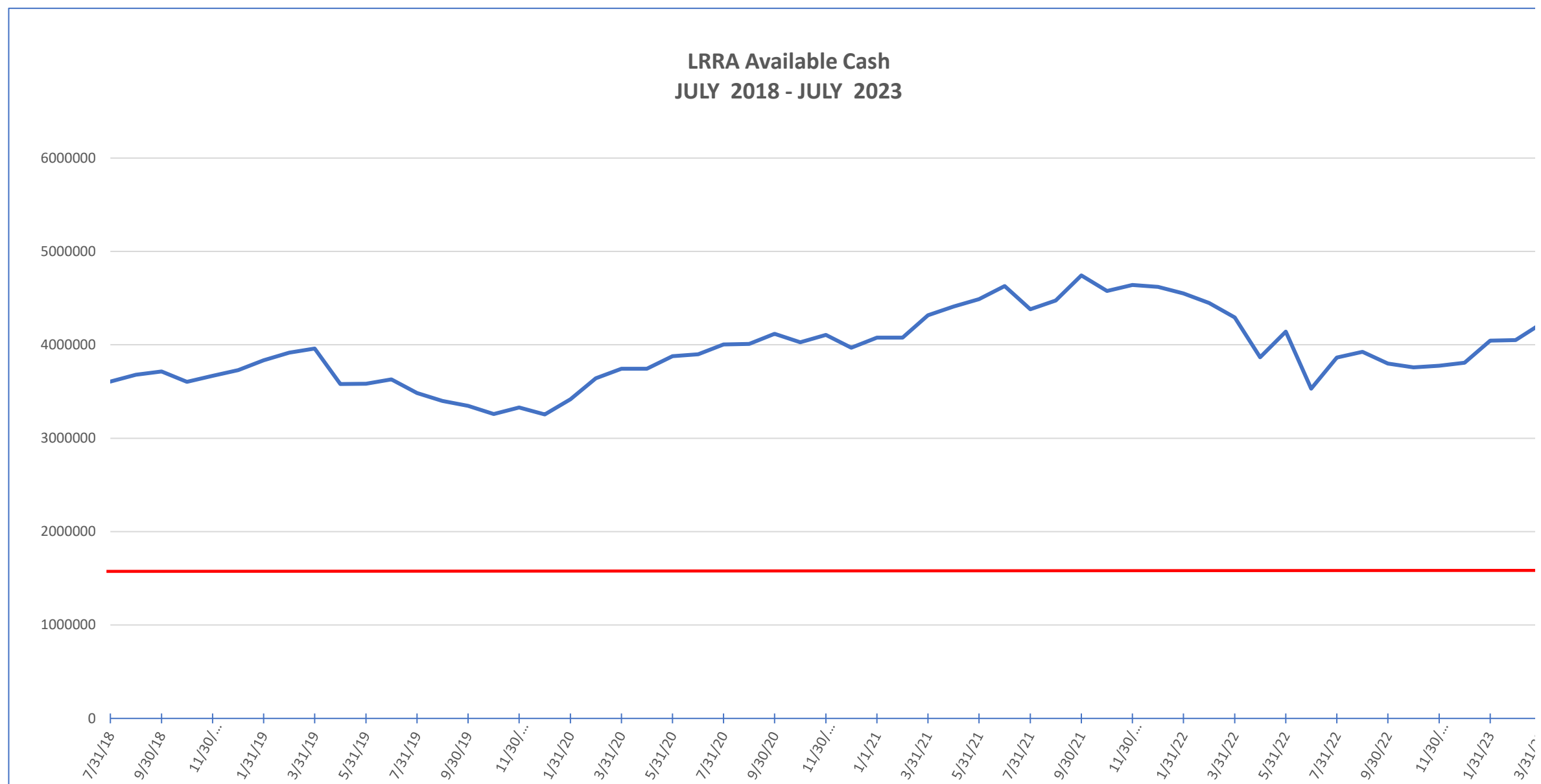
Aged Accounts Receivable as of 08/12/2023

62,330.93	21,710.46	9,420.65	513.33	(31.39)	93,943.98
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EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

CRICPA - AUDITORS	7,500.00	EXPENSES
FIRING RANGE	217,788.00	CAPITALIZED
FENCING - CHAIN LINK	6,900.00	EXPENSES

\$ 232,188.00



FINANCIAL HIGHLIGHTS - JULY 31, 2023

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 209,999	\$ 20,216	\$ 230,215	\$ 2,674,293	\$ 192,004	\$ 2,866,297	
Other Revenue - Usage Fees	\$ 26,557	\$ 2,634	\$ 29,191	\$ 220,382	\$ 24,336	\$ 244,718	
Total Revenue	\$ 236,556	\$ 22,850	\$ 259,406	\$ 2,894,675	\$ 216,340	\$ 3,111,015	
Expenses	\$ 172,966	\$ 11,327	\$ 184,293	\$ 1,822,213	\$ 130,450	\$ 1,952,663	
Net Income BPSID	\$ 63,590	\$ 11,523	\$ 75,113	\$ 1,072,462	\$ 85,890	\$ 1,158,352	
Interest Income - Plus	\$ 17,385	\$ -	\$ 17,385	\$ 124,244	\$ -	\$ 124,244	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (499,244)	\$ (32,835)	\$ (532,079)	
Net Income	\$ 31,051	\$ 8,240	\$ 39,291	\$ 697,462	\$ 53,055	\$ 750,517	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 7/31/2023

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
ASSETS				
CASH	3,837,747	15,002	-	3,852,749
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	201,588	-	14,589	216,177
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	3,777	-	-	3,777
CONSTRUCTION IN PROGRESS	255,010	1,720,123	-	1,975,133
PROPERTY AND EQUIPMENT, NET	6,242,423	-	116,742	6,359,165
OTHER ASSETS	87,799	-	2,705	90,504
Total ASSETS	11,483,345	1,735,124	134,037	13,352,505
LIABILITIES				
ACCOUNTS PAYABLE	12,285	-	2,440	14,725
ACCRUED EXPENSES	97,937	-	-	97,937
DEFERRED REVENUE	425,049	-	18,694	443,743
NET PENSION LIABILITIES	(1,713)	-	-	(1,713)
NOTES PAYABLE	2,223	-	-	2,223
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	88,061	-	223	88,283
OTHER LIABILITIES	1,470	-	-	1,470
Total LIABILITIES	625,312	-	21,357	646,669
FUND EQUITY				
BEGINNING OF PERIOD	9,906,427	1,910,124	138,768	11,955,319
TRANSFERS IN (OUT)	254,144	(175,000)	(79,144)	-
YEAR TO DATE EARNINGS	697,462	-	53,056	750,518
Total FUND EQUITY	10,858,032	1,735,124	112,680	12,705,837
TOTAL LIABILITY AND FUND	11,483,345	1,735,124	134,037	13,352,505

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2022 Through 7/31/2023

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	2,894,676	-	216,340	3,111,016
OPERATING EXPENSES	2,321,458	-	163,285	2,484,742
OPERATING INCOME(LOSS)	<u>573,218</u>	<u>-</u>	<u>53,056</u>	<u>626,274</u>
NONOPERATING INTEREST INCOME	124,244	-	-	124,244
TRANSFERS IN (OUT)	254,144	(175,000)	(79,144)	-
NET NONOPERATING REVENUES	<u>378,387</u>	<u>(175,000)</u>	<u>(79,144)</u>	<u>124,244</u>
INCREASE (DECREASE) IN FUND	<u>951,606</u>	<u>(175,000)</u>	<u>(26,088)</u>	<u>750,518</u>
FUND EQUITY, BEGINNING	9,906,427	1,910,124	138,768	11,955,319
FUND EQUITY, ENDING	10,858,032	1,735,124	112,680	12,705,837

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2022 Through 7/31/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
LEASES	1,954,583	-	1,954,583
USAGE FEES	220,382	24,336	244,718
PBT CAM FEES	612,245	-	612,245
CONTRACT SERVICES	5,469	-	5,469
DATA CENTER / FIBER OPTIC	-	192,004	192,004
TOTAL OPERATING REVENUE	2,792,679	216,340	3,009,019
UTILITY FRANCHISE FEES	29,719	-	29,719
INSURANCE PROCEEDS	72,143	-	72,143
OTHER MISCELLANEOUS	134	-	134
TOTAL REVENUES	2,894,676	216,340	3,111,016

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2022 Through 7/31/2023

(In Whole Numbers)

	General Fund	Fiber Optic Oper Fund	Total
OPERATING EXPENSES			
SALARIES & TAXES	584,616	-	584,616
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	107,260	-	107,260
INSURANCE - PROPERTY & GENERAL LIABILITY	169,815	8,938	178,753
ADMINISTRATIVE EXPENSES	8,582	-	8,582
GENERAL OFFICE EXPENSES	52,842	2,319	55,162
ACCTG. & AUDITING SERVICES	34,561	-	34,561
COMPUTER SOFTWARE & MAINT.	-	30,403	30,403
INTERNET	-	17,222	17,222
LEGAL SERVICES	58,736	-	58,736
NETWORK MAINTENANCE CONTRACT	9,073	-	9,073
TRAINING & TRAVEL	15,928	-	15,928
MARKETING EXPENSES	52,943	-	52,943
OPERATIONS - GROUND MAINT. AND ENGINEERING	442,908	-	442,908
CONTRACTS			
UTILITIES	284,948	58,115	343,063
DEPRECIATION EXPENSE	499,244	32,835	532,079
Total OPERATING EXPENSES	2,321,458	149,832	2,471,289

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 7/1/2023 Through 7/31/2023

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	147,116	179,167	(32,051)	1,954,583	1,791,667	162,917
PBT Cam Fees	61,224	61,200	24	612,245	612,000	245
Usage Fees	26,557	22,917	3,641	220,382	229,167	(8,785)
Contract Services	-	833	(833)	5,469	8,333	(2,864)
Utility Franchise Fees	1,659	2,417	(757)	29,719	24,167	5,553
Insurance Proceeds	-	-	-	72,143	-	72,143
Other-Miscellaneous	-	-	-	134	-	134
Total REVENUES	236,557	266,533	(29,977)	2,894,676	2,665,333	229,342
EXPENSES						
Salaries & Taxes	49,843	71,333	21,490	584,616	713,333	128,717
Benefits - Health, Retirement & Wkr's Comp	11,564	12,621	1,057	107,260	126,208	18,948
Insurance -Property & General Liabilities	16,982	18,333	1,352	169,815	183,333	13,518
Administrative Expenses	358	1,017	659	8,582	12,417	3,835
General Office Expenses	8,825	6,133	(2,691)	52,842	61,333	8,491
Accounting & Auditing Services	82	117	35	34,561	40,167	5,606
Legal Services	4,980	4,167	(813)	58,736	41,667	(17,069)
Network Maintenance Contract	1,646	667	(979)	9,073	6,667	(2,407)
Training & Travel	2,576	833	(1,742)	15,928	8,333	(7,594)
Marketing Expenses	6,383	5,333	(1,049)	52,943	53,333	390
Operations	42,237	49,167	6,930	442,908	491,667	48,758
Utilities	27,492	43,267	15,775	284,948	320,667	35,719
Total EXPENSES	172,966	212,988	40,021	1,822,213	2,059,125	236,912
NIBPSID	63,591	53,546	10,045	1,072,462	606,208	466,254
NON OPERATING REVENUE						
Interest Income	17,385	833	16,552	124,244	8,333	115,910
Total NON OPERATING REVENUE	17,385	833	16,552	124,244	8,333	115,910
DEPRECIATION						
Depreciation Expense	(49,924)	(50,000)	76	(499,244)	(500,000)	756
Total DEPRECIATION	(49,924)	(50,000)	76	(499,244)	(500,000)	756
Increase (Decrease) In Fund Equity	31,052	4,379	26,672	697,462	114,542	582,920

GENERAL FUND

Explanation of Significant Budget Variances

2023 JULY

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Leases	4200, 4201	\$ (32,051)	\$ 162,917	57,763.08 = PrePaid Rent was moved to Deferred Income	Year End is expected to be over budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 21,490	\$ 128,717	Payroll is less due to staff shortage	Year End is expected to be under budget
Expenses, Utilities	5380	\$ 15,775	\$ 35,719	It is normal for utilities to fluctuate	Year End is expected to be on budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 7/1/2023 Through 7/31/2023

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	2,634	2,250	384	24,336	22,500	1,836
Fiber Optic/Wireless Income	20,216	17,500	2,716	192,004	175,000	17,004
Total REVENUES	22,850	19,750	3,100	216,340	197,500	18,840
EXPENSES						
Insurance -Property & General Liabilities	894	917	23	8,938	9,167	229
General Office Expenses	40	317	277	2,319	3,167	848
Computer Software & Maintenance	2,941	3,833	893	30,403	38,333	7,930
Internet	1,722	1,833	111	17,222	18,333	1,112
Building Maintenance & Repairs	-	833	833	13,453	8,333	(5,120)
Utilities	5,730	6,442	711	58,115	64,417	6,301
Total EXPENSES	11,327	14,175	2,848	130,450	141,750	11,300
NIBPSID	11,523	5,575	5,948	85,890	55,750	30,140
DEPRECIATION						
Depreciation Expense	(3,283)	(2,917)	(367)	(32,835)	(29,167)	(3,668)
Total DEPRECIATION	(3,283)	(2,917)	(367)	(32,835)	(29,167)	(3,668)
Increase (Decrease) In Fund Equity	8,240	2,658	5,581	53,056	26,583	26,472

FIBER OPTIC FUND

Explanation of Significant Budget Variances

2023 JULY

	Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
EXPENSES, Building Maintenance & Repairs	\$ 833	\$ (5,120)	Higer than expected maintenance on building/maintenance	Year End is expected to be over budget

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	147,116	179,167	(32,051)	1,954,583	1,791,667	162,917
PBT Cam Fees	61,224	61,200	24	612,245	612,000	245
Usage Fees	29,192	25,167	4,025	244,718	251,667	(6,949)
Contract Services	-	833	(833)	5,469	8,333	(2,864)
Utility Franchise Fees	1,659	2,417	(757)	29,719	24,167	5,553
Insurance Proceeds	-	-	-	72,143	-	72,143
Other-Miscellaneous	-	-	-	134	-	134
Fiber Optic/Wireless Income	20,216	17,500	2,716	192,004	175,000	17,004
Total REVENUES	259,407	286,283	(26,876)	3,111,016	2,862,833	248,183
EXPENSES						
Salaries & Taxes	49,843	71,333	21,490	584,616	713,333	128,717
Benefits - Health, Retirement & Wkr's Comp	11,564	12,621	1,057	107,260	126,208	18,948
Insurance -Property & General Liabilities	17,875	19,250	1,375	178,753	192,500	13,747
Administrative Expenses	358	1,017	659	8,582	12,417	3,835
General Office Expenses	8,865	6,450	(2,415)	55,162	64,500	9,338
Accounting & Auditing Services	82	117	35	34,561	40,167	5,606
Computer Software & Maintenance	2,941	3,833	893	30,403	38,333	7,930
Internet	1,722	1,833	111	17,222	18,333	1,112
Legal Services	4,980	4,167	(813)	58,736	41,667	(17,069)
Network Maintenance Contract	1,646	667	(979)	9,073	6,667	(2,407)
Training & Travel	2,576	833	(1,742)	15,928	8,333	(7,594)
Marketing Expenses	6,383	5,333	(1,049)	52,943	53,333	390
Operations	42,237	49,167	6,930	442,908	491,667	48,758
Building Maintenance & Repairs	-	833	833	13,453	8,333	(5,120)
Utilities	33,222	49,708	16,486	343,063	385,083	42,020
Total EXPENSES	184,293	227,163	42,869	1,952,663	2,200,875	248,212
NIBPSID	75,114	59,121	15,993	1,158,353	661,958	496,394
NON OPERATING REVENUE						
Interest Income	17,385	833	16,552	124,244	8,333	115,910
Total NON OPERATING REVENUE	17,385	833	16,552	124,244	8,333	115,910
DEPRECIATION						
Depreciation Expense	(53,208)	(52,917)	(291)	(532,079)	(529,167)	(2,912)
Total DEPRECIATION	(53,208)	(52,917)	(291)	(532,079)	(529,167)	(2,912)
Increase (Decrease) In Fund Equity	39,291	7,037	32,254	750,518	141,125	609,393

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

(In Whole Numbers)

	Current Month Actual	Prior Year's Month Actual	Variance	YTD Actual	Prior Year's YTD Actual	Variance
REVENUES						
Leases	147,116	199,761	(52,645)	1,954,583	1,746,310	208,273
PBT Cam Fees	61,224	60,024	1,200	612,245	600,240	12,005
Usage Fees	29,192	33,812	(4,620)	244,718	258,576	(13,858)
Contract Services	-	534	(534)	5,469	9,159	(3,690)
Utility Franchise Fees	1,659	2,486	(827)	29,719	28,622	1,097
Insurance Proceeds	-	-	-	72,143	3,975	68,168
Other-Miscellaneous	-	-	-	134	-	134
Fiber Optic/Wireless Income	20,216	19,694	522	192,004	191,327	677
Total REVENUES	259,407	316,311	(56,904)	3,111,016	2,838,209	272,807
EXPENSES						
Salaries & Taxes	49,843	84,619	(34,776)	584,616	742,843	(158,227)
Benefits - Health, Retirement & Wkr's	11,564	11,254	310	107,260	100,747	6,513
Insurance -Property & General Liabilities	17,875	16,432	1,443	178,753	164,322	14,431
Administrative Expenses	358	404	(46)	8,582	9,125	(543)
General Office Expenses	8,865	3,631	5,234	55,162	53,549	1,613
Accounting & Auditing Services	82	89	(7)	34,561	35,179	(618)
Computer Software & Maintenance	2,941	2,941	-	30,403	30,258	145
Internet	1,722	2,954	(1,232)	17,222	18,454	(1,232)
Legal Services	4,980	1,023	3,957	58,736	30,808	27,928
Network Maintenance Contract	1,646	787	859	9,073	6,256	2,817
Training & Travel	2,576	2,965	(389)	15,928	11,899	4,029
Marketing Expenses	6,383	4,663	1,720	52,943	42,502	10,441
Operations	42,237	47,728	(5,491)	442,908	1,097,186	(654,278)
Building Maintenance & Repairs	-	101	(101)	13,453	13,977	(524)
Utilities	33,222	49,880	(16,658)	343,063	370,841	(27,778)
Total EXPENSES	184,293	229,471	(45,178)	1,952,663	2,727,945	(775,282)
NIBPSID	75,114	86,840	(11,726)	1,158,353	110,265	1,048,088
NON OPERATING REVENUE						
Interest Income	17,385	2,870	14,515	124,244	12,165	112,079
Total NON OPERATING REVENUE	17,385	2,870	14,515	124,244	12,165	112,079
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(532,079)	(495,591)	(36,488)
Total DEPRECIATION	(53,208)	(53,208)	-	(532,079)	(495,591)	(36,488)
Increase (Decrease) In Fund Equity	39,291	36,503	2,788	750,518	(373,161)	1,123,679

August 23, 2023

LRRRA Quarterly Investments and Collatoralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarterly Interest Earned Apr - Jun 2023	Quarterly Interest Earned Jan - Mar 2023	Quarterly Interest Earned Oct - Dec 2022	FY2023 Interest Earned YTD	Balance as of 6/30/23	FDIC Insured or Collatoralization (market value)
PlainsCapital Operating Account	5256	4.96%	5.50%	\$ 5,329.96	\$ 5,642.15	\$ 20,691.39		\$ 28,997.99	\$ -
PlainsCapital Operating Account	2003	4.96%	5.50%	\$ 9,648.74	\$ 4,940.37	\$ 131.63		\$ 827,321.87	\$ -
Totals PlainsCapital				\$ 14,978.70	\$ 10,582.52	\$ 20,823.02	\$ 46,384.24	\$ 856,319.86	\$ 3,571,040.00
Peoples Bank ICS/Sweep Account*	151	4.34%	5.50%	\$ 33,633.95	\$ 24,145.57	\$ 2,684.80		\$ 4,005,526.94	\$ 250,000.00
Peoples Bank EDA	575	0.00%	5.50%	\$ -	\$ -	\$ -	\$ -	\$ 15,001.91	\$ 250,000.00
Totals Peoples Bank				\$ 33,633.95	\$ 24,145.57	\$ 2,684.80	\$ 60,464.32	\$ 4,020,528.85	
Total of All Accounts				\$ 48,612.65	\$ 34,728.09	\$ 23,507.82	\$ 106,848.56	\$ 4,876,848.71	
<div> <div> <div>Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately</div> <div> <div></div> <div></div> </div> </div> <div> <div>*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program</div> <div></div> </div> </div>									



August 2023 EVENTS & ACTIVITIES

	DATE	EVENT
August	August 3	5 th Annual Customer Appreciation Cookout
	August 23	LRRA Board of Director's Meeting
	August 23	Red Raider Sports Kick Off Lunch
	August 24	United Way – 2023 Annual Campaign Kick Off
	August 25	Presentation to Werner Kuhr, TTU Associate VP of Innovation and Entrepreneurship
Looking Ahead		
September	September 4	Reese Office Closed for Labor Day Holiday
	September 5	City of Lubbock Council Recognition of New LRRA Board Member Jeff Mustin
	September 13	SPAG General Assembly Meeting
	September 18	State of the TTU System Luncheon
	September 27	LRRA Board of Director's Meeting