

FISCAL YEAR

# 2024

## CITY OF MIDLAND, TEXAS ADOPTED BUDGET



Fiscal Year October 1, 2023 to  
September 30, 2024

# City of Midland, TX

## Annual Operating Budget Fiscal Year 2024





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

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**City of Midland  
Texas**

For the Fiscal Year Beginning

**October 01, 2022**

*Christopher P. Morill*

Executive Director



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*The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards*

Executive Director

*Christopher P. Morill*

Date: **April 11, 2023**

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# Demographics

## MIDLAND, TX HISTORY –

Located in the Permian Basin in the plains of West Texas, the history of Midland, Texas is rich and diverse. In 1880, the Texas Pacific Railroad began to lay tracks westward from Fort Worth at about the same time that the Southern Pacific began building east from El Paso. The place where the tracks met became known as Midway. Later, the name was changed to Midland.

In its initial years, Midland was basically a small farming and ranching community. The discovery of oil in the Permian Basin in 1923 changed the area significantly. Soon, Midland had been transformed into the administrative center of the West Texas oil fields. The Second World War saw Midland becoming the largest bombardier training base in the United States, and post-war Midland saw its second boom period beginning with the discovery of what is still ranked today as the second largest oil and gas shale in the world. In the US, the Permian Basin plays a more important role in the nation's energy industry compared to any other city besides Houston.



Today, Midland is a thriving community in the heart of the Permian Basin oil region, which is the 2nd largest oil and gas shale in the world. In fact, outside of Houston, no other area in the US plays a more important role in the nation's energy industry than the Permian Basin. Midland is home to large international corporations, expanding family businesses, and entrepreneurs seeking growth opportunities. Our economy is growing and our residents enjoy the benefits of having the second highest personal income in the United States.

The city is also proud to be the hometown of former First Lady Laura Bush and the former home of two U.S. Presidents, George H.W. Bush and George W. Bush.

## POPULATION GROWTH –

Midland is located in [Texas](#). In 1910, four years after Midland’s incorporation, the population stood at 2,192. Since then the population has skyrocketed with the discovery of oil. The current population is approximately **136,012**, it is the **25<sup>th</sup> largest city in Texas** and the **211<sup>th</sup> largest city in the United States**. Midland is [currently growing](#) at a rate of **0.60%** annually and its population has increased by **22.37%** since the 2010 census, which recorded a population of **111,147**. Spanning over 75 miles, Midland has a population density of 1,815 people per square mile.

<u>Year</u>	<u>Total Population</u>	<u>Growth</u>	<u>Growth Rate</u>
2023	135,200	-3,522	-2.51%
2022	140,322	9,030	6.88%
2021	131,292	-9,900	-7.01%
2020	141,192	-4,850	-3.32%
2019	146,042	3,703	2.60%
2018	142,339	6,249	4.59%
2017	136,090	1,477	1.10%
2016	134,613	1,663	1.25%
2015	132,950	4,913	3.84%
2014	128,037	4,102	3.20%

## MIDLAND POPULATION BY AGE –

[Midland population](#) median age in Midland is 31.4 years, 31.4 years for males, and 31.3 years for females.

\*For every 100 females there are 107 males.

- Male (median range): **31.4**
- Female (median range): **31.3**
- Total Midland Median Age Range: **31.4**



## HOUSEHOLD INCOME –

The [median household](#) income in Midland is **\$90,448** with a poverty rate of 10.51%.

[Median and Mean incomes:](#)

<u>Name</u>	<u>Median</u>	<u>Mean</u>
Households	\$ 90,448	\$ 123,556
Families	\$ 109,030	\$ 142,772
Married Families	\$ 133,006	\$ 166,392
Non-Families	\$ 53,373	\$ 79,763

## HOME OWNERSHIP –

Rate of Home Ownership is [64% and 36%](#) for renting.

\*The median house listing price is at **\$345,000**.

\*The median rental costs in recent years have been **\$1,434 per month**.

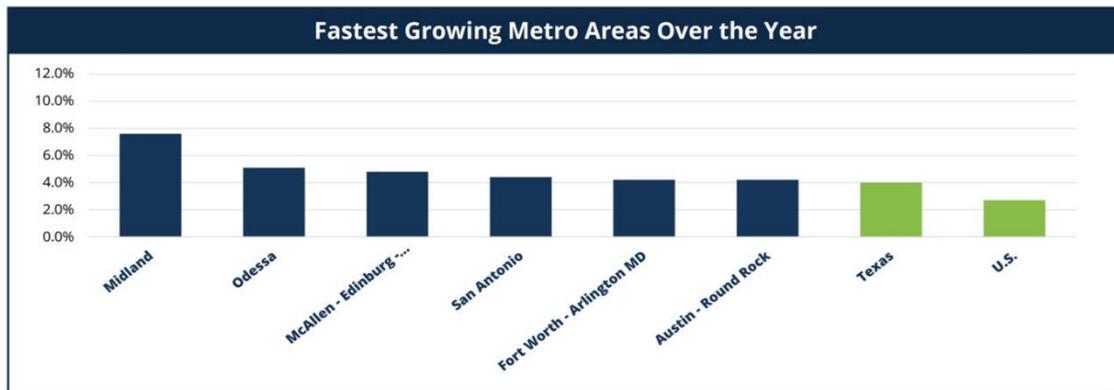
Type	Owner	Renter
Married	82%	18%
Female	56.1%	43.9%
Male	42.3%	57.7%
Non-Families	43.9%	56.1%
All	63.9%	36.1%

## RACE –

Midland, Texas is a [Hispanic-majority city](#). According to the state demographer, more migrants than ever moving into Texas are from an Asian country and have lived somewhere in the U.S. first.

Race	Population	Percentage
Hispanic	61,160	46.16%
White	56,031	42.29%
Black or African American	9,421	7.11%
Asian	2,471	1.87%
Native American	380	0.29%
Native Hawaiian or Pacific Islander	47	0.04%
Two or More Races	2,864	2.16%
Other	116	0.08%

## JOB MARKET -



\*TWC Labor Market Review, May 2023 Report

## GDP –

Rank	EMA Name	2023 GDP Growth	2022 GDP Growth	Change in Growth	GDP (2023, billions USD)	GDP Share of U.S. Total (2023)
1	Midland, Texas	6.7%	9.4%	-2.7%	69	0.3%
2	Amarillo, Texas	2.5%	3.1%	-0.5%	27	0.1%
3	Fort Collins, Colorado	1.7%	4.5%	-2.8%	29	0.1%
4	Santa Barbara, California	1.1%	3.9%	-2.8%	39	0.1%
5	Fayetteville and Springdale, Arkansas	0.9%	3.5%	-2.5%	38	0.1%

\*Kenan Institute of Private Enterprise, Feb 2023 Report

# ELECTED OFFICIALS

## Mayor & City Council



**DAN CORRALES**  
AT-LARGE (In Memory)



**LORI BLONG**  
MAYOR



**ROBIN POOLE**  
AT-LARGE



**SCOTT DUFFORD**  
DISTRICT ONE



**JOHN NORMAN**  
DISTRICT TWO



**JACK LADD**  
DISTRICT THREE



**AMY STRETCHER BURKES**  
DISTRICT FOUR



## VISION

Midland 2024

Is a GROWING URBAN CENTER in Texas,

With a HEALTHY ECONOMY and

A VIBRANT DOWNTOWN.

We enjoy GREAT LIVING, ABUNDANT LEISURE

OPPORTUNITIES, and

EFFECTIVE TRANSPORTATION/EASY

MOVEMENT through our City.

Our diverse Midland Community WORKS

TOGETHER for a bright sustainable future; our City is

A RECOGNIZED LEADER.

## MISSION

WE, the employees of the City of Midland, are PASSIONATE and ENERGETIC about the service we provide to EACH OTHER and OUR COMMUNITY.

## GUIDING PRINCIPLES

1. Demonstrate INTEGRITY, RESPECT and VALUE everyone.
2. Exhibit PROFESSIONALISM by being ACCOUNTABLE and DEPENDABLE.
3. Exercise COOPERATION through a DEDICATION to serve others.



**SECTION I:**

**INTRODUCTION**

**& OVERVIEW**



**TO:** Honorable Mayor and City Council  
**FROM:** Morris Williams Jr., Interim City Manager  
**SUBJECT:** 2023-2024 Budget

It is my honor to submit, for your consideration, the City of Midland Proposed Budget for Fiscal Year 2024 (FY 2024) pursuant to the City Code of Ordinances and the City Charter. We are proud to present a balanced budget for the upcoming fiscal year that will serve as the City's general operating plan beginning October 1, 2023, and ending September 30, 2024.

During the current fiscal year, the City of Midland has seen trends moving upward from the stalled growth the City faced due to the pandemic, along with the accompanying economic hardships that everyone faced at every level; local, state, and federal. The General Fund showed a slight increase in fund balance of \$352,152 against the original projected decrease of approximately \$4 million. Recent ratings provided the City an 'AAA' score from Fitch, and an 'Aa1' rating from Moody's, which continue to demonstrate the City's strong financial profile, overall stability, and robust reserves.

The City Council held their annual retreat to review council and citizen priorities and to discuss and prioritize the department's needs in conjunction with these priorities. The departments reviewed and updated the 5-year capital plan, and collaboratively scored and ranked proposed projects based on a numeric metric.

The proposed FY 2024 budget reflects Council goals and priorities, taking careful consideration to meet citizen needs, with a positive look to the future growth and prosperity of the City.

## 2024 PRIORITIES

### **1. CREATE THE PREMIER CITY IN WEST TEXAS**

Ongoing quality of place improvements are necessary for the health and well-being of Midland residents. The 2020 Parks, Recreation and Open Space Master Plan was reviewed and referenced as objectives for the coming year were developed. Funds from oil and gas revenues are budgeted for various park projects, including constructing Phase 1 of the Reyes-Mashburn-Nelms master plan, installing a fitness court at Dennis the Menace Park, and making improvements to the Golf Course.

In June of 2021, certificates of obligation were issued to address quality of place improvements. \$25 million of the CO is dedicated to Parks and Recreation: \$10 million addressing the implementation of the master plan,

\$13 million to execute an irrigation and turf pilot program at four city parks, and \$2 million to convert two soccer/football fields to artificial turf. Over \$13 million of these funds has been spent, with more projects underway or in the planning stages set for the 2024 budget year, including completing Hogan Park Phase 2, replacing the deteriorating park signs and beginning the implementation of the Beal Park master plan.

Plans have been reviewed to construct a new Health Services Facility on City owned land. Providing low-cost health services to a growing community of residents is a top priority.

Funds have been requested to upgrade the services provided to the senior population. \$2.5 million in improvements are requested for the Southeast Senior Center and \$2.5 million is requested for design of a new Midland Senior Center.

The City has applied for the Texas Department of Transportation (TxDOT) bicycle and pedestrian grant to begin the City section of the Wildcatters Trail, which will connect the communities of Midland and Odessa.

## **2. UPGRADE CITY FACILITIES AND INFRASTRUCTURE**

The City has shown a commitment to leadership in addressing critical water resources now and for the future. The City purchased the Midland Freshwater Supply District assets, which increased the storage of water and ensures additional water supply for the City, as well as saves overhead expenses for the department. A five-year funding plan that addresses the water needs of Midland's primary areas of growth has been reviewed and updated. The construction of the new northeast water system is complete, and the wastewater system is underway. Operating funds will be budgeted for other necessary improvements. Management will continue to provide leadership in the West Texas Water Partnership, along with other area municipalities, to strategize long term water resources.

The City is also committed to maintaining and improving transportation avenues for the safety of Midland citizens. The proposed budget includes approximately \$1.5 million for maintenance of city streets and approximately \$6.2 million for new infrastructure and capital improvements. The City allocated the first tranche of America Rescue Plan Act (ARPA) funds to new roads and paving unpaved roads in the City. The budget also includes funds for the annual signal system maintenance on City streets per the 5-year plan. The expansion and widening of Mockingbird Lane is listed in the supplemental project request.

As Midland grows, so does the need for updated and larger facilities. The proposed budget includes a \$1.8 million allocation for facilities capital improvements at the following locations:

- Replacement of cast iron plumbing at City Hall
- Fire Stations require roof repairs, new fences and gates, and other infrastructure improvements
- HVAC upgrades for the MLK Center
- Replace police training facility restrooms and east side ramp
- Parking lot security fence for Police
- Repair roof leaks on multiple fire stations and other upgrades

- Replace Fire's SCBA Compressor
- Replace Golf Course Carpet
- Replace inground lifts at the Garage
- Upgrade security gate at the Garage

In addition, the budget includes supplemental requests for the following facilities:

- \$2.5 million for the design of a new Midland Senior Center
- \$2.5 million improvements to the Southeast Senior Center
- \$1 million for a new Golf Cart Barn
- \$6 million for two new auxiliary fields at Sports Complex

### **3. MAINTAIN A HIGH PERFORMING MIDLAND CITY TEAM**

Management continues to strive for a high level of service to the public while emphasizing fiscal conservancy and moderate budgetary growth in all departments. Employee retention is key to maintaining a high level of customer service. The City will focus on training and retaining a team of reliable professionals to deliver excellent customer service to the public. Salary increases were included in the budget for all employees to assist with retention. In addition, positions were added to meet the needs of a growing community.

### **4. BUILD A STRONG ECONOMY WITH MORE QUALITY JOBS**

Management is offering agreements under Chapter 380 of the Texas Local Government Code to encourage activity and future development in the downtown district as well as in key areas of the City. In addition, an allocation is set aside in the General Fund to pursue options for an Entertainment District and research the potential of a Cultural District in Downtown Midland.

## FISCAL YEAR 2024 BUDGET HIGHLIGHTS

The Adopted budget is based on a Property Tax Rate of 35.07 cents per \$100 of valuation. This is effectively a 6.68% increase in the tax rate from FY2023. At the same time, the FY2024 rate itself is lower than FY2023 by .43 cents, last year being 35.50 cents per \$100 of valuation.

<i>General Fund</i>	<i>All Other Funds</i>
Police Compensation redone to improve retention and recruitment	\$6.5 million budgeted from oil and gas revenues for park improvements and replacements.
6 EMS for new shift crew. In addition, 6 new Firefighters for entire City.	\$16.1 million for replacement of fleet and equipment and \$1.9 million for new fleet and equipment.
Increase to Veterinarian Compensation, and also the addition of an Animal Services Assistant Manager, a Vet Tech and a Records Specialist to help with growth.	Grapple truck and loader as well as 4 new employees for Sanitation to keep up with growth and the addition of a service center
To assist with growth in parks: two turf specialists, new sports coordinator, golf maintenance specialist.	Two customer service representatives and a Meter Shop foreman to address growth.
\$1.8 million in facilities improvements at multiple locations	Maintenance equipment for Airpark along with new maintenance specialist
New assistant oil and gas coordinator	Two new auxiliary fields for Sports Complex

## ECONOMIC OUTLOOK<sup>1</sup>

Though many industries in Texas have experienced fallout from the Federal Reserve practices to decrease inflation, Texas has added jobs every month for more than two years. There has been continued uncertainty globally, which affects oil prices, and therefore the oil and gas activity and industry. Although they continue to deal with challenges of supply issues and labor shortages, these economies are experiencing expansion. The Midland Economic Index has continued to show proof of expansion and is currently rated 114.2, up from 108.0 for the same time last year. The most recent month of March 2023 reported the construction industry experienced a gain of +44.8, the manufacturing sector saw an increase of +3.0 and hospitality and tourism receipts are up 22.98% over this same time last year. Although oil prices have settled from over \$100 in March of 2022 to \$73.28 in March of 2023, rig counts have continued to climb, at 352 in March 2023, compared to 303 in March 2022.

Sales taxes have continued to rebound and even broke an all-time high mark in February 2023. Monthly sales tax receipts at the end of FY2022 totaled \$61.1 million, 19.7% more than budgeted revenue. The current fiscal year to date revenue is 20.27% more than this time last year, and every quarter of 2023 has been the highest quarter compared with the same quarters of previous years, considering even the extraordinary growth in 2019. Year-to-date receipts are above budget at 20.5% of the annual sales tax revenue budget.

Midland's assessed valuation has trended steadily upward for the last twenty years, though 2022 saw a slight stalling of this growth. Early estimates show an increase in property tax valuations of \$1.90 billion over last year's amount of \$17.5 billion. Real estate shows a slight decrease year over year, but personal property and mineral property both show healthy increases at 11% and 14% respectively. Commercial property increased slightly at around 2%.

Prior to the pandemic, Midland had one of the lowest unemployment rates in the nation remaining approximately 2%. By May of 2020, unemployment rates hit their peak at 12.3%, and has gradually dropped over the last three years. As of March 2023, Midland's unemployment rate was 2.69%.

As the economy has expanded, housing listings have decreased, with a total of 1,468 listings year to date, a 5.7% decrease over last year. However, regardless of the amount of market listings, home values have continued to climb. The median housing listing price of \$345,000 is 6.2% higher than the prior year, and permit values increased by 26.8%. Housing Permits, which is considered a lagging indicator, decreased 55% from March of 2022 to March of 2023.

Airline boarding numbers are trending toward pre-pandemic levels as people continue travelling for both business and pleasure. Enplanements as of February 2023 are 47,357, which is 19.8% higher than February of 2022 and 1.06% more than 2021.

Though there continues to be uncertainty surrounding many national and global factors affecting the Midland economy, Texas has shown growth in jobs, population, and industry, with Midland poised as one of the leaders in that growth.

<sup>1</sup> [www.perrymangroup.com](http://www.perrymangroup.com). 2023

## FISCAL YEAR 2024 PLAN

### General Fund

The General Fund is the principal fund of the City and is used to account for resources associated with governmental services, such as police, fire, streets, health department, parks and recreation, code compliance, building inspections and most administrative functions such as administrative services, finance, purchasing and information systems.

The proposed General Fund budget is \$167.5 million, which is \$19 million or 12.6% higher than the FY 2023 adopted budget, providing a balanced budget for the 2023-2024 fiscal year. A portion of this increase is due to the funding restructure of the Airport Fire and Airport Police. For FY 2022 and 2023, these divisions were budgeted directly from Airport funds. For FY 2024 they will once again be budgeted through the General Fund, with an offset in Revenue from Airport to the General Fund for this direct cost.

The General Fund unappropriated fund balance, which supports our bond ratings, self-insurance considerations, disaster recovery and major economic or regulatory change, is projected to be \$91.0 million at the end of the fiscal year 2023. This approximates a 50% reserve.

### Revenue Overview

The Proposed FY 2024 Budget includes a property tax rate of 35.07 cents per \$100 valuation. The tax rate is divided into two parts: the maintenance and operations portion and the debt service portion. The rate for the maintenance and operations portion is 29.0 cents and the rate for the debt service is 6.1 cents per \$100 valuation. These rates will produce approximately \$59.9 million in revenue for the General Fund and \$12.4 million for debt service, respectively. This levy will generate \$8.9 million more in revenue than last years' budget, \$5.3 million additional in maintenance and operations, and an increase of approximately \$3.6 million in debt service.

General Fund revenues are projected to increase by \$19 million, or 12.6% from the 2023 adopted budget. The three largest sources of total revenue are:

- Property tax at 37% of total
- Sales tax at 38% of total
- Franchise fees and other taxes at 25% of total

### Expenditure Overview

As previously mentioned in the priorities, City Management is dedicated to maintain and grow service levels to the public, continuing with the trend of expansion and growth. Almost all departments' budgets manifest the need and desire to keep up with the growth of the City. During the budget process, departments were given allowance to increase their budget up to 3% over their 2023 budget where needed, and to add explanation where a larger increase was necessary. The City Manager's Department had the largest increase at 23%, with General Services second at 19.73%.

As the team prepared the budget for FY 2024, position control was thoroughly reviewed, budgeting for the necessary positions needed to strengthen and expand service to a thriving community.

- Police Salary table was redone to improve retention. Police Department also added a crime scene technician and a public safety communication QA analyst.
- Six firefighters were added for growth as well as six firefighters for an additional ambulance at Station 4; also added a training specialist.
- A new Multimedia Comm Specialist was added to aid in developing electronic and print media.
- Increase to Veterinarian Compensation and new Animal Services positions to help with growth; Assistant Manager, Vet Tech and a Records Specialist.
- Two turf specialists and a maintenance specialist were added to meet the increasing demand in Community Services.
- A new assistant oil and gas coordinator was added to aid current oil and gas coordinator.
- A new operations planner was added to assist in continuing city improvements.
- A new program analyst, systems analyst, and GIS technician were added to support city government infrastructure.
- A new building maintenance specialist was added to support the growing number of buildings in operation.
- A new Airport maintenance specialist
- A new Garage light side technician for the growing fleet
- Two new maintenance specialists for the Golf Course
- The Sanitation Department has requested two employees for the recycle division, one additional sanitation driver for growth, as well as one environmental officer.
- Customer Service is requesting two additional service representatives as well as a meter shop foreman.

Current employees were budgeted with a 5% cost of living increase. Non-sworn personnel were budgeted with a 3% progression pay. Sworn employees will continue to receive their annual step increase on the anniversary of their hire date.

Other priorities in this year’s budget relating to the General Fund were to maintain street maintenance/improvements. The proposed budget includes \$1.8 million for street maintenance and approximately \$6.9 million for capital road infrastructure. Facilities’ budget contains \$1.8 million in repairs and upgrades to City property.

Below is a summary of the General Fund Proposed Budget for FY 2024 by category:

EXPENDITURES	FY21 ACTUALS	FY22 ACTUALS	FY23 BUDGET	FY24 BUDGET	VARIANCE
Personnel	85,884,203	85,079,188	94,030,514	107,637,874	14.75%
Operating Expenses	9,458,113	7,358,509	8,866,800	9,860,122	11.21%
Contractual Services	26,262,593	30,520,341	36,917,087	40,171,946	9.04%
Other Uses	4,137,486	5,919,117	843,700	866,287	5.25%
Capital	3,513,201	6,450,572	7,892,434	8,955,516	20.13%
<b>TOTAL</b>	<b>\$129,255,596</b>	<b>\$135,327,727</b>	<b>\$148,550,541</b>	<b>\$167,491,745</b>	<b>12.75%</b>

## Debt Service Fund

### Revenue Overview

The Debt Service portion of the property tax is scheduled to be 6.1 cents per \$100 valuation. This is estimated to bring in \$12.4 million, which is an increase of \$3.6 million over 2023. This increase includes debt service from the 2023 Series GO bond. In addition, last year's amount was lower by \$1 million due to a planned paydown of debt service fund balance.

### Expenditure Overview

Debt service principal and interest budget increased by \$2.6 million over the FY 2023 adopted budget. The last tranche of the Road Bond of \$25 million was issued in FY 2023.

### Fund Balance

The Restricted Fund Balance is estimated to be \$700,192 at the end of fiscal year 2023.

## Hotel/Motel Fund

### Revenue Overview

The hotel/motel tax estimate for FY 2024 is proposed at \$6 million, which is an increase of \$.5 million, or 9% from FY 2023. Hotel/motel tax revenue has been trending back up after the significant drop in 2020 and 2021. Citywide events have picked back up, especially the sporting events that spur overnight hotel stays. The forecast for FY 2024 revenue is optimistic as growth and activities continue to escalate.

### Expenditure Overview

Expenditures in the Hotel/Motel Fund must meet a two-part test to be considered an eligible expenditure:

- The expenditures must “directly enhance and promote tourism and the convention and hotel industry.”
- The expenditure must “clearly fit into one of five statutorily provided categories for expenditure of local hotel occupancy tax revenues.”

The recommended funding for the Visit Midland at the Midland Chamber of Commerce is \$1,210,650 which includes funding for the Star-Spangled Salute and the Sports and Entertainment Grant. The subgrants for outside organizations is \$930,012 in grants for 24 organizations.

The management contract with the Midland Chamber for the Bush Convention Center is funded at \$1,740,000, the full requested amount. Additionally, a \$625,738 budget is set for the Centennial Park Conservancy, to provide park maintenance.

There is also a debt service transfer of \$1,796,800 to the debt service fund for the 2016 Certificate of Obligation. The total for the FY 2024 Hotel/Motel Fund budget amounts to \$6.51 million, compared to \$6.48 million in FY 2023.

## Fund Balance

At the end of FY 2022, the ending restricted fund balance was \$14.3 million. The projected Fund Balance at the end of FY 2023 is \$13.5 million. It is Management's policy to retain three years of debt service payments, totaling \$5.4 million of fund balance. This leaves an available fund balance of \$8.1 million.

## Water and Sewer Fund

### Revenue Overview

There is a planned 5% sewer rate increase for 2024. There will be no water rate increase for FY 2024, however, financial analysis from a recent rate study suggests that steady rate adjustments, beginning in FY 2025 will be necessary over the next several years to sustain the water supply and operations.

For a balanced budget, total revenues amount to \$93.8 million, which includes \$5.7 million appropriated from net position. For fiscal year 2024, budgeted water revenue was increased from the prior year to \$63 million and wastewater revenue was increased to \$18.4 million. Water revenue exceeded budget at the end of 2022 by \$2.4 million; wastewater revenue ended 2022 over budget by \$677,000.

### Expenditure Overview

Total expenditures increased by approximately \$1.0 million.

- Personnel costs are proposed at \$10.7 million, which is a slight increase from prior year.
- Operating Expenses are budgeted at an increase of \$2.3 million. This is due mainly to the increase maintenance expenses for the new water reclamation plant as well as a dramatic increase in chemical supply costs.
- Contractual expenses are proposed at \$35.4 million, a dramatic decrease from PY of approximately \$9.4 million. The decrease is due to the cessation of the lease with Midland Freshwater Supply District #1. The related assets were purchased in 2023.

Debt Service is budgeted at \$18.9 million which includes the debt for purchase of the Midland Freshwater Supply District #1 assets.

The transfer to the General Fund is proposed at \$8.9 million and includes general fund service charges and franchise fees.

Capital expenditures are budgeted at \$5.0 million: funds are for water and sewer infrastructure improvements in conjunction with the five-year capital improvement plan.

- Plant farm pond lining replacement
- Replace lift stations (Airport and Mockingbird)
- Replace outfall lines to wastewater plant
- Replace 50 manholes in wastewater system
- Replace the annual amount of 4" iron water mains
- Annual utility extension and taps program
- New water wells at Paul Davis Well Field

Customer Service also contains a few capital expenses in response to growth of the customer base and advancements in technology. A kiosk will be going up at City Hall, and eventually another near the new customer service location.

#### Net Position:

The internal goal for the Water and Sewer Fund is to maintain a reserve equal to 90 days of operating expenses, or the equivalent of \$23 million dollars. At the end of FY 2022, the Water and Sewer fund had an unrestricted net position of \$59.2 million. The department estimates this balance to be \$39.2 million at the end of 2023.

## Sanitation Fund

### Revenue Overview

A 2% fee escalator was implemented for the 2024 fiscal year. A full fee study is underway at budget time to establish the fees for the 2025 budget.

FY 2024 budgeted revenues increased by \$13,727, which includes an appropriation of \$662,912 to balance the budget.

### Expenditure Overview

Total expenditures were increased by \$13,727 from the 2023 adopted budget, proposing appropriations of \$25.3 million for FY 2024. Design work is started for two new citizen collection stations as well as the landfill entrance road, which are scheduled to be built in 2024.

#### Net Position:

Unrestricted net position at the end of FY 2022 was \$9.5 million and is projected to be \$7.9 million by the end of 2023. The closure/post-closure liability is approximately \$22.4 million.

## Airport Fund

### Revenue Overview

For the FY 2024 proposed budget, total budgeted revenue is estimated at \$14.7 million, which is an increase of 16.9% over FY2023. The Airport has experienced an increase in revenue as the activity has returned to pre-pandemic levels and continues to grow.

### Expenditure Overview

Total FY 2024 proposed expenditures is \$14.7 million which includes a contingency of \$1.6 million to balance the budget. A change was made for the 2024 budget to pay for Airport Fire and 85% of Airport Police through the General Fund and reimbursed by the Airport. This amount is documented in a full cost allocation plan created by a third-party consultant.

#### Net Position:

At the end of FY 2022, the Airport had an unrestricted net position of \$44.9 million. The department estimates this balance to be \$36.7 million at the end of 2023.

## Parks Oil & Gas Special Purpose Fund

### Revenue Overview:

Total revenues are budgeted at \$13.0 million for FY 2024. This is an increase of \$2.6 million. This is budgeted conservatively due to the uncertain nature of the oil revenues supplying this fund.

### Expenditure Overview

Total expenditures are budgeted at \$13.0 million for FY 2024, with \$12.5 million of this set aside for parks related capital projects.

### Fund Balance:

Following the close of FY 2022, fund balance was \$22.4 million. The projection for the end of FY 2023 is \$23.4 million.

## Golf Course Fund

### Revenue Overview:

Total revenues are budgeted at \$3.36 million for FY 2024 with a required appropriation from net position of \$504,611. This is a decrease of \$239,518. Estimated revenue was increased in Golf Cart Rentals, General Green Fees, and Pro Shop Sales as a result of increased activities from the growing economy.

### Expenditure Overview

As a balanced budget, total expenditures for the Golf Course are budgeted at \$3.36 million for FY 2024; an increase of 15.33%, or \$447,012 from the previous year.

### Fund Balance:

Following the close of FY 2022, no assets were held. It is approximated the fund will have a negative position of (\$176,776) at the end of 2023.

## Scharbauer Sports Complex Fund

### Revenue Overview

Operating revenue is budgeted at \$3.7 million for FY 2024, which includes revenue from operations of \$1.4 million and appropriation from net position of \$2.3 million to provide a balanced budget. The increase in operational revenue is \$341,689 or 32%. Revenue opportunities are increasing as new fields are becoming available for rental.

### Expenditure Overview

Total budgeted expenditures are \$3.7 million which is an increase from prior year of approximately \$237,475. This increase is due mainly to increased maintenance costs.

**Fund Balance:** At the end of FY 2022, the fund held \$15.4 million in unrestricted fund balance. The projection for the end of FY 2023 is \$13.2 million.

## Garage Fund

### Revenue Overview

Total revenues for the Garage Fund are proposed at \$30.6 million, an increase of \$4.1 million over the FY 2023 adopted budget. This includes an appropriation from net position of \$2.5 million. The proposed budget allows a labor rate of \$90 an hour to be charged by the Garage to recoup the costs of parts, equipment, and fuel. This allows the Garage to replace aging fleet and equipment in a timely manner.

### Expenditure Overview

The Garage Fund attempted in 2023 to catch up from deferment in needed replacements and maintenance on equipment and vehicles. Supply chain issues have continued during the year, leaving gaps in the replacement schedule. Current year budgeted expenditures have increased 15% over 2023, in part to try to make up for this gap. The budget for capital vehicles and equipment totals \$15.7 million, \$3.7 million more than last year's budget of \$12.0 million. Total expenditures are \$30.6 million.

### Net Position:

At the end of the FY 2022, the Garage Fund's unrestricted net position was \$19.6 million. The FY 2023 projected ending fund balance is expected to be \$12.8 million.

## Risk Funds

The City of Midland has two internal Risk Funds: Employee Benefits, and Risk Management.

### Revenue Overview:

- Operating Revenue for the Employee Benefit fund is \$15.6 million, an increase of 3.9%.
- The Risk Management Fund has a revenue budget of \$6.3 million for the FY 2024 fiscal year, which includes workers compensation and general liability revenue.

### Expenditure Overview:

- The Employee Benefit Fund expenditures are budgeted at \$15.6 million, a 3.9% increase from the previous budget year.
- Risk Management Expenditures are budgeted at \$6.3 million, which includes workers compensation and general liability operations, and five personnel salary and benefits. This is an increase of 19.3% over prior year due in part to insurance premium increases.

### Fund Balance:

- Employee Benefits fund balance currently \$15.3 million.
- The fund balance of the Risk Management Fund is \$6.5 million.

## Technology Fund

### Revenue Overview:

- The Technology fund revenue is budgeted at \$6.7 million for FY 2024. This includes the chargebacks received from departments for equipment leases and interest as well as chargebacks to the various divisions in the City for the software packages used. Chargebacks for software was added in fiscal 2023 to better allow the Technology fund to better serve the divisions regarding upgrades and hardware replacements, as well as fund two Information Technology Security personnel.

### Expenditure Overview:

- The expenditures budgeted for the Technology Fund total \$6.7 million which is an increase from prior year of \$1.1 million. This increase demonstrates the increase in demand for technology across the City to continue to provide the best services possible. These funds are also used to replace scheduled technology applications for city employees.

### Net Position

- The unrestricted net position of the Technology Fund is estimated to be \$542 thousand at the end of 2023.

## NOTES:

### In Compliance with the Texas Local Government Code Sec. 140.0045:

- 1) During FY 2023, \$46,475 was spent on lobbyist contracts. The budget for FY 2024 is \$50,000.
- 2) During FY 2023, \$50,021 was spent on notices required by law to be published in the newspaper. The anticipated budget for this purpose in FY 2024 is \$76,630.

# ADDENDUM

## Proposed vs. Adopted

### 8.2.23 Council to Establish Proposed a Tax Rate for FY 2024

The proposed budget was submitted and presented to the City Council at a Budget Workshop on August 2nd, 2023. Since this time, the following changes have been made:

- 1) Adjustment to Ad Valorem Revenue in General fund after receiving updated certified numbers from MCAD. Additional adjustment; adopted a tax rate .0025 less than proposed tax rate (.353162 to .350662). Total reduction to Ad Valorem Revenue \$1,041,423.
- 2) With the reduction in Ad Valorem Revenue, General Fund Expenses were reduced by \$1,041,423.
- 3) Additional requests to the General Fund have been reduced from initial \$10.9 million request. Supplemental requests are now School Zone Flashers, Traffic Signal Light Replacement (at Mockingbird and Magellan), COMPASS funds, (2) Concrete Slip Form Pavers, Power Curb and Gutter Paver, and Komatsu Excavator, for a total of \$5,275,507.
- 4) Capital project requests were reduced from \$71,850,000 to \$12,500,000. This amount is requested out of the Parks Oil & Gas Fund.

Tax Rate	Adopted FY 2023	Proposed 2024
Adopted Tax Rate	0.355039	0.350662
Voter-Approval Tax Rate	0.361731	0.353162
No-New-Revenue Rate	0.355039	0.328693
Adopted M&O Rate	0.310841	0.289837
No-New-Revenue M&O Tax Rate	0.300330	0.267868
Interest & Sinking (Debt Service)	0.056348	0.060825

### 8.2.23 File Proposed Budget Tax Rate for FY 2024

Council established a proposed property tax rate ceiling of **35.3162** cents per \$100 valuation. The rate is comprised of the maintenance and operations portion (29.2310 cents) and the debt service portion (6.0852 cents).

Tax rate	FY 2023-2024
Voter-Approval Tax Rate (Ceiling)	.353162
No-New-Revenue Rate	.328693
Voter-Approval w/Increments	.380408
Voter-Approval M&O Tax Rate	.292310
Interest & Sinking (Debt Service)	.060852

## 8.22.23 Public Hearings and Vote on Tax Rate and Budget (Ordinance 1<sup>st</sup> reading)

According to State Legislature, Public Hearings were organized and citizens were notified of their opportunity to participate and provide feedback. The budget hearing took place first, followed by council action to vote in favor of a General Fund Budget of \$168.5 million. Next, the public hearing and first reading for the tax increase was held. City Council's vote did meet the super majority (60%) in favor of the 0.353162 tax rate proposed on August 2<sup>nd</sup>. The tax rate would be discussed again next council meeting, where a tax rate will be voted on and ratified.

## 8.29.23 Vote on Budget and Tax Rate (Ordinance 2<sup>nd</sup> Reading)

The FY2024 Budget consisted of \$168.5 million for General Fund Purposes with an additional \$5.3 million requested by department directors to be drawn from the General Fund. \$12.5 million in projects were requested from Parks Oil & Gas Fund. Council voted to approve the proposed budget including the additional supplemental request.

General Fund Supplemental Requests		
(2) Concrete Slip Form Paver		706,640
Power Curber 5700-D Curb and Gutter Paver		383,100
Komatsu PC360LC-11 Excavator		435,767
School Flasher Project		750,000
Traffic Signal Light Replacement (Mockingbird and Magellan)		1,500,000
COMPASS		1,500,000
<b>TOTAL GENERAL FUND REQUESTS</b>	<b>\$</b>	<b>5,275,507</b>

Capital Project Requests – Parks Oil & Gas Fund		
New Senior Center Design		2,500,000
Improvements to Southeast Senior Center		2,500,000
Construction of two Auxiliary Fields, Sports Complex		6,500,000
Golf Cart Barn Construction		1,000,000
<b>TOTAL PARKS OIL &amp; GAS FUND</b>	<b>\$</b>	<b>12,500,000</b>

The second reading of the Proposed tax rate that was previously voted on by council and did meet the super majority requirements. Council voted to ratify a rate .0025 lower than the Proposed rate, for a new rate of .350662. This rate is comprised of maintenance and operations portion (.289837) and the debt service portion (.060825).

<b>Adopted Tax Rate</b>	<b>0.350662</b>
<b>Proposed/Voter-Approval Tax Rate</b>	<b>0.353162</b>

Council acknowledged that with the adopted rate being lower than the proposed rate, General Fund Budget would need to be reduced to \$167.5 million.

# FY24 Budget Priorities

## Budget Priorities

The City Council places significant emphasis on these key focus areas that collectively contribute to our city's growth and prosperity. Communication stands as a cornerstone, fostering transparent and effective interactions between the government and our residents. Customer service is prioritized to ensure that the needs and concerns of our citizens are met with responsiveness and efficiency. Economic development takes a pivotal role, driving initiatives to spur growth, attract investments, and create opportunities for our residents. Fiscal responsibility and Accountability guide our financial decisions, ensuring prudent stewardship of public resources. A High-Performing City Team is cultivated, promoting collaboration, innovation, and excellence in delivering essential services. Legislation is approached with a forward-looking perspective to enact policies that align with our community's vision. Quality of Place is nurtured, creating an environment that enhances the well-being and satisfaction of our residents. Lastly, Technology Improvements are actively pursued, leveraging innovation to modernize services and elevate our city's overall efficiency and effectiveness. Through a holistic approach to these focus areas, our City Council strives to build a thriving, resilient, and inclusive community for all.



CREATE THE PREMIER  
CITY IN WEST TEXAS



UPGRADE CITY FACILITIES  
AND INFRASTRUCTURE



MAINTAIN A HIGH PERFORMING  
MIDLAND CITY TEAM



UPGRADE CITY FACILITIES  
AND INFRASTRUCTURE

# FY24 Budget Priorities



## CREATE THE PREMIER CITY IN WEST TEXAS

- Oil and gas revenues budgeted for various park projects (RMN and DM)
- Remaining Park CO funds to be used on parks improvements (Hogan, Beal)
- Personnel additions to increase service level to the citizens
- Upgrades to Southwest Senior Center
- Design work for the Wildcatters Trail
- Golf Cart Barn
- Auxiliary fields at Sports Complex



## UPGRADE CITY FACILITIES AND INFRASTRUCTURE

- \$7 million in road construction and improvements
- 2017 Road bond – projects are either complete or scheduled to be completed in 2024
- \$7 million in utilities maintenance and replacement
- \$3 million for unpaved roads still being completed from ARPA funds
- \$3.9 million for maintenance and operation of the acquired Midland Freshwater Supply District assets
- \$1.8 million allocated in budget for facilities capital improvements
- Radio interoperability project underway
- Mockingbird Lane expansion and widening



## MAINTAIN A HIGH PERFORMING MIDLAND CITY TEAM

- Managing Directors
- IGR
- Golf Maintenance Specialist
- Communication Multimedia Specialist
- Permitting (2 positions)
- ITSD (2 positions)
- Communications (2 positions)
- Grant Analyst
- Veterinarian Pay increase



## BUILD A STRONG ECONOMY WITH MORE QUALITY JOBS

- \$400,000 from the TIRZ fund will be added to the 1,000,000 allocation (from previous years) to further Downtown Development
- Current and future 380 agreements

# FY2024 Property Tax

## Tax Year 2023

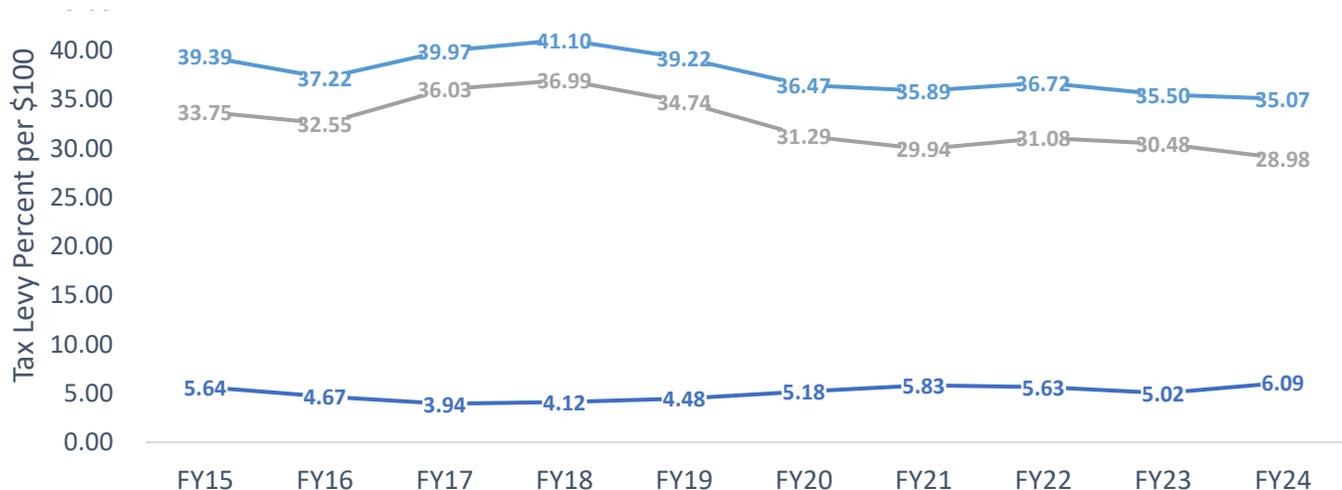
A tax rate of 0.350662 per \$100 valuation has been adopted by the governing body of City of Midland.

The no-new-revenue tax rate is the tax rate for the 2023 tax year (FY2024 Revenue) that will raise the same amount of property tax revenue for City of Midland from the same properties in the 2022 tax year (FY2023 Revenue). This does not include revenue from new property added to the tax rolls. The rate of .350662 is effectively a 6.68 increase in the tax rate\*.

The municipal property tax rates for the preceding fiscal year, and each municipal property tax rate that has been adopted or calculated for the current fiscal year, include:

TAX RATE:	FY 2023	FY 2024
Adopted Tax Rate	.355039	.350662
No-New-Revenue Rate	.355039	.328693
Voter-Approval Tax Rate	.361731	.353162
Voter-Approval w/Increments	N/C	.380408
Interest & Sinking (Debt Service)	0.050195	.060852

### 10 Year Property Tax Rate History:



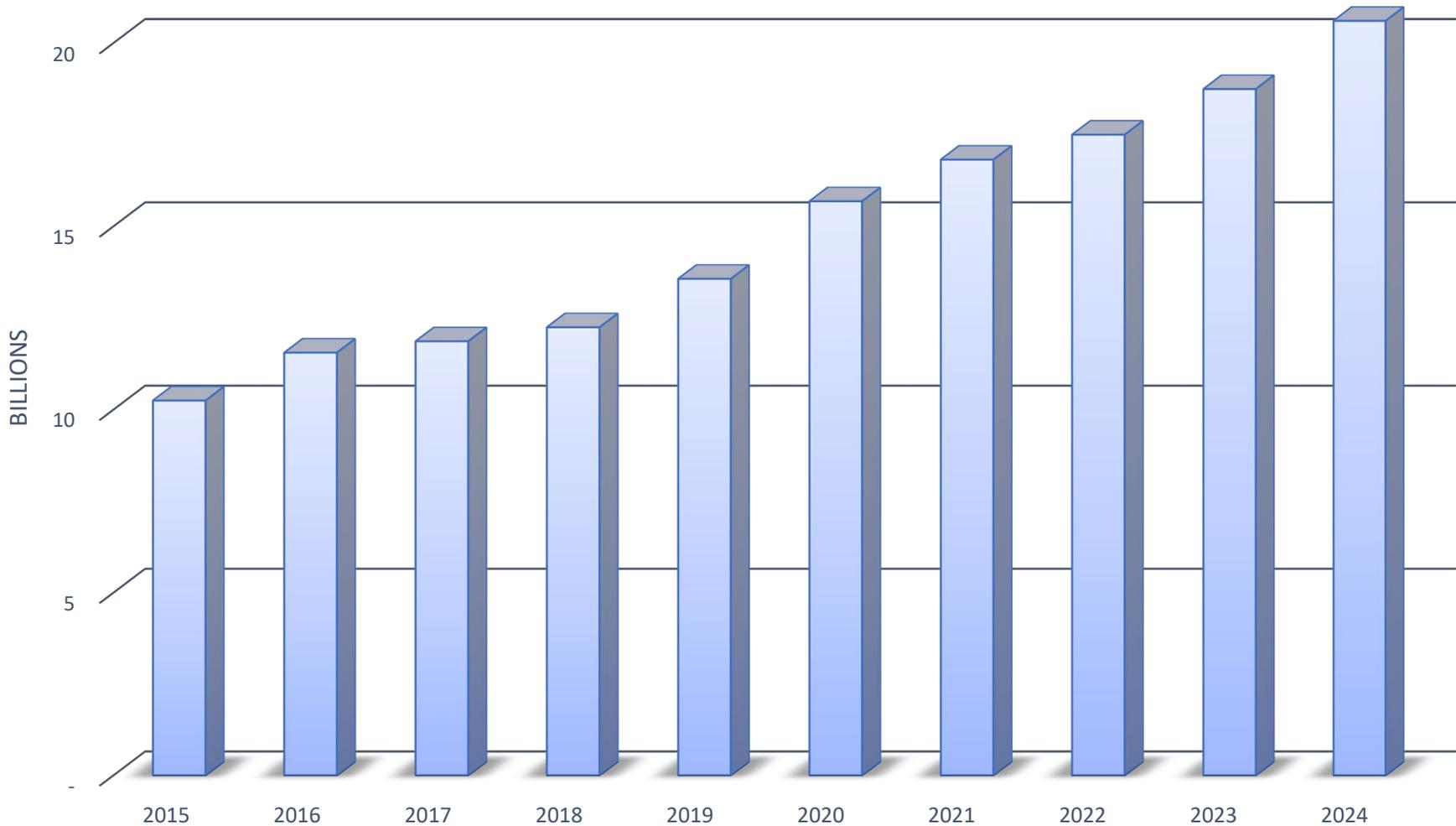
\* Ordinance ratifying the tax rate is included in the Appendix of page of this book

# ASSESSED VALUATION

## What is Assessed Valuation?

- For the purpose of taxation, a property is assessed for its monetary worth. This ascertained price is known as assessed value.
- This assessment is done at an annual basis, considering factors such as property values and market conditions in the neighboring areas. This assessment is conducted for measuring applicability of property taxes based on the monetary value of the property.

## Assessed Valuation for the City of Midland



# STAFFING

## Summary

DEPARTMENT	FY 2022	FY 2023	FY 2024	Change
LEGISLATIVE	7	7	7	0
CITY MANAGER'S OFFICE	8	9	10	1
MUNICIPAL COURT	24	23	23	0
LEGAL	10	12	12	0
CITY SECRETARY	6	6	6	0
ADMINISTRATIVE SERVICES	11	12	13	1
INFORMATION TECHNOLOGY SYSTEMS DEPT	25	33	35	2
FINANCE	56	53	54	1
GENERAL SERVICES	43	42	44	2
DEVELOPMENT SERVICES	43	45	46	1
ENGINEERING SERVICES	88	86	87	1
COMMUNITY SERVICES	102	115	127	12
POLICE	261	269	286	17
FIRE	240	249	276	27
UTILITIES	85	91	91	0
SANITATION	74	74	81	7
AIRPORT	60	61	34	-27
<b>TOTAL CITY PERSONNEL</b>	<b>1143</b>	<b>1187</b>	<b>1232</b>	<b>45</b>

# Explanation

## STAFFING LEVEL CHANGES:

The Fiscal Year 2024 budget includes changes in staffing. The overall number of full-time equivalent budgeted employees increased from 1,187 to 1,232 (+3.79%). This is an increase of 45 position counts added for Fiscal Year 2024.

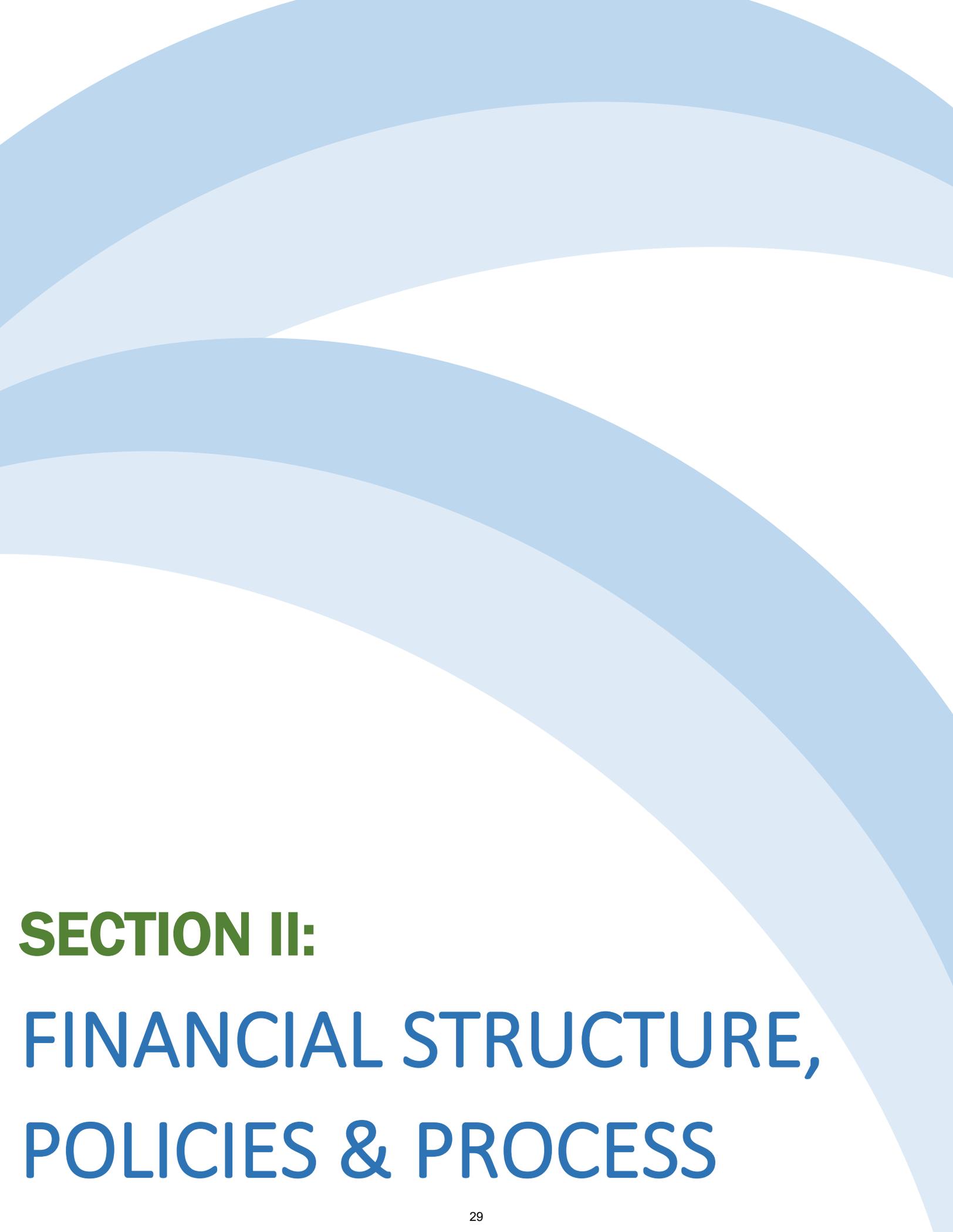
## EXPLANATION OF CHANGES IN STAFFING LEVELS:

As the City of Midland and other Texas economies have continued to recover from economic strain and inflation, indicators show the economy is gaining momentum. Although there continue be challenges of supply issues and labor shortages, these economies are experiencing expansion. City Management is dedicated to maintain and grow service levels to the public during the economic recovery and growth, particularly in areas of Public Safety, Community Services/Parks and Transport/Engineering. This is the reason for position counts increasing from FY 2023.

These were some of the positions or reclasses deemed necessary to strengthen and expand service to the citizens:

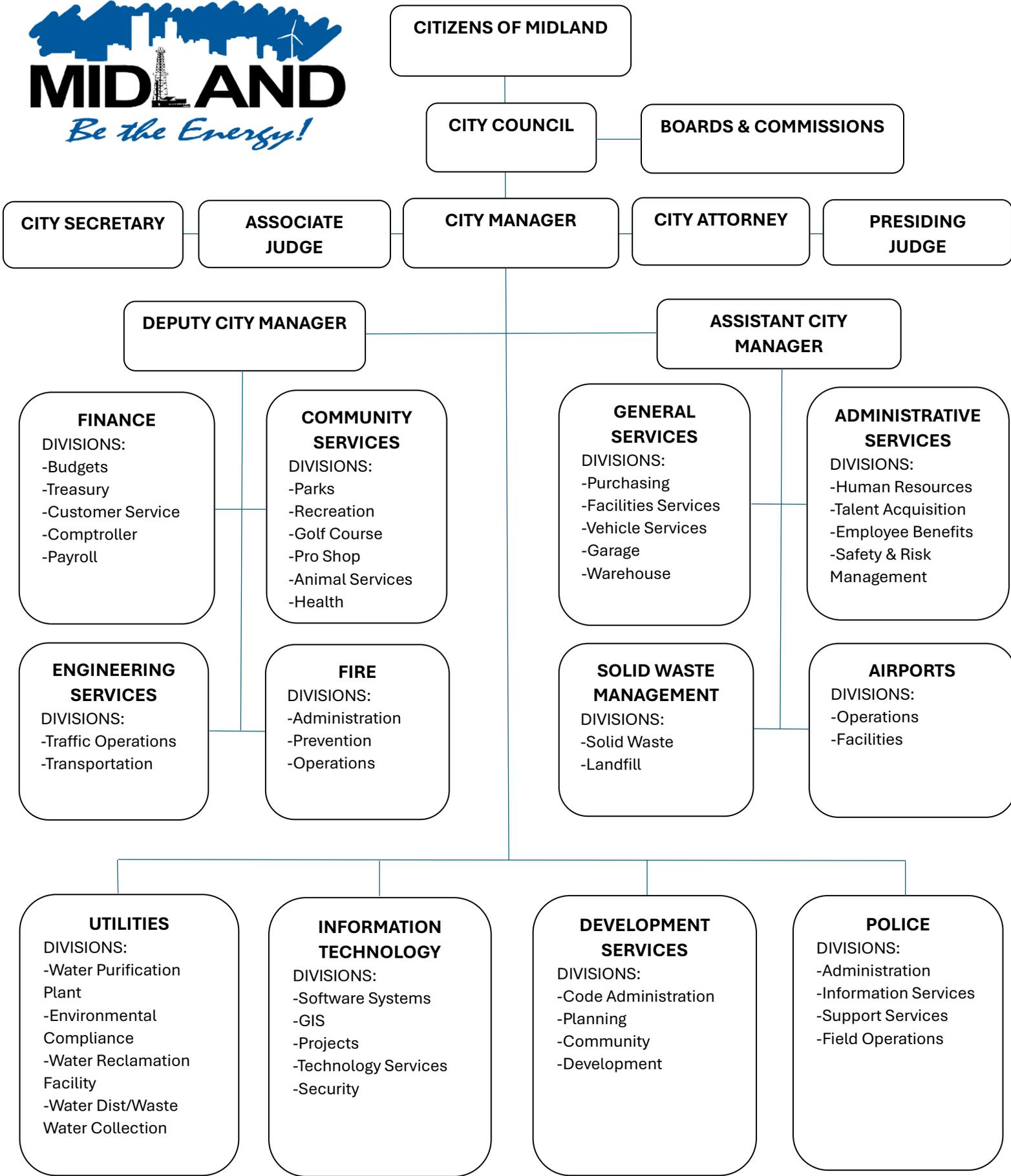
- Police Officer salary compensation was restructured to increase recruitment and retention.
- Crime Scene Tech and QA Analyst added to Police Department.
- Six firefighters were added as well as six EMS crew to address growth.
- One new Fire training specialist.
- Two customer service representatives and a Meter Shop foreman to address Utility customer needs.
- Four new employees for Sanitation to keep up with growth and the addition of a service center.
- Two turf specialists, a maintenance specialist, and a sports coordinator were added to meet the increasing demand in Parks and Recreation
- Veterinarian pay reclassified.
- A new assistant oil and gas coordinator was added to aid current oil and gas coordinator.
- A new operations planner was added to assist in continuing city improvements.
- A new program analyst, systems analyst, and GIS technician were added to support city government infrastructure.
- A new building maintenance specialist was added to support the growing number of buildings in operation.
- A new Airport maintenance specialist.
- A new Garage light side technician for the growing fleet.
- Two new maintenance specialists for the Golf Course.

Current employees were budgeted with a 5% cost of living increase. Non-sworn personnel were budgeted with a 3% progression pay. Sworn employees will continue to receive their annual step increase on the anniversary of their hire date.

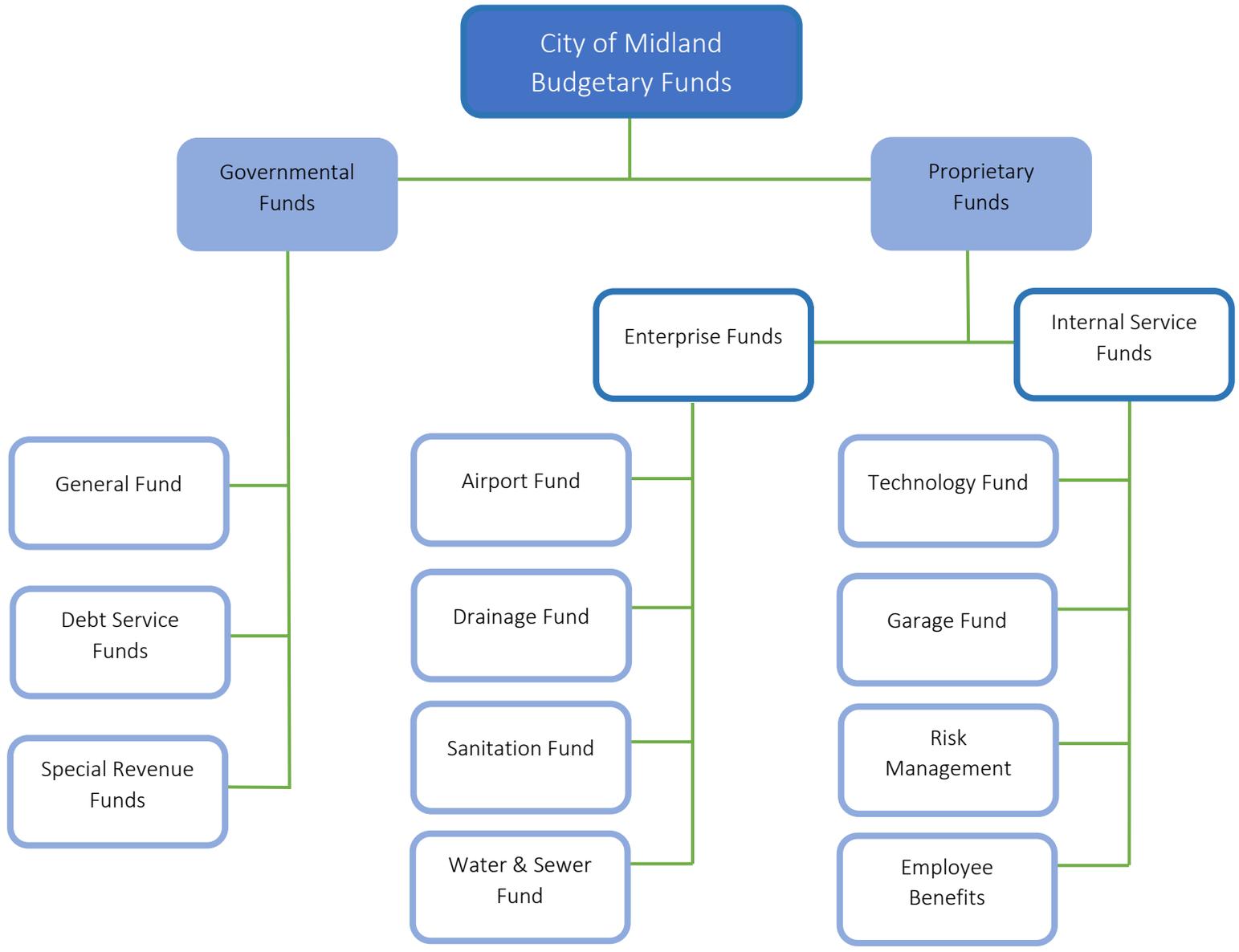


## **SECTION II:**

# FINANCIAL STRUCTURE, POLICIES & PROCESS



# Structure



The accounts of the City are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

# DEPARTMENT/FUND

## Relationship

Department	Govt.	Special Revenue			Enterprise				Internal Service			
	Fund 001: General Fund	Fund 090: Hotel/Motel	Fund 078: Golf Course	Fund 079: Sports Complex	Fund 300: Utilities	Fund 400: Drainage	Fund 430: Sanitation	Fund 500: Airport	Fund 701: Employee Benefits	Fund 702: Risk/Gen Liability	Fund 750: Garage Fund	Fund 770: Tech Fund
Legislative	X											
City Managers Office	X											
Municipal Court	X											
Legal	X											
City Secretary's Office	X											
Administrative Services	X								X	X		
ITSD	X											X
Finance	X				X							
General Services	X										X	
Development Services	X											
Engineering	X					X						
Community Services	X		X	X								
Police	X							X				
Fire	X							X				
Sanitation							X					
Airport								X				
Utilities					X							

## FUND TYPES MAINTAINED BY THE CITY:

### I. Governmental Fund Types

#### General Fund:

This fund accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, sales taxes, franchise fees, fines & forfeitures, licenses & permits, and billings for interfund services. Primary expenditures are for police protection, fire protection, public works, parks, recreation, social services and general administration.

#### Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Examples of Special Revenue Funds are the Hotel/Motel Fund and Municipal Court technology related costs. Golf Course & Sports Complex Funds became Special Revenue Funds in FY 2022.

#### Interest & Sinking Fund:

Tax Supported Debt - This Fund is used to accounts for the accumulation of resources for the payment of general long-term debt principal, interest, and related costs.

#### Capital Project Funds:

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

### II. Proprietary Fund Types

#### Enterprise Funds:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or when the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Enterprise Funds presented in the annual budget are the Water & Sewer Fund, Sanitation Fund, Drainage Fund and the Airport Fund.

#### Internal Service Funds:

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The Internal Service Funds presented are the Risk Funds, the Garage Fund, and the Technology Fund.

Major funds represent the significant activities of the City and include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

The General Fund, described on the previous page, is a major fund within governmental funds.

The Water & Sewer Fund is a major enterprise fund that provides water and sewer services to the residents and commercial enterprises of the City and proximate area. These services include the operation and maintenance of a quality water supply system and collection and treatment of wastewater.

## Summary

### Basis of Accounting

The City's policy is to adhere to accounting principles as established by the Governmental Accounting Standards Board. For governmental funds, this is the modified accrual basis and for proprietary funds, the accrual basis of accounting.

### General Fund Balance

The City has a policy of maintaining a General Fund Unappropriated Fund Balance equal to at least twenty five percent (25%) of each fiscal year's operating expenditures. This level is an important factor in maintaining the City's general-purpose bond ratings because of the cyclical nature of the energy industry, which is a major factor in the City's economy. It also provides a source of additional investment income to help maintain a level property tax rate.

### Debt Service Fund Balance

The City's policy is to maintain surplus funds equal to 1/12 of the annual debt service requirements in General Obligation Debt Service Funds. Debt Service for Enterprise type funds are accumulated monthly in accordance with prevailing bond covenants; Reserve Funds for each of these obligations are fully established in the amounts required under the ordinances authorizing such obligations.

### Use of Bond Proceeds, Grants, etc...

The City's policy is to use bond proceeds, grants, revenue sharing or other non-recurring revenues for capital expenditures and non-recurring expenses only. Such revenues are not used to fund normal City operations.

### Budgetary Procedures

Annual budgets are legally adopted for the General Fund and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Formal budgetary integration is not employed for the proprietary funds. The City adopts an annual budget for managerial control for all proprietary funds.

A balanced budget is required for the General Fund. This means that total anticipated revenues must equal total estimated expenditures.

All revenue sources are reviewed to achieve the best possible forecast of revenues. This policy was implemented through seeking the input of the individuals most closely associated with the subject revenues.

Close scrutiny of estimates for reasonableness was inherent in the process to provide the best possible estimate of the resources available to be used in providing services during the upcoming budget year.

The enterprise operations of the City are to be self-supporting; i.e., current revenues will cover current expenditures, including debt service. Due to the inclusion of both capital outlays and depreciation, however, some enterprise funds appear to have more expenditures than revenue.

The City will coordinate development of the capital improvement budget with the development of the annual operating budget. Each capital improvement project is reviewed for its impact on the operating budget in terms of revenue generation, additional personnel required and additional operating expenses.

A calendar is designed each year to provide a framework within which the interactions necessary to formulate a sound budget could occur. At the same time, it will ensure that the City will comply with all applicable state and federal legal mandates.

The Budget is published online at the City's Finance Web Page <https://www.midlandtexas.gov/231/Finance-Budget>

**The City Council follows these procedures in establishing the budgets reflected in the general-purpose financial statements:**

1. In late July, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October. The operating budget includes proposed expenditures and the means of financing them.
2. A budget workshop is held with the City Council in early August to obtain their input and observations.
3. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
4. The budget is legally enacted by the City Council through passage of an ordinance.
5. Expenditures may not legally exceed appropriations at the division level for legally adopted annual operating budgets.
6. The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a single fund of the City. The City Council, however, must approve any transfer of appropriation balances or portions thereof from one fund to another.
7. Supplemental appropriations during the year must be approved and adopted by the City Council through the passage of resolutions. The reported budgetary data has been revised for amendments legally authorized during the year.
8. The City uses an encumbrance system throughout the fiscal year to provide managerial control over City operations. Encumbrances, other than project encumbrances, lapse at the end of the fiscal year, and therefore, are not reported in the City's general-purpose financial statements. The City charges the subsequent year's budget for the goods and services encumbered, but received after the end of the year.
9. At the close of each fiscal year, unexpended budgetary appropriations lapse or revert to the undesignated fund balance. The unexpended appropriation balances in capital projects do not lapse at year end. The Special Revenue Funds are included in the City's annual budget. In addition, information regarding Capital Project Funds are included in the annual budget, but as an information item only.

**Basis of Budgeting:**

All governmental type funds, i.e., the General Fund, Interest and **Sinking Fund, and the Hotel/Motel Fund are accounted for and** budgeted on the modified accrual basis of accounting, using a current financial resources measurement focus. This basis is consistent with generally accepted accounting principles (GAAP) and recognizes revenues when they are measurable and available and expenditures when the related liability is incurred.

Financial statements for Proprietary funds, i.e., the Water and Sewer, Sanitation, Airport, and Garage funds are prepared on an accrual basis of accounting using a flow of economic resources measurement focus, consistent with generally accepted accounting principles. The accrual basis of accounting recognizes revenues in the accounting period in which earned and expenses are recognized when a liability is incurred.

Budgets for the Proprietary funds are prepared on the same basis, with minor exceptions.

**A BALANCED BUDGET:**  
Revenues = Expenditures

**Exceptions to the accrual basis for budgetary purposes are listed below:**

- Capital outlay is budgeted as an expenditure in the year of purchase (budget) versus recording as an asset (GAAP).
- Debt service principal payments are recorded as an expense (budget) rather than a reduction of a liability (GAAP).
- Grants received for construction of assets are shown as revenues (budget) and not as capital contributions (GAAP).

**FOR FISCAL YEAR 2024:**  
The City's budget is balanced, where total revenues are equal to total expenditures.

# Budgeting

All governmental type funds, i.e., the General Fund, Interest and Sinking Fund, and the Hotel/Motel Fund are accounted for and budgeted (with limited exceptions) on the modified accrual basis of accounting, using a current financial resources measurement focus. This basis is consistent with **generally accepted accounting principles (GAAP)** and generally recognizes revenues when they are measurable and available and expenditures when the related liability is incurred.

## Exceptions to the modified accrual basis for budgetary purposes are listed below:

- Interfund charges are recorded as revenue (budget) instead of other financing sources (GAAP).
- Changes in fair value of investments are not considered (budget) as opposed to being treated as adjustments to revenue (GAAP).
- The budget for projects is based on project length and does not conform to a fiscal year (GAAP).
- The budget document does not include component units and various special revenue and capital project funds incorporated into the GAAP financial statements.

Financial statements for Proprietary funds, i.e., the Water and Sewer, Sanitation, Airport, and Garage Funds, are prepared on an accrual basis of accounting using a flow of economic resources measurement focus, consistent with generally accepted accounting principles. The accrual basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable. Budgets for the Proprietary funds are prepared on the same basis, with minor exceptions.

## Exceptions to the accrual basis for budgetary purposes are listed below:

- Capital outlay is budgeted as an expenditure in the year of purchase (budget) versus recording as an asset (GAAP).
- Debt service principal payments are recorded as an expense (budget) rather than a reduction of a liability (GAAP).
- Grants received for construction of assets are shown as revenues (budget) and not as capital contributions (GAAP).

# BUDGET

# Process

## CREATION OF THE BUDGET

Preparation and administration of a city government's budget is one of the most important activities in any municipal government. Careful planning of revenues and expenditures has become increasingly significant in the face of an uncertain economy, stagnant revenues, and increasing demands for service. Budget preparation should be among the top priorities of departments and divisions. It is essential that departments examine their operations carefully during this process, to ensure that approved funding provides those services most needed and desired by the public, in the most efficient and economical manner possible.

The budget process is designed to identify and plan the functions, activities and accomplishments of the City of Midland, as well as plan for its financial needs. A budget plans and coordinates revenues and expenditures. In our organization budget preparation begins at the lowest possible level of operations. These budgets are then reviewed at higher levels of management to assure that proposed programs serve the needs of the community and support the overall goals that have been identified by City Council and the public.

The City Manager reviews the budgets for each Department, as well as revenue estimates, and the city-wide budget is prepared which incorporates all funding requests and expected revenues.

The City of Midland uses traditional line item budgeting to determine its operating budget. During the budget process, we must annually reexamine existing program activities and analyze the effect of reducing or reallocating current levels of resources. Reevaluation of programs allows us to respond to our changing economic and political environment and the needs of the community, citizens, and our employees.

After budget adoption, the City Manager may make transfers to and between departments and divisions unless such transfers would increase the total appropriation within a fund. Department managers are authorized to approve transfers of amounts between line items within a division if such transfers do not significantly change the work program contemplated in the approved budget.

The City Council reviews the proposed budgets for General, Enterprise, Internal Service, Special Revenue, and Interest and Sinking Funds, makes adjustments, sets the tax rate and holds public hearings on the budget. After the second reading of the budget ordinance, the Council approves the budget and it becomes the official operating plan for the City of Midland for the upcoming Fiscal Year (October 1 - September 30).

The budget process is designed to identify and plan the functions, activities and accomplishments of the City of Midland, as well as plan for its financial needs.

All employees should have a role in the budget process. They are responsible for promoting acceptance and understanding of the budget as a planning and management tool. The budget process gives our employees the opportunity to evaluate their operations, identify needed changes, and provides opportunities to make services more efficient and/or effective, and recommend allocating limited funds to best achieve divisional and organizational goals.

The Budget is published online at the City's Finance Web Page <https://www.midlandtexas.gov/231/Finance-Budget>

## BUDGET FUNCTIONS PERFORMED BY MANAGEMENT LEVEL

### The Department Head:

- Oversees the preparation of the appropriate budget(s).
- Meets with the division heads within his/her department to review and analyze budget requests to assure that programs and activities are needed, the objectives can be accomplished within established criteria, that adequate resources are requested and that line item requests are consistent with the department's demonstrated historical need and in accordance with guidelines set in budget manuals and management directives.
- Reviews all available activity and performance measures to determine if they accurately reflect major activities.
- Prepares a recommended budget for the City Management Team to review, and make available any backup or historical information necessary to justify the amounts requested.

### City Management Team:

- Meets with department heads under his/her supervision and review their proposed budgets.
- Discusses and evaluates estimated expenditures to determine if proposed programs are consistent with the goals of the city organization. The City Management Team should focus on the broader scope of services to be provided and ensure they help achieve the overall goals set by the City Council.
- Critically reviews recommended organizational restructuring, staffing level adjustments, and other changes to ensure that the results will increase operating capabilities, productivity, and/or efficiency of the unit requesting the change.

### Finance/Budget:

- Develop the implement a budget process that facilitates budget development on a city-wide basis.
- Develop revenue projections to aid in determining expenditure levels.
- Provide budget forms, instructions, expenditure schedules, and other budgetary assistance and information to assure proper preparation of the final budget documentation.
- Review preliminary budget requests for accuracy and completeness in accordance with budget manual instructions.
- Identify and review major policy recommendations by subject and cost, and summarize their impact on city government.
- Coordinate proposed expenditures, review backup documentation related to questionable expenditures, provide for the availability of any additional information that may be necessary, and prepare a recommended budget for review by City Manager.

## Finance/Budget:

- Provide assistance to the City Manager during reviews, and provide any information or backup documentation required for evaluation.
- Perform analyses and comparisons of proposed budget amounts to determine the effects proposed expenditures will have on the fiscal soundness of the City of Midland and provide results to City Management.
- Coordinates preparation of budget, and research the preparation budget summaries, schedules and other information required for budget presentation to the City Council.
- Coordinates preparation of budget presentation and review sessions with City Management and City Council.
- Provides a proposed budget for review by City Council and provides preliminary budget document to be filed with the City Secretary.
- Coordinates production of the adopted budget in its final form, then ensures that the document is properly filed with the City Secretary and posted on the City's webpage for public reference.

## The City Manager:

- Review proposed budgets with Deputy City Manager, Assistant City Manager and Department Heads.
- Assure that proposed expenditures do not exceed expected revenues from municipal operations.
- Examine proposed organizational changes and review their proposed effectiveness in meeting the desired goals.
- Evaluate programs, backup information, and expenditures to determine the appropriateness of each in response to Council goals.
- Coordinate preparation of budget, and research the preparation budget summaries, schedules, and other information required for budget presentation to the City Council.
- Coordinate preparation of budget presentation and review sessions with the City Council

### LEVELS OF BUDGET CONTROL

LEVEL 1 (Request):	Department
LEVEL 2 (Validation):	Finance/Budget
LEVEL 3 (Alignment):	City Manager
LEVEL 4 (Final Approval):	Council

# Calendar

The City's annual budget process begins in January and concludes in September when the final budget is adopted.

**FEBRUARY:** Budget team meets to review budget process for possible changes or major impacts and to establish budget calendar. Budget team creates and posts necessary budget development forms on the City's internal website. Letters are sent to outside agencies asking for their budget requests and documentation.

**MARCH:** The Budget Kickoff training is held the first week of March. Two sessions are provided for department heads and managers to attend providing information and updates regarding the upcoming year's budget development. Information regarding personnel budget estimates, facility needs, equipment needs, computer hardware/ software and radio needs and the capital improvement program are provided. Additional trainings provided by the budget team to instruct department heads on entering their budgets into the financial software and submitting supplemental requests.

**APRIL:** Early in the month Departments submits request forms with justifications for personnel equipment, facility needs, hardware/ software and radios for analysis. Departments begin to enter their budget proposals into the financial software. Deadline for outside agency requests to City Manager. Departments complete revenue estimates and return them to Finance. A committee meeting with all City Management and department heads occurs to prioritize and approve all supplemental requests, including hardware/ software, radio, hire of equipment, facilities, personnel, and capital requests.

**APRIL-JUNE:** Hotel/ Motel Advisory Board and Economic Development Advisory Board review of funding requests.

**MAY:** The projection for the personnel budget is completed by the budget team. Budget then develops a preliminary budget document with all proposals from departments and personnel estimates from Human Resources. Revenue estimates are prepared and added to the document. Budgets are delivered to City Management and budget team. A Joint review budget meeting with department heads, budget team, and City Management is held to review the preliminary budget. A final budget review meeting with City management determines the proposed budget to present to Council.

**JUNE:** The proposed budget document is prepared by the budget team and distributed to City Management and the City Council

**JULY:** Budget workshops and briefing period held with City Council and Management. Calculation of the No-New-Revenue Tax rate.

**AUGUST:** Proposed budget filed with City Secretary's Office and posted on City's website. Publish notices of public hearings, as required by state law, on tax increase, public hearing on budget, and vote on tax rate. Hold public hearings in accordance with applicable provisions of state law. Council votes to establish the tax rate and adopt the budget ordinance. Budget document finalized.

**SEPTEMBER:** Second and final readings of the Budget and Tax Rate are voted on by City Council. Budget and Tax Rate approved for the following fiscal year

# FY24 BUDGET PREP SCHEDULE

BLUE= BUDGET TEAM MEETINGS

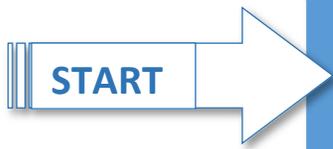
ORANGE= TRAINING

GREEN= COUNCIL MEETING

	Date	Action	Departments
FEB	Mon. Feb 27	<b>Budget Kick-Off Meeting</b> - Council Chambers Presentation	Finance Admin/Budget Team/Dept. Heads
		<b>Budget Training</b> - Central Budget Entry & Entering Supplementals	
		<b>Project Management Training:</b> Using laserfish template	
MAR	Wed. March 1	Departments may begin to submit <b>Supplemental Requests</b> Munis OPEN for entry of <b>Departmental Operating Budgets</b>	ALL Departments/ Finance
		<b>Budget Entry Assistance</b> - Call to schedule Phone or Teams	ALL Departments/ Finance
	Mon. March 6- Fri. March 10	<b>Budget Meetings with Department Heads- Needs Assessment</b>	Finance/Budget Team/Dept. Heads
	Fri. March 17	<b>Deadline to Submit Supplemental Requests</b>	ALL Departments
	Fri. March 31	<b>Revenue estimates DUE from Departments</b>	ALL Departments
	Fri. March 31	<b>Deadline for Departments to enter operations budget in Munis</b>	ALL Departments
APR	Thu. April 13	<b>Supplemental Steering Committee Meeting/Project Rating</b>	CMO/Finance/Budget Team/Dept. Heads
	Wed. April 19	City Management Budget Meeting: Joint review of operational and supplemental budgets	CMO/Finance/Budget Team/Dept. Heads
	Thu. April 20	City Management Budget Meeting: Joint review of operational and supplemental budgets	CMO/Finance/Budget Team/Dept. Heads
	Mon. April 24	City Management Budget Meeting: Joint review of operational and supplemental budgets	CMO/Finance/Budget Team/Dept. Heads
	Wed. April 26	City Management Budget Meeting: Joint review of operational and supplemental budgets	CMO/Finance/Budget Team/Dept. Heads
Please Note	July/August	<b>Fee Ordinance presented to Council</b>	CMO/Finance/Council
	Sun. October 1	Fee changes take effect	

Budget Instructions and Powerpoints can be found on Comets:

<https://midlandtexas.sharepoint.com/comets/FIN/SitePages/Budgets.aspx>



Budget Team meeting to collaborate on FY24 Budget Parameters

Budget Team meets with Department Heads and conducts Needs Assessment

Citywide Budget Kickoff opens FY23 budget process; Department Heads prepare supplemental requests

Budget Team provides training on Budget Entry and Supplemental requests

Departments enter Operational Budget; personnel projection created by budget team

Steering Committee Meeting is held to determine what supplemental requests will be funded

Preliminary Budget presented to CMO. CMO and Budget Team review operating budget and supplementals with Departments.

CMO determines priorities to develop Proposed Budget. The document is created by the Budget Team and delivered to Council

Special Budget Workshop with Council  
Proposed Budget is presented to them.  
Certified Values from MCAD provided for tax levy

Council proposes Tax Rate for upcoming fiscal Year  
Proposed Budget is Filed with City Secretary's office; Public Notices are Published in Paper and Online

Public Hearings held for Budget and Tax Rate  
Council votes to approve budget and Tax Rate

Final Vote to approve Budget and Tax Rate  
Budget Published- Submitted to GFOA  
Monitor Budget





**SECTION I:**

**FINANCIAL**

**SUMMARIES**

# Overview

## FY 2024 ADOPTED BUDGET

### Governmental Funds

General Fund (001) 167,492,295

### Special Revenue Funds

Police Lease (008) 14,950

Police Special Purpose Fund – Federal (070) 440,000

Police Special Purpose Fund – State (071) 4,200

Police Technology & Equipment Fund (075) 164,944

Fire Lease (009) 1,000

Fire Technology & Equipment Fund (076) 150,000

Municipal Court Time Payments (010) 27,000

Municipal Court Security Fund (093) 33,000

Municipal Court Technology Fund (092) 80,000

Park Donation & Special Purpose Fund (077) 13,036,500

Golf Course Fund (078) 3,363,661

Sports Complex Fund (079) 3,729,966

Hotel/Motel Fund (090) 6,510,000

### Enterprise Funds

Airport Fund (500) 14,681,590

Water & Sewer Fund (300) 93,889,574

Sanitation Fund (430) 25,323,172

Drainage Fund (400) 2,487,450

### Internal Service Funds

Employee Benefit Fund (701) 15,642,500

General Liability (702) 6,346,414

Garage Fund (750) 30,576,637

Technology Fund (770) 6,701,729

### Debt Service Funds

33,296,571

**TOTAL ALL FUNDS**

**\$ 423,993,153**

# Fund Balances

	GENERAL FUND	WATER & SEWER FUND	DRAINAGE FUND	SANITATION FUND	AIRPORT FUND	GARAGE FUND
<b>Oct 1, 2022 Unassigned Fund Balance</b>	\$ 118,268,041	\$ 59,248,705	\$ 4,063,978	\$ 9,451,651	\$ 44,865,704	\$ 19,645,522
FY 2023 Estimated Revenues	\$ 148,550,541	\$ 92,407,131	\$ 2,683,585	\$ 25,296,241	\$ 12,565,000	\$ 26,490,698
FY 2023 Estimated Expenditures	\$ 203,087,362	\$ 113,592,849	\$ 5,683,367	\$ 26,868,180	\$ 27,117,053	\$ 33,382,387
<b>Net Gain (Loss) to Fund Balance/Net Assets</b>	\$ (54,536,821)	\$ (21,185,718)	\$ (2,999,782)	\$ (1,571,939)	\$ (14,552,053)	\$ (6,891,689)
<b>Estimated Ending Fund Balance FY 2023</b>	\$ 63,731,220	\$ 38,062,987	\$ 1,064,196	\$ 7,879,712	\$ 30,313,651	\$ 12,753,833
FY 2024 Adopted Budget Revenues	\$ 167,491,745	\$ 93,889,574	\$ 2,487,450	\$ 25,323,172	\$ 14,681,590	\$ 30,576,637
FY 2024 Adopted Budget Expenditures	\$ 167,491,745	\$ 93,889,574	\$ 2,487,450	\$ 25,323,172	\$ 14,681,590	\$ 30,576,637
<b>Projected Net Gain (Loss) to Fund Balance</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Sep 30, 2024 Projected Fund Balance</b>	\$ 63,731,220	\$ 38,062,987	\$ 1,064,196	\$ 7,879,712	\$ 30,313,651	\$ 12,753,833

Presented are the City's Operating Funds. The City of Midland has adopted a Fund Balance Policy to provide enhanced financial stability, by ensuring that the City maintains a prudent level of financial resources. This policy will prevent reduced levels of service and fee increases if there are temporary revenue shortfalls or unexpected one-time expenditures. Amounts are set for each fund based on the predictability of revenues, volatility of expenditures, and liquidity requirements of each fund.

# Fund Balances

	SPORTS COMPLEX	GOLF COURSE	HOTEL/MOTEL	PARK SPECIAL PURPOSE	EMPLOYEE BENEFITS	RISK MANAGEMENT	TECHNOLOGY
<b>Oct 1, 2022 Unassigned Fund Balance</b>	\$ 15,401,338	\$ 261,878	\$ 14,264,958	\$ 22,407,047	\$ 15,432,735	\$ 6,574,992	\$ 1,858,994
FY 2023 Estimated Revenues	\$ 3,318,785	\$ 3,037,328	\$ 8,144,165	\$ 10,390,000	\$ 15,050,000	\$ 5,320,559	\$ 5,459,780
FY 2023 Estimated Expenditures	\$ 6,159,617	\$ 2,952,226	\$ 8,144,165	\$ 29,059,379	\$ 15,180,188	\$ 5,397,681	\$ 6,776,247
<b>Net Gain (Loss) to Fund Balance/Net Assets</b>	<b>\$ (2,840,832)</b>	<b>\$ 85,102</b>	<b>\$ -</b>	<b>\$ (18,669,379)</b>	<b>\$ (130,188)</b>	<b>\$ (77,122)</b>	<b>\$ (1,316,467)</b>
<b>Estimated Ending Fund Balance FY 2023</b>	<b>\$ 12,560,506</b>	<b>\$ 176,776</b>	<b>\$ 14,264,958</b>	<b>\$ 3,737,668</b>	<b>\$ 15,302,547</b>	<b>\$ 6,497,870</b>	<b>\$ 542,527</b>
FY 2024 Adopted Budget Revenues	\$ 3,729,966	\$ 3,363,661	\$ 6,510,000	\$ 13,036,500	\$ 15,642,500	\$ 6,346,414	\$ 6,701,729
FY 2024 Adopted Budget Expenditures	\$ 3,729,966	\$ 3,363,661	\$ 6,510,000	\$ 13,036,500	\$ 15,642,500	\$ 6,346,414	\$ 6,701,729
<b>Projected Net Gain (Loss) to Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Sep 30, 2024 Projected Fund Balance</b>	<b>\$ 12,560,506</b>	<b>\$ 176,776</b>	<b>\$ 14,264,958</b>	<b>\$ 3,737,668</b>	<b>\$ 15,302,547</b>	<b>\$ 6,497,870</b>	<b>\$ 542,527</b>

# BUDGET SUMMARY

## All Funds

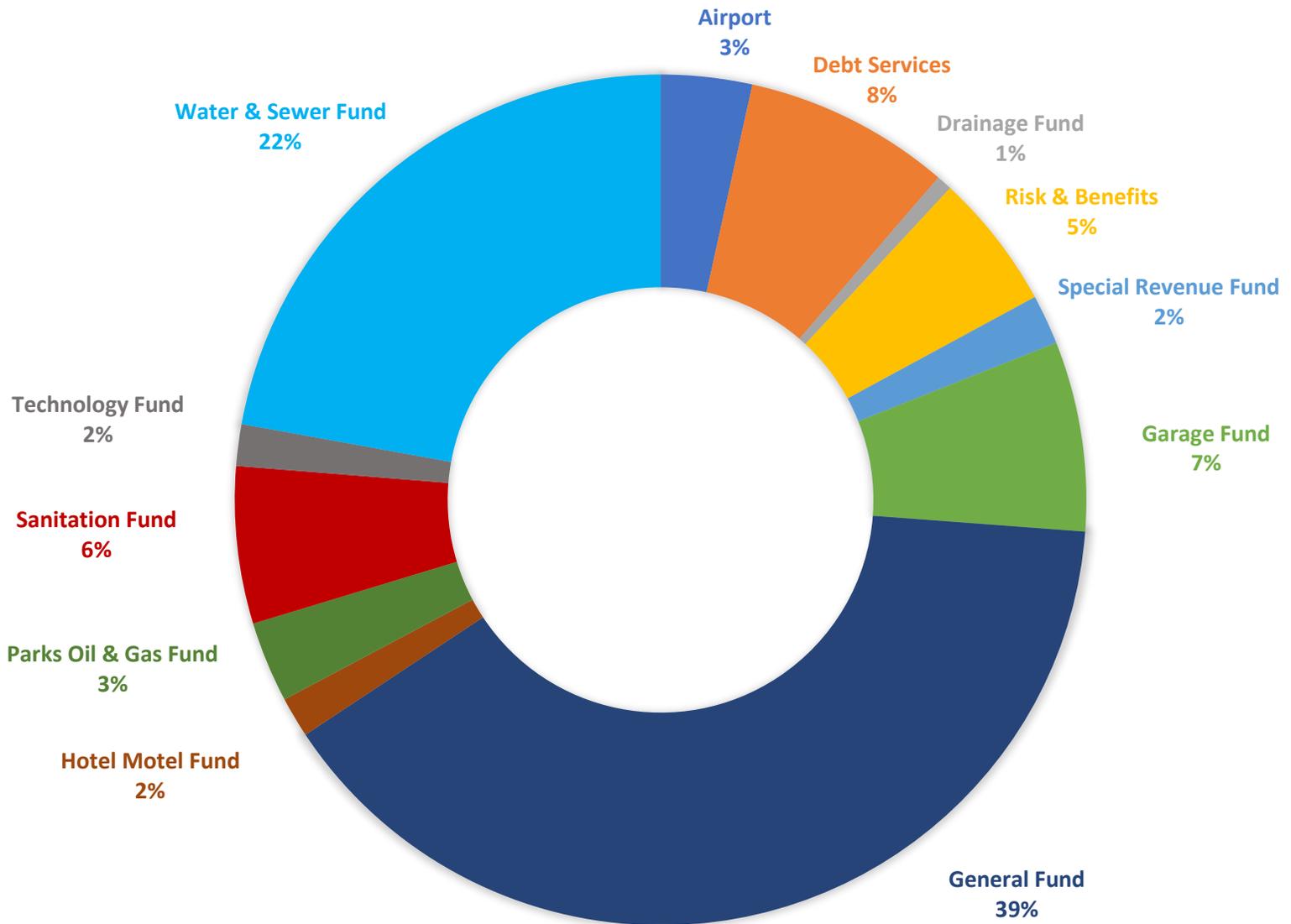
	FY2022 Actuals All Fund Types		FY2023 Budget All Fund Types		FY2024 Budget All Fund Types	
<b>Revenues</b>						
Property Tax	\$	63,155,789	\$	64,959,928	\$	73,187,538
Sales Tax		61,052,818		57,000,000		65,000,000
Franchise & Other Taxes		24,548,629		22,802,500		24,012,976
Fines & Forfeitures		2,720,076		2,274,276		2,402,771
License, Permits & Other Charges		12,373,088		9,888,950		10,839,640
Services, Rentals & Leasing		153,504,448		120,767,613		134,752,562
Interfund Charges		47,445,589		55,177,389		63,684,211
Interfund Transfers		13,510,259		9,801,555		21,032,670
Fund Closure Transfers		42,588,444		-		-
Grants & Other Contributions		1,975,345		2,194,813		4,253,310
Interest & Other Revenue		(7,646,662)		32,262,567		24,827,475
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>415,227,823</b>	<b>\$</b>	<b>377,129,591</b>	<b>\$</b>	<b>423,993,153</b>
<b>Expenses</b>						
Personnel	\$	109,897,446	\$	124,789,577	\$	136,266,531
Operating Expenses		35,994,729		39,997,615		43,314,189
Contractual Services		67,435,314		76,903,442		69,851,892
Maint of Infrastructure		6,670,721		9,726,374		10,919,388
Maint of Equipment		5,962,392		7,476,933		8,933,115
Miscellaneous		(2,331,726)		6,663,913		6,992,255
Interfund Transfers		45,353,753		1,793,825		20,882,670
Interfund Services		19,505,560		34,813,072		43,255,494
Fund Closure Transfers		7,808,683		-		-
Debt Service		18,783,226		19,398,184		33,296,571
Civic Organizations		3,935,777		5,322,769		5,305,500
Capital		21,854,822		50,947,489		44,975,548
<b>TOTAL USES</b>	<b>\$</b>	<b>340,870,697</b>	<b>\$</b>	<b>377,833,194</b>	<b>\$</b>	<b>423,993,153</b>
<b>BEGINNING NET ASSETS</b>						
<b>TOTAL SOURCES/(USES)</b>		74,357,126		(703,603)		-
<b>ENDING NET ASSETS</b>	<b>\$</b>	<b>74,357,126</b>	<b>\$</b>	<b>(703,603)</b>	<b>\$</b>	<b>-</b>

# BUDGET SUMMARY

## All Funds

	FY2024 Budget General Fund	FY2024 Budget Special Revenue	FY2024 Budget Debt Service	FY2024 Budget Enterprise	FY2024 Budget Internal Service
<b>Revenues</b>					
Property Tax	\$ 60,773,637	\$ -	\$ 12,413,901	\$ -	\$ -
Sales Tax	65,000,000	-	-	-	-
Franchise & Other Taxes	17,952,976	6,060,000	-	-	-
Fines & Forfeitures	2,304,500	98,271	-	-	-
License, Permits & Other Charges	3,332,200	2,859,050	-	4,648,390	-
Services, Rentals & Leasing	4,601,210	14,409,992	-	115,741,360	-
Interfund Charges	9,424,812	-	-	-	54,259,399
Interfund Transfers	-	-	20,882,670	-	150,000
Fund Closure Transfers	-	-	-	-	-
Grants & Other Contributions	1,084,960	68,350	-	3,000,000	100,000
Interest & Other Revenue	3,018,000	4,059,558	-	12,992,036	4,757,881
<b>TOTAL SOURCES</b>	<b>\$ 167,492,295</b>	<b>\$ 27,555,221</b>	<b>\$ 33,296,571</b>	<b>\$ 136,381,786</b>	<b>\$ 59,267,280</b>
<b>Expenses</b>					
Personnel	\$ 107,637,874	\$ 2,091,577	\$ -	\$ 22,424,725	\$ 4,112,355
Operating Expenses	3,785,449	1,303,098	-	17,199,125	21,166,517
Contractual Services	18,640,300	1,681,924	-	39,617,473	9,912,195
Maint of Infrastructure	5,510,943	1,240,610	-	4,145,835	22,000
Maint of Equipment	649,280	104,920	-	4,232,415	3,946,500
Miscellaneous	287,187	709,070	-	2,807,347	3,188,651
Interfund Transfers	-	1,924,863	-	18,957,807	-
Interfund Services	21,531,646	1,435,040	-	19,093,279	1,195,529
Fund Closure Transfers	-	-	-	-	-
Debt Service	-	-	33,296,571	-	-
Civic Organizations	494,100	4,501,400	-	170,000	-
Capital	8,955,516	12,562,719	-	7,733,780	15,723,533
<b>TOTAL USES</b>	<b>\$ 167,492,295</b>	<b>\$ 27,555,221</b>	<b>\$ 33,296,571</b>	<b>\$ 136,381,786</b>	<b>\$ 59,267,280</b>
<b>BEGINNING NET ASSETS</b>	-	-	-	-	-
<b>TOTAL SOURCES/(USES)</b>	-	-	-	-	-
<b>ENDING NET ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# FY 2024 MAJOR REVENUE By Function



2024 BUDGET BY FUND

# Revenues

Revenue representing 75% or more of the current revenue, not including transfers

## Ad Valorem (Property Tax)

Total Revenue: \$72,636,038

Ad Valorem is a tax levied on “real property” (i.e., land and buildings) or personal property (e.g., business equipment, inventories and noncommercial motor vehicles).

General Fund: \$59,822,137

Debt Service: \$12,413,901

## Sales Tax

Total Revenue: \$65,000,000

General sales taxes are taxed on goods and services purchased by consumers. The tax is a percentage of the retail price and added to the final purchase price paid by consumers.

## Franchise Fees (Franchise & Other Taxes)

Total Revenue: \$16,876,700

Franchise Fees are charged to utility companies for the use of the city streets and right of ways to conduct their private business of delivering telephone, electric power, natural gas and cable services.

## Water & Sewer Fees (Services, Rentals & Leasing)

Total Revenue: \$93,889,574

Charges to residential and commercial customers for water & wastewater charges and water & sewer charges accounts for 81% of revenues to support the operations in the Water & Sewer Fund.

## Sanitation & Landfill Fees (Services, Rentals & Leasing)

Total Revenue: \$25,323,172

Charges to residential and commercial customer for garbage collection fees, landfill access fees, haulers permit fees, recycle fees and litter fees.

## Hotel/Motel Tax (Franchise & Other Taxes)

Total Revenue: \$6,510,000

The Hotel/Motel Tax is a 7% occupancy tax on the price of a hotel/motel room which is used to promote tourism and the convention and hotel industry and such uses as mandated by the Texas Tax Code, Section 351.001 et seq.

# Administration

## IMPACTS ON FY24 REVENUE PROJECTION PROCESS:

The City of Midland, along with the rest of the nation continue to experience varying degrees of fiscal stress and challenges in revenue recovery due to the ongoing inflation. Forecasting FY24 revenues under the current circumstances was challenging, but critically important. The unknown course of the economic recovery caused difficulties in accurately estimating revenue collections months in advance.

Revenue projections were carefully analyzed and were made conservatively to account for any possible economic fluctuations in the future. The methods we chose to utilize when forecasting revenues were important both for ensuring the needed services continue to be provided and that the economic recovery is as robust as possible.

## FY24 REVENUE FORECASTING METHODS:

- Analyzed year-to-date actuals and prior year revenue statements to develop a basis for forecasting revenue streams.
- Used both judgment forecasting & quantitative forecasting to achieve the most accurate possible revenue projection.
- Separated individual revenue sources to isolate variables in order to attain a clear picture of potential ups and downs from each revenue stream.
- Used historical data and financial statements to identify monthly and yearly revenue trends.
- Considered pandemic impacts and current economic conditions to help guide judgment for the best possible revenue projection.

# Overview

## REVENUE CHANGES:

### ▪ GENERAL FUND → \$167.5M

The proposed General Fund budget is \$19 million or 12.6% higher than the FY 2023 adopted budget.

The Proposed FY 2024 Budget includes a property tax rate of 35.07 cents per \$100 valuation. This is .25 cents lower than the voter approval rating. The tax rate is divided into two parts: the maintenance and operations portion and the debt service portion. The rate for the maintenance and operations portion is 29.0 cents and the rate for the debt service is 6.1 cents per \$100 valuation. These rates will produce approximately \$59.9 million in revenue for the General Fund and \$12.4 million for debt service, respectively. This levy will generate \$8.9 million more in revenue than last years' budget, \$5.3 million additional in maintenance and operations, and an increase of approximately \$3.6 million in debt service.

General Fund revenues are projected to increase by \$19 million, or 12.6% from the 2023 adopted budget. The three largest sources of total revenue are:

- Property tax at 37% of total
- Sales tax at 38% of total
- Franchise fees and other taxes at 25% of total

### ▪ HOTEL/MOTEL FUND → \$6.5M

The hotel/motel tax estimate for FY 2024 is proposed at \$6 million, which is an increase of \$.5 million, or 9% from FY 2023. Hotel/motel tax revenue has been trending back up after the significant drop in 2020 and 2021. Citywide events have picked back up, especially the sporting events that spur overnight hotel stays. The forecast for FY 2024 revenue is optimistic as growth and activities continue to escalate.

### ▪ WATER & SEWER FUND → \$93.8M

There will be no water rate increase for FY 2024, however, financial analysis from a recent rate study suggests that steady rate adjustments, beginning in FY 2025 will be necessary over the next several years to sustain the water supply and operations.

For a balanced budget, total revenues amount to \$93.8 million, which includes \$5.7 million appropriated from net position. For FY 2024, budgeted water revenue was increased from the prior year to \$63 million and wastewater revenue was increased to \$18.4 million. Water revenue exceeded budget at the end of FY 2022 by \$2.4 million; wastewater revenue ended FY 2022 over budget by \$677,000.

### ▪ SANITATION FUND → \$25.3M

A 2% fee escalator was implemented for the 2024 fiscal year. A full fee study is underway at budget time to establish the fees for the 2025 budget.

FY 2024 budgeted revenues increased by \$13,727, which includes an appropriation of \$662,912 to balance the budget.

▪ **GARAGE FUND → \$25.3M**

The Garage Fund’s expenditures were increased by \$3.3 million from the FY 2022 adopted budget. Changes in the City’s financial processes determined there is no longer a need to budget for depreciation.

▪ **AIRPORT FUND → \$14.7M**

For the FY 2024 proposed budget, total budgeted revenue is estimated at \$14.7 million, which is an increase of 16.9% over FY2023. The Airport has experienced an increase in revenue as the activity has returned to pre-pandemic levels and continues to grow.

▪ **SCHARBAUER SPORTS COMPLEX FUND → \$3.7M**

Operating revenue is budgeted at \$3.7 million for FY 2024, which includes revenue from operations of \$1.4 million and appropriation from net position of \$2.3 million to provide a balanced budget. The increase in operational revenue is \$341,689 or 32%. Revenue opportunities are increasing as new fields are becoming available for rental. As of FY 2022, this fund acts as a Special Revenue Fund from an Enterprise Fund.

▪ **GOLF COURSE FUND → \$3.4M**

Total revenues are budgeted at \$3.4 million for FY 2024 with a required appropriation from net position of \$504,611. This is a decrease of \$239,518. Estimated revenue was increased in Golf Cart Rentals, General Green Fees, and Pro Shop Sales as a result of increased activities from the growing economy. As of FY 2022, this fund acts as a Special Revenue Fund from an Enterprise Fund.

▪ **RISK FUNDS → \$21.9M**

Employee Benefit Fund → **\$15.6M**

Operating Revenue for the Employee Benefit fund is \$15.6 million, an increase of 3.9%. This is due in part to an increase in the insurance tables bringing them to actual cost as well as a change in methodology for budgeting benefits for positions at actual.

Risk Management Fund → **\$6.3M**

The Risk Management Fund has a revenue budget of \$6.3 million for the FY 2024 fiscal year, which includes workers compensation and general liability revenue. General Liability premiums are estimated to increase by 12.7%, resulting in a cost increase for many, primarily to the General Fund.

▪ **GOVERNMENTAL DEBT SERVICE FUNDS → \$12.4M**

The Debt Service portion of the property tax is scheduled to be at a rate of 6.1 cents per \$100 valuation. This is estimated to bring in \$12.4 million, which is an increase of \$3.6 million from the 2023 adopted budget. The last tranche of the Road Bond of \$25 million was issued in FY 2023.

▪ **TECHNOLOGY FUND → \$6.7M**

The Technology fund revenue is budgeted at \$6.7 million for FY 2024. This includes the chargebacks received from departments for equipment leases and interest as well as chargebacks to the various divisions in the City for the software packages used. Chargebacks for software was added in fiscal 2023 to better allow the Technology fund to better serve the City



**SECTION I:**

**CAPITAL**

**& DEBT**

# Budget

## Capital Improvement Program Purpose

The purpose of the Capital Improvement Program (CIP) is to implement and facilitate the City's Master Plan. Generally, capital projects are in excess of \$100,000, have a useful life of more than five years and include such items as land purchases, building and/or renovating structures, roads, water & sewer line extensions, park developments and new City facilities such as fire stations, airports, or water treatment facilities. Major maintenance projects are not included in the CIP. Also, new items and replacements may be considered for major public improvements.

Due to the limited amount of available funds, the CIP serves to establish a priority for the many necessary projects. Therefore, the CIP will be updated annually in order to incorporate the changing priorities, needs, and funding sources. The CIP is a necessary tool in the capital planning process, insuring that:

- City funds will be spent for improvements compatible with the City's long-term goals and needs.
- City funds will be spent on high priority projects first.
- Improvements will not cause a financial burden on the City.

## DEFINITIONS:

### **CITY OF MIDLAND MASTER PLAN:**

A long-range project plan to facilitate the development of the City.

### **CAPITAL IMPROVEMENT PROGRAM (CIP):**

A schedule of capital expenditures to be incurred over a five-year period to carry out the City's program of public service.

### **CAPITAL IMPROVEMENT:**

An expenditure in excess of \$15,000 for the planning, design and construction of a physical improvement and/or associated fixed equipment and having a useful life of five years or more. An initial project cost shall include all factors of the project (i.e. land, buildings, machinery, equipment). This definition is intended to include, but not limited to, the following:

- Land: All related expenditures for land whether or not they meet the dollar limitation previously mentioned. This includes right-of-way acquisitions.
- Structures: All related expenditures for structures regardless of cost (i.e., architectural, renovation, addition to, engineering).
- Machinery and Equipment: All related expenditures for machinery, furnishings, and equipment that are a part of the structure at the time of initial acquisition or construction. Such items that are not related at initial acquisition or construction must have a useful life of seven (7) years or more and cost \$25,000 or more to be included in the capital improvement program.

## FUNDING SOURCES FOR (CIP):

- **Expendable / Available Reserves:**

- They are the “reserves” of the City. They can be used for any purpose approved by the City Council, unless constrained by ordinance.

- **Enterprise Funds:**

- The City of Midland operates four Enterprise Funds – Solid Waste, Utilities, Airport, and Drainage. Each entity operates solely on the revenue it generates. This revenue comes in the form of service fees, assessment fees and participation fees (user fees).

- **Assistance from other governments:**

- Federal Assistance – The Federal Government provides monetary assistance in the form of grants for various programs and projects. Certain restrictions may be attached.
- State Assistance – The State Government provide local governments with loans and other assistance to ensure the delivery of services. Certain restrictions may be attached.

- **Bonds:**

The City of Midland has the ability to issue bonds and incur debt based on its ability to pay and its credit rating.

- **General Obligation Bonds (G.O) Bonds:** General Obligation Bonds pledge full faith and credit of the City; repaid by ad valorem taxes; require voter approval; and can be used to finance items approved by voters.
- **Certificate of Obligation (C.O) Bonds:** Certificate of Obligation Bonds pledge full faith and credit of the City; can be issued without voter approval – except upon notice of the city’s intent to issue certificated, five percent of the qualified voters can force an election on the issue by submission of a petition. Can be issued to finance construction work, equipment, machinery, material, supplies, land etc.
- **Revenue Bonds:** Revenue Bonds are repaid from a specific non-ad valorem (pledged) source; no voter approval (but subject to referendum); and can be used to finance either general government projects or enterprise projects.

## Effects of CIP on subsequent operating budgets

Whenever the City commits to a CIP plan, there is an associated long-range commitment of operating funds. For this reason, it is important to evaluate capital commitments in the context of their long-range operating impact. Most capital projects affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely from project to project and, as such, are evaluated individually during the process of assessing project feasibility.

The operating impact of capital projects is analyzed and taken into consideration during the extensive CIP prioritization process. Estimated new revenues and/or operational efficiency savings associated with projects are also taken into consideration (net operating costs). Departmental staff plan and budget for significant start-up costs, as well as operation and maintenance of new facilities. The cost of operating new or expanded facilities or infrastructure is included in the operating budget in the fiscal year the asset becomes operational. Debt service payments on any debt issued for capital projects is also included in the operating budget.

# FY 2024 CAPITAL

# Budget

The City will coordinate development of the capital improvement budget with the development of the annual operating budget. Each capital improvement project is reviewed for its impact on the operating budget in terms of revenue generation, additional personnel required and additional operating expenses.

It is the policy of the City of Midland to establish guidelines and restrictions associated with the expenditure of funds for and the recognition of capital assets and inventory assets.

A capital asset expenditure is herein defined as a purchase or other acquisition of any equipment, facilities, or other similar assets or the cost of construction of the same, which exhibit all of the following cost characteristics:

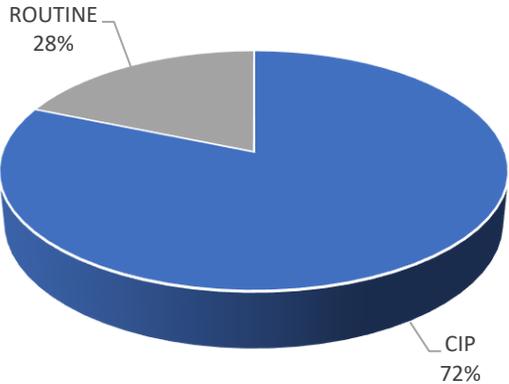
- Has a gross cost in excess of \$5,000.
- Is used in the course of normal operations.
- Has a useful life in excess of one year.

## ADOPTED CAPITAL BUDGET HISTORY:

FY 21	FY 22	FY 23	FY 24	CHANGE
\$14,972,645	\$36,628,955	\$74,320,526	\$61,788,271	\$12,532,255

# FY 2024 CAPITAL/FIXED ASSET BUDGET

## BUDGET DISTRIBUTION



The 2024 Budget contains \$61.8 million in total capital expenditures. As displayed in the graph to the left, the majority of these expenditures are projects directly related to the City’s capital improvement plan. The remainder of \$15.7 million and \$1.8 million are routine capital expenditures for fleet replacement and facilities, respectively.

CIP projects and routine projects described above can further be divided into expenditure categories. The table to the left shows the expenditure categories by type of project. The list below describes the specific capital projects that are involved in the Capital Improvement

## 2023/2024 Capital by Category

### CAPITAL IMPROVEMENT PLAN:

Roads .....	\$10.6 million
Parks .....	\$19.0 million
Utilities .....	\$5.5 million
Buildings .....	\$6.0 million
Other .....	\$3.1 million

### ROUTINE:

Vehicles .....	\$15.7 million
Facilities.....	\$1.8 million

### Capital Improvement Plan

#### Roads

- FY 2024 Paving Project
- Traffic Signal Light Replacement
- School Flashers
- COMPASS

#### Parks

- Installation of new irrigation system and new field lighting at Windlands Soccer Field
- Installation of new field lights at MUGS Complex
- Replace park name signage at all Parks
- Renovation and striping for parking lots
- New Playgrounds at Grasslands and Tumbleweed Parks
- Two Auxiliary Fields at Sports Complex

#### Utilities

- 4" water main replacement program
- UEP program

#### Buildings

- New Senior Center Design
- Improvements to South East Senior Center
- Golf Cart Barn

#### Other

- Animal e-ticket writers, docketing screens, e-filing system, kiosk
- Equipment for Street improvement

# CAPITAL

## Expenditures

### FY2024 Capital/Fixed Asset Proposed Budget

Department	Division	Capital Detail	Amount
ITSD	Information Systems	Building Upgrade/Maintenance	13,000
General Services	Facilities Services	Building Upgrade/Maintenance	136,700
Community Serv.	MLK center	New HVAC and Building Upgrade/Maintenance	131,000
	Health & Sen. Serv.	New Generator and Building Upgrade/Maintenance	75,000
Police	Police Admin	Building Upgrade/Maintenance	322,500
Fire	Fire Admin	Station Upgrade/Maintenance	677,900
		Roof Replacements	138,000
	Golf Course	Replace carpet in the snack area and Pro-Shop	28,000
	Utilities Admin.	Safety shower and drain replacement/Maintenance	15,000
	Fleet Services	Building Upgrade/Maintenance	281,750
<b>Total for General Fund:</b>			<b>\$ 1,818,850</b>

### FY2024 New Fleet & Equipment

Department	Division	Capital Detail	Amount
Development Serv.	Code Administration	1/2 T Pickup	39,600
Community Serv.	Parks & Recreation	3 1/2 T Pickups	129,000
	Animal Services	Full Size SUV	36,500
Police	PD Investigative Ser.	Admin Car	37,750
Finance	Customer Service	2 1/2 T Pickups	88,200
		3/4 T Pickup	44,400
Sanitation	Solid Waste Mgmt	Grapple Truck	203,000
		2 1/2 T Pickup	86,710
	Recycle Center	Cab & Chasis TA	198,950
		Loader with Bucket Grap	200,000
		Off Road UTV Gas	17,000
Airport	Airpark	Cab & Chasis 1T	84,150
		John Deere Tractor	140,199
		John Deere Cutter	54,387
		Brush Attachment	21,000
<b>Total</b>			<b>\$ 1,380,846</b>

# CAPITAL Expenditures

## FY2024 Replacement Vehicles & Equipment

Department	Division	Capital Detail	Amount	
Garage	Municipal Court	Police SUV with Upfitting (2)	142,000	
	Information Systems	SUV & Mini Van	66,500	
	Code Administration	5 1/2 T Pickups	192,250	
	Engineering Services	2 1/2 T Pickups	94,000	
	Traffic Division	3/4 T Pickup	59,550	
	Transportation	Work Vehicles & Equipment	2,217,536	
	Parks & Recreation	Work Vehicles & Equipment	237,328	
	Animal Services	Full Size SUV	36,500	
	MLK Center	Mid-Size SUV	36,500	
	Health & Sen. Serv.	Full Size SUV	49,500	
	PD Field Operations	29 Police SUVs with Upfitting & Police Tahoe	2,842,000	
	PD Investigative Ser.	2 1/2 T Crew Pickup with Upfitting	132,000	
	Fire Department	Fire Engine	1,245,000	
		6 1/2 T Pickups with Upfitting	666,000	
	Emergency Medical	Ambulance	480,000	
	Golf Course	Work Vehicles & Equipment	858,954	
	Sports Complex	Work Vehicles & Equipment	378,900	
	Purification Plant	Mid-Size SUV & 1 T Cab & Chasis	109,800	
	Water & Wastewater	Work Vehicles & Equipment	485,115	
	Solid Waste Mgmt	12 Cab & Chasis TA	3,524,000	
		1/2 T Pickup	38,450	
	Landfill	836 Compactor	1,800,000	
	Airport	Work Vehicles & Equipment	220,750	
	Risk Management	Mid-Size SUV	36,500	
	Fleet Services	Admin Car	31,500	
	Warehouse	1/2 T Pickup	47,450	
	<b>Total for Internal Service Funds:</b>			<b>\$ 16,026,883</b>

## Capital Improvement Program

### CAPITAL IMPROVEMENTS PROGRAM

DEPARTMENT	FUNDING SOURCE	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Community Services</b>						
Playground Renovations (four parks)	Park Special Revenue	800,000	-	800,000	-	800,000
Irrigation & Grass Renovations (two-four parks)	Park Special Revenue	-	5,000,000	-	5,000,000	-
Hogan Golf Course Cart Barn Replacement/Constr.	Park Special Revenue	1,000,000	-	-	-	-
Health Department Construction	NEW CO	9,000,000	-	-	-	-
Senior Center Design & Docs	General Fund	1,000,000	-	-	-	-
SE Senior Center Improvements	General Fund	2,500,000	-	-	-	-
Beal Park Phase I Construction (NW soccer fields)	Existing CO Bonds/New CO	12,000,000	-	-	-	-
Hogan Golf Course Restrooms Repl. (five total)	Golf Course Constr. Fund	350,000	-	-	-	-
Hogan Phase 2 Design (one baseball quad)	Park Special Revenue	900,000	-	-	-	-
Reyes Mashburn Nelms Phase II Design & Constr. Documents	NEW CO	-	1,000,000	-	-	-
Reyes Mashburn Nelms Phase II Constr. (two baseball fields,	Park Special Revenue	-	18,000,000	-	-	-
SSC - Paint Both Stadiums	Sports Complex	-	1,500,000	-	-	-
SSC - Momentum Bank Ballpark Turf	Sports Complex	-	1,500,000	-	-	-
Midland Senior Center Construction	NEW CO	-	18,000,000	-	-	-
MUGS Softbal (replace restroom, locker room & lighting)	Park Special Revenue	-	1,400,000	-	-	-
SSC - Baseball Video Board Replacement	Sports Complex	-	1,000,000	-	-	-
Windlands Park Construction (building)	Park Special Revenue	-	1,000,000	-	-	-
Beal Park Phase II Design & Construction Documents	Park Special Revenue	-	850,000	-	-	-
Hogan Playground and Splash Pad		-	8,500,000	-	-	-
Hogan Phase 2 Construction		-	12,000,000	-	-	-
Hogan Phase 3 Design (one baseball quad)		-	1,200,000	-	-	-
Land Acquisition for NW Regional Park (~125 acres)		-	12,500,000	-	-	-
Dunagan Park Lighting		-	-	600,000	-	-
MUGS Softball (lights one quad)		-	-	2,000,000	-	-
Hogan Golf Course Pump Station (water treatment)		-	-	330,000	-	-
Beal Park Phase II Construction (additional soccer fields,		-	-	14,000,000	-	-
Windlands Baseball (turf and lights one quad)		-	-	3,000,000	-	-
Hogan Phase 3 Construction		-	-	18,000,000	-	-
Hogan Phase 4 Design (soccer fields, covered basketball courts)		-	-	750,000	-	-
Reyes Phase 3 Design (third multipurpose field, playground,		-	-	1,000,000	-	-
Beal Phase 3 Design (east soccer fields)		-	-	700,000	-	-
Astound Stadium New Artificial Turf	Sports Complex	-	-	1,000,000	-	-
Momentum Ballpark New Playgrounds	Sports Complex	-	-	500,000	-	-
SSC - Auxiliary Field Turf Replacement	Sports Complex	-	-	-	4,000,000	-
Hogan Phase 4 Construction		-	-	-	10,000,000	-
Reyes Phase 3 Construction		-	-	-	10,000,000	-
Beal Phase 3 Construction		-	-	-	4,000,000	-
SSC - Seat Replacement Both Stadiums	Sports Complex	-	-	-	-	1,750,000
Butler Baseball		-	-	-	-	-
Hogan Golf Course Pro Shop Design & Constr. Documents		-	-	-	-	-
<b>COMMUNITY SERVICES SUBTOTAL</b>		<b>27,550,000</b>	<b>83,450,000</b>	<b>42,680,000</b>	<b>33,000,000</b>	<b>2,550,000</b>

### Engineering

Longview Ave (1) - Baird St to Terrell St		1,112,000	-	-	-	-
Garfield St & Florida Ave - Signal		359,000	-	-	-	-

# CITY of MIDLAND

## Capital Improvement Program

CAPITAL IMPROVEMENTS PROGRAM						
DEPARTMENT	FUNDING SOURCE	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Traffic Calming - 10 year program		2,500,000	-	-	-	-
Signal Rehab/Upgrade - 10 year program		5,000,000	-	-	-	-
Midland Draw - Fairgrounds Road to Jackson Street		1,081,200	-	-	-	-
Loop 250 & Big Spring St - Operational Capacity Improvements		600,000	-	-	-	-
Front St & Garfield St - Turn Lane Improvements		772,000	-	-	-	-
Big Spring St & Occidental Pkwy Signal Turn Lane		-	1,067,000	-	-	-
I-20 Backage (Phase 1) - Garfield Rd to Midkiff Rd		-	5,250,000	-	-	-
Loop 250 & Midland Dr - Operational Capacity improvements		-	600,000	-	-	-
Fairgrounds Rd & Mockingbird Ln - Signal Turn Lane		-	1,067,000	-	-	-
COMPASS - Various Locations		-	1,000,000	-	-	-
Fairgrounds Rd. - BI20 to Pine Ave.		-	2,559,105	-	-	-
Midland Draw - Golf Course Rd to Fairgrounds Rd		-	618,240	-	-	-
Wadley Ave. - Godfrey to I Street*		-	10,000,000	-	-	-
Tradewinds Blvd & Deauville Blvd - Signal		-	-	359,000	-	-
Andrews Hwy & Midland Dr - Signal		-	-	359,000	-	-
Golf Course Rd. - Tarleton St. to A St.*		-	-	6,000,000	-	-
COMPASS - Various Locations		-	-	1,500,000	-	-
Mockingbird Ln. - Garfield to A		-	-	15,500,000	-	-
Mockingbird Lane (Holliday Hill to Midland Dr)*		-	-	-	6,000,000	-
I-20 Backage (Phase 2) - Midkiff Rd to Rankin HWY		-	-	-	5,000,000	-
Scharbauer Drive - Fairgrounds Rd to Golf Course Rd	County, MDC, Developer	-	-	-	6,000,000	-
Occidental Pkwy - Midkiff Rd to BS 349*	County, MDC, Developer	-	-	-	6,750,000	-
Midkiff Rd - Passage Way to Occidental Pkwy	County, MDC, Developer	-	-	-	-	6,750,000
Mockingbird Ln (11) - 925' E of Midkiff Rd to Garfield St		-	-	-	-	3,949,000
Antelope Trl (1) - IH 20 WBFR to 2,080' S of CR 127		-	-	-	-	1,666,000
Avalon Blvd. - Musial to Thomason (City Portion)*	MDC, Developer	-	-	-	-	4,250,000
<b>ENGINEERING SUBTOTAL</b>		<b>11,424,200</b>	<b>22,161,345</b>	<b>23,718,000</b>	<b>23,750,000</b>	<b>16,615,000</b>
<b>Water and Sewer Utility</b>						
Upsize 4" iron lines through out City	Operating funds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Replace Lift Stations (Airport and Mockingbord)	Operating funds	1,500,000	-	1,500,000	-	-
Replace/Rehab Outfall lines to Wastewater plant	Operating funds	1,500,000	1,500,000	1,500,000	-	-
Replace/Rehab 50 Manholes in Wastewater system	Operating funds	500,000	500,000	500,000	500,000	500,000
Filter System Upgrades at WPP	Operating funds	1,500,000	-	-	-	-
Upgrade WPP to Chlorine Dioxide	Unallocated funds	-	5,000,000	-	-	-
Increase Clearwell water storage at WPP	Unallocated funds	-	-	-	3,000,000	-
Plant Farm pond liner replacement (required by TCEQ) (start	Unallocated funds	1,000,000	-	-	-	-
Decomission of MBR	Operating funds	-	2,000,000	-	-	-
Design and construction of WPCP Digester	Bond?	-	-	-	5,000,000	8,000,000
Utilites Extension and Taps Program	Operating funds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
New W&WW facility	Unallocated funds	6,000,000	-	-	-	-
Paul Davis Advanced Treatment	Tbar Water Sales/ ROW Sales	-	-	-	35,000,000	-
<b>UTILITIES SUBTOTAL</b>		<b>16,000,000</b>	<b>13,000,000</b>	<b>7,500,000</b>	<b>47,500,000</b>	<b>12,500,000</b>

**54,974,200    118,611,345    73,898,000    104,250,000    31,665,000**

# DEBT SERVICE

# Management

## General Obligation:

The City issues general obligation bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Each debt issuance is evaluated against multiple policies addressing debt service as a percent of operating expenditures, tax and revenue bases for the repayment of debt, the overall debt burden on the community, statutory limitations and market factors affecting tax-exempt interest costs. Sizing of the City’s capital improvement program based on debt capacity in conjunction with conservatively estimated pay-as-you go revenues help stabilize per capita debt and lower annual debt service costs to the City over the long-term.

The City will manage the length of maturity of its long-term debt in order to lower net interest cost and to maintain future flexibility by paying off debt earlier. Generally, the target is 25 years or less.

Adherence to this debt policy helps ensure that the City issues and manages its debt prudently in order to maintain a sound financial position and protect its credit rating.

Credit ratings are the rating agencies’ assessment of the City’s ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and can influence interest rates a borrower must pay. Each of the rating agencies believes that debt management is a positive factor in evaluating issuers and assigning credit ratings. Therefore, implementing debt management practices will be viewed positively by the rating agencies and could influence the City’s credit rating and ultimately lower borrowing costs. The City of Midland most recently received a “AAA” by Fitch Ratings (“Fitch”) and “Aa1” by Moody’s Investors Service (“Moody’s”). Moody’s credited the City with “strong budgetary practices and reserves to mitigate operating challenges”.

## Debt Tax Rate Limitations:

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax-supported debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 of Taxable Assessed Valuation.

COMPUTATION OF LEGAL DEBT LIMIT	
Assessed Value	\$ 20,335,181,717
Debt Limit 8% of Assessed Value	\$ 1,626,814,537
Debt Applicable to Debt Limit (at 10/5/21)	\$ 173,280,000
Unused Legal Debt Limit	\$ 1,453,534,537

The Home Rule Charter of the City, however, limits its tax rate to \$2.00 per \$100 Assessed Valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.20 of the \$2.00 maximum tax rate for all debt service secured a levy of ad valorem taxes, as calculated at the time of issuance. The City's 2023/2024 tax levy is \$0.350662 of which \$0.060825 is for debt service purposes.

As of January 1, 2020, Senate Bill 2 revised the Property Tax requirements for Texas Municipalities, limiting the calculation of the voter approval rate to a 1.035 multiplier. However, any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

<b>Tax Supported Debt:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>
<b>2023 GO</b>	\$300,000	\$1,287,537	\$1,587,537
<b>2021 CO</b>	\$765,000	\$753,925	\$1,518,925
<b>2021 Refunding 2012 GO</b>	\$575,000	\$287,475	\$862,475
<b>2020 Refunding 2014 GO</b>	\$1,498,966	\$229,886	\$1,728,851
<b>2020 GO</b>	\$585,000	\$817,575	\$1,402,575
<b>2020 CO</b>	\$260,000	\$283,800	\$543,800
<b>2019 GO Road Bond</b>	\$650,000	\$876,950	\$1,526,950
<b>2019 GO-2009 Refunding</b>	\$520,000	\$137,250	\$657,250
<b>2019 CO</b>	\$275,000	\$300,075	\$575,075
<b>2018A Road Bond</b>	\$1,035,000	\$975,463	\$2,010,463
<b>Total</b>	<b>\$6,463,966</b>	<b>\$5,949,935</b>	<b>\$12,413,901</b>



SECTION I:

# DEPARTMENTAL BUDGET DETAIL

# GENERAL FUND

The General Fund tracks the revenues and expenditures for general purpose governmental functions. This includes Fire, Police, Engineering and Administrative Services. This is the fund that receives property tax and sales tax.

# Descriptions

## CITY COUNCIL (LEGISLATIVE)

The powers of government, as outlined by the City Charter and other laws, are maintained by the Mayor and Council. This body is responsible for policy leadership, the general direction of the City's government, and the appointment of various boards as the occasion arises.

## CITY MANAGER OFFICE

The City Manager is the chief administrative officer of the City. He and his office are responsible directly to the Council for the execution of policies of the Council. This office is responsible for the enforcement of all laws, the appointment of all department managers with the approval of the Council, except the City Attorney, City Secretary, and the Municipal Court Judge and performs duties prescribed by the City Charter and the City Council.

### **STRATEGIC COMMUNICATION OFFICE:**

The Public Communications Office handles all media and public relations for the City of Midland representing every department/division; handles special projects for the City Manager's Office and City Council including but not limited to Annual Report, Mayor's State of the City Address, and various public relations or marketing projects as they arise; assists in marketing and special projects for all other departments. Manages and oversees the Citizen's Action Center and various other resident communication tools such as City of Midland newsletters, educational programs (Such as Midland 101), social media memberships, and City TV programming. Manager of city branding, logos, and images; designs, maintains, and produces the City of Midland website, social media sites, and other promotional print material as directed.

## MUNICIPAL COURT

The Municipal Court Judge is appointed by the City Council and holds court five days a week. The office personnel are under the general direction of the Municipal Court Judge. The office prepares and maintains records and files which pertain to court procedure. The department also serves warrants and in general makes collections for all fines assessed by the Judge.

## CITY ATTORNEY (LEGAL)

The City Attorney and his staff are responsible to the City Council. The department represents the City in all lawsuits and hearings; provides legal advice to all departments; and prepares necessary documents in relation to contracts, ordinances, resolutions, and other legal instruments as needed.

## CITY SECRETARY

This office carries out the duties outlined in the City Charter. The Secretary is required to attend all Council meetings and keep accurate minutes of the proceedings; she maintains and files all documents, books, papers, and contracts of a legal nature; she countersigns all commissions and licenses. She is the keeper of the City Seal and affixes it to documents and papers as needed when legally authorized to do so; she maintains records of all appointments to various boards and commissions. The City Secretary attends bid openings which exceed \$25,000.

## ADMINISTRATIVE SERVICES

### **HUMAN RESOURCES:**

The objectives of this department are to serve all departments and divisions by recruiting permanent, part-time, and seasonal employees. The division also maintains classification and compensation schedules; keeps personnel records on all employees; directs the City's employee benefit programs; serves as a central agency for employee recognition and training programs, as well as conducts other activities compatible with a sound human resource management system including policy development and enforcement.

## COMMUNICATION & INFORMATION SYSTEMS

### **CISD ADMINISTRATION:**

The Administrative Division of Communications and Information Systems consists of the Department Director and Administrative Secretary. The Director is responsible for the management of the Communications and Information Systems Department. The Administrative Secretary, in addition to providing secretarial services for the Department Director, is responsible for all voice and data telecommunications orders and changes as well as review of all telecommunications invoices for payment.

### **INFORMATION SYSTEMS:**

Information Systems is responsible for the computer information systems of the financial, payroll/personnel, purchasing, inventory, equipment and vehicle preventative maintenance, and utility billing for the City of Midland. The division's programming group is responsible for application software development, maintenance, and enhancement of these computer systems. In addition, the programming group supports all personal computer installations in the City and provides programming support for the Engineering geographical data base system.

### **COMMUNICATION MAINTENANCE:**

This division is responsible for all radio maintenance for the entire City.

### **GIS ADMINISTRATION:**

The purpose of the Geographic Information System (GIS) Division is to administer, edit, and display the City of Midland spatial and nonspatial data. The division provides and maintains geographic data, custom mapping applications, and static maps to city employees and the general public. The division also provides GIS training and support services to end users in multiple city departments and other outside agencies.

## FINANCE

### **FINANCE ADMINISTRATION:**

The Finance Administration Division oversees all aspects of the City's financial operations. The Finance Director leads accounting staff, oversees internal controls, engages with investors, evaluations investments, monitors expenditures and manages tax compliance. The budget team is responsible for all aspects of developing, implementing, and monitoring the City's annual budget. The team evaluates the needs of each department, creating short and long-term budget strategies to align funds with the current economic situations. The budget is designed and implemented to comply with legislation while ensuring growth and sustainability.

### **ACCOUNTING:**

Accounting maintains budgetary controls on all expenditures and revenues of the City; maintains central accounting records; distributes and prepares financial statements; disburses on all City obligations; and has a general responsibility for financial forecasting and planning.

### **TREASURY:**

Treasury determines cash flow needs for payrolls, commodities, special services, and projects and ensures that funds will be available when required. Funds in excess of present requirements are carefully and professionally managed to preserve capital and optimize safe and secure return. Treasury also maintains the banking accounts, revenue, accounts receivable, debt service and investments.

### **CASHIERING:\***

The Cashiering Division works to ensure that cash receipts from various departments of the City are collected daily, properly recorded and are timely deposited at the bank.

\*Funded under Enterprise Fund – Water Services

## GENERAL SERVICES

### **PURCHASING:**

The Purchasing Division is responsible either directly or through delegation of authority, for the purchase or contracting of all materials, supplies, equipment and contractual services needed by any and all departments of the City. The Purchasing Agent reports to the Director of Facilities and Fleet Management. The duty of the Purchasing Agent is to assure that the Division's responsibilities are carried out in compliance with policies and statutes.

### **FACILITY SERVICES:**

This division maintains City Hall, Loraine Center, ten fire stations, Municipal Court, Animal Control, two Senior Centers, Health Department and several operations buildings, and does much of the maintenance of other city buildings. This division budget provides funds to pay for maintenance of heating and cooling equipment, janitorial services, general maintenance and remodeling services, and payment of electrical and natural gas bills for most of the above-mentioned facilities.

## DEVELOPMENT SERVICES

### **PLANNING & DEVELOPMENT:**

This division has the responsibility of providing technical assistance to the Planning and Zoning Commission and to the City Council on matters relating to land use, zoning, and the processing of subdivisions. This division conducts planning studies, maintains graphs and charts, land use maps, and zoning maps pertinent to planning the logical development of the City.

### **COMMUNITY DEVELOPMENT:**

This division is responsible for daily program management, oversight and coordination of the Community Development Block Grant (CDBG) program. The division prepares the annual application for funds, maintains the Consolidated Plan for Community Development and Housing Funds, contracts with subrecipient agencies, conducts fair housing programming and environmental reviews, monitors all CDBG projects, and addresses a variety of federal requirements on a general basis and for project specific situations. Additionally, the division administers the City housing programs - housing rehabilitation loans, emergency repair grants and home purchase assistance loans.

### **CODE ADMINISTRATION:**

This division makes detailed inspections of all new building, plumbing, electrical facilities, and other mechanical installation; issues various construction permits, collects water and sewer pro rata and tap fees; enforces building, electrical, plumbing, zoning, sign, swimming pool, water well and trailer park ordinances; and property maintenance codes pertaining to such matters as dilapidated structures, junk vehicles, weeds and debris, and nuisance water in streets. The division seeks out code violations and attempts to bring them into compliance. Contracts are prepared and supervised for removal of dilapidated structures and clearing of weedy lots. Complaints are filed in Municipal Court when other code violations are not corrected. The division also processes appeals to the Building Code Board of Appeals and Zoning Board of Adjustment and reviews and proposes updating of the various codes on a continuing basis as needed.

## ENGINEERING

### ENGINEERING SERVICES:

The Engineering Division is one of four divisions within the Engineering Services Department and includes the responsibility for administration and oversight of the department. The division is also responsible for review and permitting of development projects; design, review, construction management, and inspection of transportation and utility capital improvement projects; floodplain administration for the City and County; and general engineering support to internal and external customers.

### TRAFFIC OPERATIONS:

The Traffic Operations Division is one of four divisions within the Engineering Services Department. Its purpose is to operate and maintain traffic control and safety devices on public rights-of-way within the City limits. This includes the operation, maintenance, repair, and improvement of pavement markings, signs, traffic signals, street lighting, school flashers, emergency warning sirens, and various other traffic control devices. The division's responsibilities also include traffic engineering review of capital and development projects; oversight of right-of-way access permitting and licensing for all City departments; collection, analysis and dissemination of traffic data; and support of other divisions for special events and emergency response.

### TRANSPORTATION:

The Transportation Division is one of four divisions within the Engineering Services Department. Its purpose is to operate and maintain public rights-of-way within the City limits. This includes the operation, maintenance, repair, and improvement of paved and unpaved public streets and alleys, drainage channels and basins, storm drain systems, and other related infrastructure. The division's responsibilities also include support of city-sponsored special events and emergency response for flooding, brush and wildland fires, snow and ice events, and various other weather-related, natural and man-made incidents.

## COMMUNITY SERVICES

### PARKS:

The Community Services Director has general responsibility for all programs in Parks, Recreation, Health and Senior Services, Hogan Park Golf Course and Animal Services. The parks function of this division provides for general purpose public parks. The Park division develops and maintains a quality park system throughout the City of Midland.

### ANIMAL SERVICES:

This division picks up and impounds stray animals, picks up dead animals, keeps records of all animals impounded, issues receipts of all fees collected, maintains the shelter properly, and enforces ordinances as passed by the City Charter and state laws as mandated.

### RECREATION:

The recreation function provides liaison support to numerous nonprofit and civic organizations which in turn provide for and carry out a full scope of recreational services for the citizens throughout the year. In addition to programs offered by the City, the recreational function is also carried out through a system of privatization contracts and operating agreements. The Washington Park and the Martin Luther King Jr. Community Center provide facilities for the citizens to socialize and programming for wellness opportunities. Youth development activities are also housed in the Martin Luther King Jr. Community Center. Rooms at the Martin Luther King Jr. Center are available for public use through a rental system, as are rentals of other city parks and park facilities.

### HEALTH SERVICES:

This department is concerned with the prevention of disease and promotion of good health and well-being by community effort. Various programs carried out by this department are environmental sanitation, food establishment inspection, vector control, public health laboratory services, public health education, communicable disease control, public health laboratory services, and the maintenance of records on vital statistics such as immunization, and all illness.

### SENIOR SERVICES:

Senior Services provides programming to Midland's senior population and maintains two senior centers.

## POLICE DEPARTMENT

### **COMMUNICATIONS:**

The Communications Division is responsible for Midland's Public Safety telecommunications endeavor. This responsibility ranges from taking emergency 911 calls to communicating via a nationwide law enforcement computer network; from dispatching via two-way radio, to researching and installing state-of-the-art radio communications equipment. Since the 1991-92 fiscal year, the centralized dispatch center has provided dispatching services for the county sheriff's office, as well.

### **VCLG PROGRAM:**

The Victim Crime Liaison office will work to assist eligible victims of crime, guardians of victims, or relatives of deceased victims in obtaining benefits under the Crime Victim Compensation Act. This position is partially funded by a grant from the Texas Attorney General's office and is subject to renewal on a yearly basis.

### **AIRPORT POLICE:**

The function of the Airport Police is to provide 24-hour security for the Midland International Airport. Officers patrol secured areas of the airport and respond to aircraft alerts. They provide security at the screening checkpoint which ensures the safety of passengers and airport employees. The Airport Police work closely with Airport Operations, Midland Fire Department, US Transportation Safety Administration, US Immigrations and Customs Enforcement, and the Federal Aviation Administration. Additionally, they provide some patrol functions in the recently annexed areas near the airport.

### **CVE (COMMERCIAL VEHICLE ENFORCEMENT):**

The basic function of the Commercial Vehicle Enforcement is weighing and checking commercial vehicle traffic operating over the public highways of this state so that compliance with the statutory provisions of law regulating weight, motor carrier safety, registration, transportation of persons, hazardous material and other property can be obtained.

### **SPECIAL OPERATIONS-STEP:**

This division is used to account for the overtime and fringes associated with the STEP program. Base salaries are accounted for in other divisions of the Police Department. The cost of this division is fully reimbursed by the Texas State Department of Highways and Public Transportation.

### **POLICE ADMINISTRATION:**

This bureau is responsible for the administration of the entire department. In addition to those services, the Administrative Services Bureau is responsible for the offices of: Internal Affairs, Accreditation, and Personnel and Recruiting.

### **SUPPORT SERVICES BUREAU:**

The Support Services Bureau is responsible for physical fitness training, in service / firearms training, telephone response reporting, police records, data entry, and property and evidence, purchasing / supply and grants. In addition, this bureau is responsible for liaison between the Police Department and the Information Systems Department for communications and computers.

### **FIELD OPERATIONS BUREAU:**

The Field Operations Bureau is the department's largest bureau. The bureau's objective is to assist in the creation and implementation of policing procedures that not only combat the criminal element but also eliminate conditions that lead to crime. The bureau's purpose is to provide "first response" to all calls for police service. The bureau is comprised of the Patrol Division and the Traffic section. Specialized units within the bureau consist of Field Training Office Program, the Explosive Ordinance Detail, Emergency Operations, Bicycle Patrol, the ATV (all-terrain vehicle) Unit, K-9 Unit, and the Gang Suppression Unit. Personnel assigned to the bureau are responsible for police patrol duties, traffic control, accident investigations, initial criminal investigations, handling of explosive devices, emergency operations, training newly graduated police recruits, and car program.

### **INVESTIGATIVE SERVICES:**

The purpose is to investigate all criminal offenses assigned to the various sections within the Bureau. Investigative Service Bureau personnel will initiate and conduct thorough investigations, prepare and execute arrest and/or search warrants, prepare case reports and any other documentation or assignments required to present complete cases to the appropriate prosecuting authority for successful prosecution of defendants. The Investigative Services Bureau gathers and disseminates information concerning criminal activity to other divisions within the Police Department. Community Relations is also assigned to this bureau. Some of the programs that they coordinate include: Cadet Program, Citizen Police Academy, and National Night Out.

## FIRE DEPARTMENT

### **FIRE ADMINISTRATION:**

This department, under the direction of the Fire Chief, is responsible for the protection of life and property, the enforcement of fire ordinances, fire prevention, fire suppression and rescue work. The department answers all fires and related emergency calls within Midland County.

### **FIRE TRAINING:**

This division is under the direction of the Fire Chief and is responsible for all areas of training for the Fire Department.

### **FIRE PREVENTION:**

This division is under the direction of the Fire Chief and is headed up by the Fire Marshal. The division is responsible for all fire prevention activities as well as fire investigations and building code inspections.

### **EMERGENCY MEDICAL SERVICE:**

This division is under the direction of the Fire Chief and operates the six ambulances stationed at the fire stations.

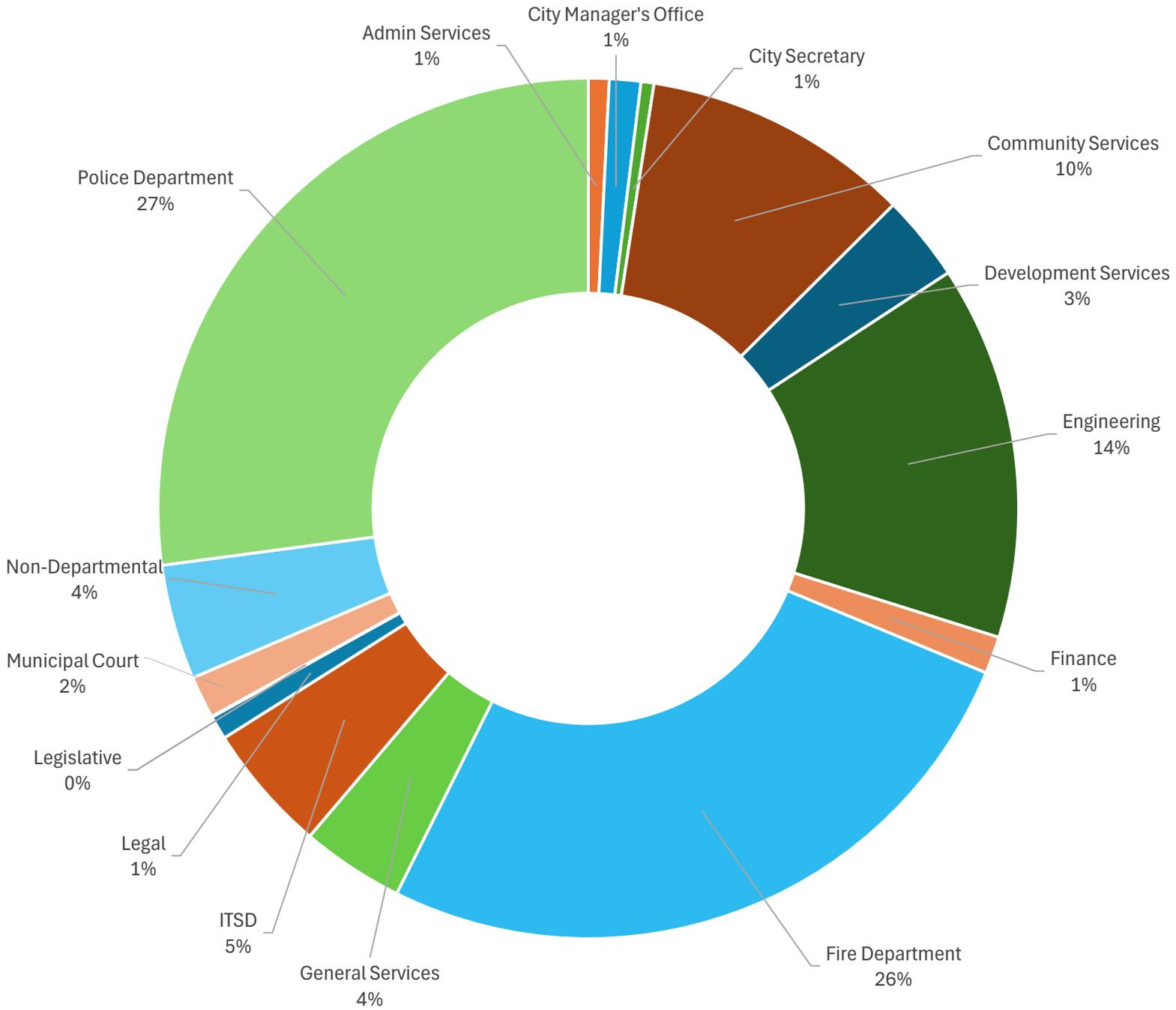
### **EMERGENCY MANAGEMENT:**

This division is under the Fire Chief. It is responsible for coordinating all the components of the emergency management system in the jurisdiction. These components consist of fire and police, emergency medical service, public works, volunteers, and other groups contributing to the management of emergencies. This division is to make certain that the components on the emergency management system know the threats to the jurisdiction, plan for emergencies, can operate effectively in an emergency, and can conduct recovery operations after a disaster.



# FY 2024 GENERAL FUND

## Expenditures



# GENERAL FUND

## Budget Summary

### REVENUES TYPES

	FY22 Actuals	FY23 BUDGET	FY24 BUDGET	% CHANGE
City Sales Tax	61,052,818	57,000,000	65,000,000	14.04%
Ad Valorem Taxes	52,883,866	55,627,298	60,222,137	8.26%
Franchise Fee Tax	18,726,344	17,222,500	17,862,976	3.72%
Interfund Charges	5,624,410	5,578,694	9,424,812	68.94%
Ambulance Fees	4,187,577	3,200,000	4,000,000	25.00%
Fines & Forfeitures	2,552,819	2,139,276	2,304,500	7.72%
Building Revenue	1,744,103	2,019,500	2,079,700	2.98%
Interest Income	1,356,744	1,000,000	1,300,000	30.00%
Occupational Permits	591,044	301,000	402,000	33.55%
Facility Rental/Fee	362,170	335,000	380,000	13.43%
Intergovernmental Rev	480,114	489,813	557,960	13.91%
Interest & Penalties	684,863	550,000	551,500	0.27%
Intergov Contrib	745,414	377,000	527,000	39.79%
Health Revenue	571,471	504,000	580,200	15.12%
Misc Revenue	(5,409,291)	2,206,460	2,299,510	4.22%
<b>TOTAL</b>	<b>\$146,154,465</b>	<b>\$148,550,541</b>	<b>\$167,492,295</b>	<b>12.75%</b>

### EXPENDITURES BY

#### DEPARTMENT

	FY22 Actuals	FY23 BUDGET	FY24 BUDGET	% CHANGE
Legislative	37,290.78	45,411.00	49,654.00	9.34%
City Managers Office	1,316,627	1,540,723	1,978,341	28.40%
Municipal Court	2,029,237	2,407,684	2,667,072	10.77%
Legal	1,166,037	1,356,459	1,494,500	10.18%
City Secretary's Office	660,166	795,676	812,420	2.10%
Administrative Services	859,151	1,124,955	1,302,272	15.76%
ITSD	7,040,850	8,060,232	8,093,482	0.41%
Finance	1,683,373	2,189,007	2,338,968	6.85%
General Services	3,908,642	5,510,362	6,472,402	17.46%
Development Services	3,537,210	4,787,448	5,417,909	13.17%
Engineering	18,883,856	21,422,597	23,575,780	10.05%
Community Services	13,082,040	14,839,855	16,904,638	13.91%
Police	33,788,910	38,974,564	45,413,378	16.52%
Fire	34,785,844	38,309,472	43,720,554	14.12%
Non-Departmental	10,714,095	7,329,184	7,250,925	-1.07%
General Fund Transfer	5,297,322	0	0	
<b>TOTAL</b>	<b>\$138,790,652</b>	<b>\$148,693,628</b>	<b>\$167,492,295</b>	<b>12.64%</b>

### BUDGET BY TYPE

	FY22 Actuals	FY23 BUDGET	FY24 BUDGET	% CHANGE
Personnel	83,244,789	94,173,601	107,637,874	14.30%
Other	5,919,118	1,089,096	866,287	-20.46%
Operating	7,358,509	8,866,800	9,860,672	11.21%
Contractual	30,520,342	36,671,697	40,171,946	9.54%
Capital	6,450,573	7,892,434	8,955,516	13.47%
Transfer	5,297,322	0	0	
<b>TOTAL</b>	<b>\$138,790,652</b>	<b>\$148,693,629</b>	<b>\$167,492,295</b>	<b>12.64%</b>

# City Council (Legislative)

## Department Overview -

The powers of government, as outlined by the City Charter and other laws, are maintained by the Mayor and Council. This body is responsible for policy leadership, the general direction of the City's government, and the appointment of various boards as the occasion arises.

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	2,699	2,914	2,914	0.00%
Operating Expenses	15,387	9,301	12,562	35.06%
Contractual Services	16,813	31,136	32,057	2.96%
Other Uses	2,392	2,060	2,121	2.96%
Capital	-	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$37,291</b>	<b>\$45,511</b>	<b>\$49,654</b>	<b>9.34%</b>

# City Manager's Office

## Department Overview -

The City Manager's Office prepares recommendations and implements policy aligned with the City Council's Strategic Plan. The City Manager is the Chief Executive Officer, responsible for planning, directing, managing, and reviewing all activities and operations of the city. The City Manager's Office coordinates programs, services, and activities among city departments, outside agencies, and other taxing entities. The City Manager ensures the financial integrity of the organization, provides municipal policy advice and administrative support to the Mayor and the City Council.

### ACCOMPLISHMENTS OF FY 2023:

- Downtown Development
- Organizational Restructure to better serve the public's needs.
- Identified funding for projects with community partners.
- Completed 24 of the 26 road improvements as part of the Midland Road Bond.
- Made improvements to public facilities.

### OBJECTIVES/GOALS FOR FY 2024:

- Implement Mayor & Council Strategic Plan.
- Lead initiatives that correlate with Strategic Pillars identified by the Mayor and Council
- Improve Parks system with the implementation of key projects.
- Develop a 5-year Capital Improvement Plan.
- Identify funding strategy for the Capital Improvement Plan.
- Develop a plan based on inputs from customers that improves services to the public.
- Strengthen communication internally and externally.
- Fund initiatives that support strategies to increase public safety.
- Preserve and protect water rights.
- Support programs that provide funding options to address transportation & infrastructure needs.
- Support programs which promote economic growth.

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,224,011	1,443,138	1,827,968	26.67%
Operating Expenses	16,714	20,422	21,030	2.98%
Contractual Services	72,704	75,103	126,422	68.33%
Other Uses	3,198	2,060	2,921	41.80%
Capital	-	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$1,316,627</b>	<b>\$1,540,723</b>	<b>\$1,978,341</b>	<b>28.40%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
City Manager's Office	5	5	5
Public Information Office	3	4	5
Internal Audit	-	-	-
<b>TOTAL</b>	<b>8</b>	<b>9</b>	<b>10</b>

# Municipal Court

## Department Overview -

The Municipal Court Judge is appointed by the City Council and holds court five days a week. The office personnel are under the general direction of the Municipal Court Judge. The office prepares and maintains records and files which pertain to court procedure. The department also serves warrants and in general makes collections for all fines assessed by the Judge.

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,884,527	2,218,506	2,452,482	10.55%
Operating Expenses	41,716	57,869	58,125	0.44%
Contractual Services	100,750	129,309	154,465	19.45%
Other Uses	2,244	2,000	2,000	0.00%
Capital	-	-	-	-

<b>TOTAL DEPT. BUDGET</b>	<b>\$2,029,237</b>	<b>\$2,407,684</b>	<b>\$2,667,072</b>	<b>10.77%</b>
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Staffing	ACT FY22	BUD FY23	BUD FY24
Municipal Court	24.00	23.00	23.00
<b>TOTAL</b>	<b>24.00</b>	<b>23.00</b>	<b>23.00</b>

# City Attorney (Legal)

## Department Overview -

The City Attorney and his staff are responsible to the City Council. The department represents the City in all lawsuits and hearings; provides legal advice to all departments; and prepares necessary documents in relation to contracts, ordinances, resolutions, and other legal instruments as needed.

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,120,654	1,286,017	1,396,968	8.63%
Operating Expenses	6,583	11,750	13,000	10.64%
Contractual Services	38,799	58,517	84,232	43.94%
Other Uses	-	175	300	71.43%
Capital	-	-	-	-

<b>TOTAL DEPT. BUDGET</b>	<b>\$1,166,036</b>	<b>\$1,356,409</b>	<b>\$1,494,500</b>	<b>10.18%</b>
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Staffing	ACT FY22	BUD FY23	BUD FY24
Legal	8	8	8
General Liability	2	4	4
<b>TOTAL</b>	<b>10</b>	<b>12</b>	<b>12</b>

# City Secretary

## Department Overview -

This office carries out the duties outlined in the City Charter. The Secretary is required to attend all Council meetings and keep accurate minutes of the proceedings; she maintains and files all documents, books, papers, and contracts of a legal nature; she countersigns all commissions and licenses. She is the keeper of the City Seal and affixes it to documents and papers as needed when legally authorized to do so; she maintains records of all appointments to various boards and commissions. The City Secretary attends bid openings which exceed \$25,000.

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	588,089	642,187	629,595	-1.96%
Operating Expenses	1,467	4,550	7,500	64.84%
Contractual Services	70,505	148,939	173,325	16.37%
Other Uses	-	-	-	-
Capital	-	-	-	-

<b>TOTAL DEPT. BUDGET</b>	<b>\$660,166</b>	<b>\$795,676</b>	<b>\$812,420</b>	<b>2.10%</b>
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Staffing	ACT FY22	BUD FY23	BUD FY24
City Secretary	6	6	6
<b>TOTAL</b>	<b>6</b>	<b>6</b>	<b>6</b>

# Administrative Services

## Department Overview -

The objectives of this department are to serve all departments and divisions by recruiting permanent, part-time, and seasonal employees. The division also maintains classification and compensation schedules; keeps personnel records on all employees; directs the City's employee benefit programs; serves as a central agency for employee recognition and training programs, as well as conducts other activities compatible with a sound human resource management system including policy development and enforcement.

### ACCOMPLISHMENTS OF FY 2023:

- Continued to streamline the hiring and on-boarding process
- Negotiated savings life insurance renewal for 2023
- Increase life insurance benefits for 2023
- Negotiated savings stop-loss insurance renewal for 2023
- Conducted a comprehensive salary survey to align compensations accordingly
- Revamped the Employee Appreciation efforts.
- Updated leave policies.

### OBJECTIVES/GOALS FOR FY 2024:

- Continue to review policies for updating.
- Increase recruiting efforts by 10%
- Implement Employee Review process
- Review City's personnel policies and update them if needed.
- Implement a new HRIS system.
- Create various pipelines of recruitment.
- Develop a robust Training Program and Wellness Program.
- Develop Employee Development programs

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Turnover rates	13.68%	18.6%	19.33%	15%
Total number of new hires	291	190	244	275
Total Number of Retirees Covered (Employee Benefits)	173	196	234	N/A
Total Number of Employees & Dependents Covered (Employee Benefits)	1,320	2,399	2301	N/A

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	635,965	740,268	864,946	16.84%
Operating Expenses	27,785	85,750	30,750	-64.14%
Contractual Services	181,941	297,437	404,576	40.61%
Other Uses	13,460	1,500	2,000	33.33%
Capital	-	-	-	-

<b>TOTAL DEPT. BUDGET</b>	<b>\$859,151</b>	<b>\$1,124,955</b>	<b>\$1,302,272</b>	<b>15.76%</b>
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## Staffing

	ACT FY22	BUD FY23	BUD FY24
Human Resources	7	7	8
<b>Total</b>	<b>7</b>	<b>7</b>	<b>8</b>

## Department Overview -

The objective of this department is to empower the City of Midland through outstanding IT services, ensuring unparalleled customer service, modernized technology, and robust cybersecurity. The vision is to be recognized as the leading Information Technology Department in Texas, setting standards for excellence, innovation, and service in the public sector.

### ACCOMPLISHMENTS OF FY 2023:

- Initiated and completed the first phase of the Motorola Radio Project.
- Enhanced security posture using automated threat detection and response system.
- Enhanced network resilience and availability by establishing network DR site.
- Achieved 100% enforcement of multi-factor authentication across all user accounts.
- Improved city-wide physical security by upgrading camera and access control systems.
- Developed a comprehensive Incident Response Plan to handle IT security incidents.
- Enhanced municipal court operations by upgrading the server infrastructure.
- GIS developed a Surface Layer Interactive Web Mapping

### OBJECTIVES/GOALS FOR FY 2024:

- Complete the Motorola Radio Project.
- Establish the Permian Basin Interoperability Radio Committee.
- Implement SeeClickFix to improve community issue reporting.
- Launch AI Chatbot (Jacky) to enhance customer service.
- Implement new VOIP Phone System to upgrade communication infrastructure.
- Implement new Contact Center System to increase efficiency.
- Deploy new IT Ticket System to streamline support requests.
- Complete the IT Strategic Plan and present to stakeholders.
- Adapt NIST Information Security Framework to enhance security.
- Improve IT policies to align with current technology standards.
- Implement a project intake process to align with business needs and boost efficiency.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Availability of City’s entire network	98.41%	98.889%	99.889%
Users completed Security Awareness Training	93%	95%	98%
User Multi-factor Authentication (MFA) Enrollment	95%	100%	100%
Device Multi-factor Authentication (MFA) enrollment	18%	50%	75%
Public Wi-Fi availability at all city parks	10%	10%	30%
Security Posture Score	84%	89%	95%

<b>Expenditures</b>	<b>ACT FY22</b>	<b>BUD FY23</b>	<b>BUD FY24</b>	<b>% Change</b>
Personnel	2,340,976	3,205,835	3,566,184	11.24%
Operating Expenses	279,927	216,952	208,391	-3.95%
Contractual Services	4,399,227	4,637,445	4,318,907	-6.87%
Other Uses	-	-	-	-
Capital	20,720	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$7,040,850</b>	<b>\$8,060,232</b>	<b>\$8,093,482</b>	<b>7.68%</b>

<b>Staffing</b>	<b>ACT FY22</b>	<b>BUD FY23</b>	<b>BUD FY24</b>
Information Systems Administration	3	3	3
GIS Administration	-	5	5
Information Systems	20	21	23
Comm Maintenance	2	2	2
<b>TOTAL</b>	<b>25</b>	<b>31</b>	<b>33</b>

# Finance

## Department Overview –

The Department of Finance professionally and responsibly manages the City’s resources, new online portal, and all financial affairs, while efficiently providing related financial and budgetary reports, and protecting the City's strong financial reputation. This department encompasses Budget development, Treasury, Accounts Payable, Investments, Administration, Billing and Cashiering. Finance develops the City’s Annual Comprehensive Financial Report, the City’s Annual Budget, and all transparency reporting, by adherence to and consistent with governmental accounting standards, Texas law, the City Charter, and City Administrative Policies.

### ACCOMPLISHMENTS OF FY 2023:

- Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 36th consecutive year
- Bond ratings remained stable at ‘AAA’ and “Aa1”
- Received the Distinguished Budget Award for FY 2023 from the Government Finance Officers Association (GFOA)

### OBJECTIVES/GOALS FOR FY 2024:

- Increase communication regarding budget and tax rates to council and citizens
- Continue to analyze and improve year end close and budget process annually
- Improve reporting and transparency
- Produce Quarterly financials to Council and Committee
- Update critical financial policies
- Bring AMI (Advanced Metering Infrastructure) system to 99%
- Zero findings on Annual Comprehensive Financial Report

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
General Fund expenditures percentage under Adopted Budget: Over/(under) Budget	(4.07%)	(8.17%)	(2.42%)	0%
MAPE for General Fund revenue forecast to actuals: Actuals Over/(under) Revenue Forecast	17.93%	5.75%	18.41%	0%
Number of Invoice Discrepancies (average per month)	276	43	26	20
Implement two (minimum) improvements made by reviewers of GFOA Budget Award	4	4	3	2

\*2021 Revenue exhibited a high forecast to actuals due to CARES and ARPA grant revenue. 2023 exhibited a high forecast to actuals due to higher than anticipated sales tax revenue and adjustment to internal service revenue.

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,535,482	1,935,111	2,039,054	5.37%
Operating Expenses	19,555	19,975	22,023	10.25%
Contractual Services	128,336	233,920	277,891	18.80%
Other Uses	-	-	-	-
Capital	-	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$1,683,373</b>	<b>\$2,189,006</b>	<b>\$2,338,968</b>	<b>6.85%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Accounting	9	10	10
Finance Administration	4	4	4
Treasury	4	4	4
<b>Total</b>	<b>17</b>	<b>18</b>	<b>18</b>

# General Services

## Department Overview -

To create and support a well-maintained infrastructure and to provide the highest quality service for all City of Midland citizens, departments and divisions in a responsive and efficient manner. To provide cost savings in an impartial manner to our City citizens while ensuring integrity, quality, effectiveness and efficiency within the appropriate guidelines. Provide preventative maintenance and road call services for the entire city fleet of vehicles and equipment.

### ACCOMPLISHMENTS OF FY 2024:

- LED lighting upgrade at Central Fire Station.
- Removed and replaced concrete driveway at Fire Station 4.
- Started Police Department Renovations and Central Fire Station Wellness Center Project
- Replaced roof at Fire Station 8
- Implemented Purchasing e-bidding software system
- Remained under FY budget for expenditures while addressing emergency needs throughout the year.
- Approved requisitions in a timely manner.

### OBJECTIVES/GOALS FOR FY 2025:

- Ensure that all occupied buildings are structurally sound.
- Respond to general building maintenance requests within 8 working hours.
- Respond to emergency requests within 20 minutes.
- Purchases over \$50,000 will be solicited through a formal bid process or purchased through a purchasing cooperative.
- Complete all information requests within one work day.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of re-bids	2	5	11	0
Purchases over \$50,000 that were solicited through a formal bid process	60	50	75	70
Percentage of building maintenance requests responded to within an 8-hour period	80%	83%	85%	86%
Total number of purchase orders for the City	2,616	3,051	3,370	3,400
Total number of contracts for the City	169	131	166	170
Mainscape work order system – completed work orders by location/cost	433	997	722	750

### Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,134,956	1,228,024	1,382,456	12.58%
Operating Expenses	1,050,262	1,211,245	1,410,717	16.47%
Contractual Services	1,461,168	1,909,919	1,860,379	-2.59%
Other Uses	-	-	-	-
Capital	262,256	1,161,174	1,818,850	56.64%
<b>TOTAL DEPT. BUDGET</b>	<b>\$3,908,642</b>	<b>\$5,510,362</b>	<b>\$6,472,402</b>	<b>17.46%</b>

### Staffing

	ACT FY22	BUD FY23	BUD FY24
Purchasing	6	6	6
Facilities Services	6	6	7
<b>TOTAL</b>	<b>12</b>	<b>12</b>	<b>13</b>

# Development Services

## Department Mission –

The Development Services Department guides sustainable growth, promotes safe and attractive neighborhoods, strengthens the economy, and enhances Midland residents’ quality of life through comprehensive planning, streamlined permitting and inspection services, proactive code enforcement, and impactful community development initiatives.

### ACCOMPLISHMENTS OF FY 2023:

- Streamlined permit processes, including new one-stop application and permitting office
- Added one new position of permit clerk
- Launched new Development Services website
- Developed regulation for entertainment district
- Developed regulations and application for cultural district
- Provided boarding and recovery shelter for homeless COVID victims.

### OBJECTIVES/GOALS FOR FY 2024:

- Reduce permit issuance timelines with more efficient reviews and automation.
- Reduce regulatory barriers to support business growth through development code revisions.
- Stimulate development in key districts using tax increment financing and economic incentives.
- Launch a small business assistance program for improved capital access.
- Enhance code enforcement outcomes for health and safety, focusing on overgrown lots and substandard buildings.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of code enforcement cases	5,660	7,523	5,994	6,000
Oil & gas permits*	31	71	25	20
House/Structure Demolitions	36	25	34	30
Meals to disabled/homebound people**	1,342	30,316	1,571	1,500
Permit revenue	\$2,011,365	\$1,712,764	\$1,666,362	\$2,000,000
Residential permits approved	1,384	1,051	1,346	1,400

\*Oil & gas permits are decreasing as drilling moves outside city limits.

\*\*The number of meals served correlates with the funding streams and grant awards received in a given grant year.

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	3,284,804	3,995,086	4,382,488	9.70%
Operating Expenses	(19,113)	50,950	57,945	13.73%
Contractual Services	394,680	741,412	937,876	26.50%
Other Uses	51,666	-	-	-
Capital	-	-	-	-

<b>TOTAL DEPT. BUDGET</b>	<b>\$3,712,037</b>	<b>\$4,787,448</b>	<b>\$5,417,909</b>	<b>13.72%</b>
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## Staffing

	ACT FY22	BUD FY23	BUD FY24
Planning & Development	9	9	9
CDBG	2	2	2
Code Administration	32	34	35
<b>Total</b>	<b>43</b>	<b>45</b>	<b>46</b>

# Engineering Services

## Department Overview –

Oversee the development, construction, and maintenance of public infrastructure that meets current and future needs of the Citizens of Midland. This is achieved by ensuring: Plans for new infrastructure are safe, appropriate, and consistent with sound engineering practice and policy; Construction of new infrastructure is installed by qualified individuals using quality materials and in accordance with appropriate industry practice; and Drainage Systems are free of pollutants and obstructions so they can function appropriately.

### ACCOMPLISHMENTS OF FY 2023:

- Installed pedestrian crossing with Overhead flashers at Wall Street and C St. and Texas Ave. and C St.
- Completed annual crack-fill project.
- Replaced 2 pedestrian bridges (Benton St and Lee St)
- Completed concrete paving of Louisiana Ave. between Garfield St. and Mogford St.
- Completed annual Mill and Inlay Project
- Managed the design of multiple signalized intersections

### OBJECTIVES/GOALS FOR FY 2024:

- Complete 114 lane miles of crack-fill
- Reconstruct Garfield St with concrete between Country Club Ln and Golf Course Rd
- Install new signal lights at 6 locations
- Complete the design for the installation of signal lights at 6 locations
- Complete 1<sup>st</sup> phase of school flasher project
- Re-stripe/stripe roadways to address visibility and traffic safety issues
- Complete Mill and Inlay Project

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Traffic signs installed	384	409	665	850
Full preventative maintenance of signalized intersections	35	39	47	55
Plan reviews returned in 15 or fewer days	85%	93%	97.5%	99.0%
Miles of streets repaved	10.5	13	11	13
Total number of potholes filled	12,356	10,342	13,790	13,000
Linear footage of storm drain pipe cleaned	22,013	13,469	15,597	15,000

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	6,628,481	7,471,869	8,006,459	7.15%
Operating Expenses	2,830,101	3,753,326	4,193,302	11.72%
Contractual Services	3,281,433	3,953,642	4,524,311	14.43%
Other Uses	-	-	-	-
Capital	6,143,841	6,243,760	6,851,708	9.74%
<b>TOTAL DEPT. BUDGET</b>	<b>\$18,883,856</b>	<b>\$21,422,597</b>	<b>\$23,575,780</b>	<b>10.05%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
GIS Administration	5	-	-
Engineering Services	19	22	22
Traffic Operations	20	20	20
Transportation	42	42	43
<b>Total</b>	<b>86</b>	<b>84</b>	<b>85</b>

# Community Services

## Animal Services

### Department Overview -

Animal Services strives to provide quality services to meet the needs of the community.

#### ACCOMPLISHMENTS OF FY 2023:

- Hired a Volunteer/Rescue Coordinator and implemented a volunteer program to meet the City's growing needs and demands.
- Hosted three low-cost vaccination clinics.
- Implemented a new shelter software to provide improved and speedy customer service through paperless adoptions & redemptions.
- MAS achieved an annual live release rate of 72.78%.
- The number of animals released to rescue partners increased to 804 in 2023, up from 697 in 2022.
- Established the Rescue Runners program, where community members engage with shelter dogs through regular walks or runs.

#### OBJECTIVES/GOALS FOR FY 2024:

- Target areas with a high volume of loose/aggressive animal services calls to decrease annual bite reports.
- Continue to decrease the number of animals euthanized at the Animal Services Facility.
- Increase the number of animals adopted & returned to their owners through community outreach and microchipping.
- Reduce the number of dogs at large within the city limits.
- Reduce the complaints of mistreatment of animals through community outreach & education.
- Offer in house sterilization for adopted and trap, neuter, and release animals.
- Provide educational programs to promote responsible pet ownership, animal compassion, and safe human interactions.
- Complete Phase II (the front yard) of the new Animal Services facility.
- MAS aims to consistently maintain and improve the live release rate.
- MAS intends to further develop its partnerships with rescue organizations and volunteer programs such as Rescue Runners.
- MAS plans to amplify its educational efforts through educational initiatives, social media, and community

#### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Live Release Date	-	-	72.78%	75%
Total number of animals adopted	1,011	1,485	1479	1600

# Community Services

## Health Services

### Department Overview -

Health Services strives to provide quality services to meet the needs of the community.

#### ACCOMPLISHMENTS OF FY 2023:

- Created a new Health Services section with a Community Health Educator to provide more community education opportunities on a variety of public health topics/issues.
- Coordinated a vaccination clinic with MISD.
- Facilitate Fall Community Resource Fair.
- Facilitate Spring Health Resource Fair.
- Exponentially increased attendance at community outreach events.
- Offered Back-to-School Vaccination Clinics from April through September.

#### OBJECTIVES/GOALS FOR FY 2024:

- Start the design process of a new Health Services facility.
- Hold community health resources fairs in the fall and spring.
- Start a community health advisory committee.
- Improve Environmental Services software.
- Make HD website full-service for patients and customers.
- Integrate GIS into clinical services.

#### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of health immunizations given	9,470	13,077	18,267	19,550
Citizen encounters at Health Department	645	12,287	9,089	10,125
Total number of food establishment inspections	909	943	1,604	1,800
Community outreach events	3	10	20	24

# Parks and Recreation

## Division Overview -

The Parks and Recreation divisions strive to provide quality parks and recreational facilities and programs to meet the needs of the citizens of Midland, Texas.

### ACCOMPLISHMENTS OF FY 2024:

- Construction of Phase I improvements at Reyes Mashburn Nelms Park.
- Developed Phase I plans for a soccer complex at Beal Park.
- Developed plans for Doug Russell bathhouse replacement and started construction.
- Installation of new irrigation and field lights at Windlands Soccer.
- Add an outdoor patio to the SE Senior Center.
- Plant over 100 trees in parks through partnerships.
- Plans for playgrounds at Grasslands and Tumbleweed Parks.
- Installation of shade over RMN Playground

### OBJECTIVES/GOALS FOR FY 2025:

- Begin construction of Phase I improvements at Beal Park soccer.
- Install two playgrounds at Grasslands and Tumbleweed Parks
- Develop Phase 2 and 3 plans for soccer improvements at Beal Park.
- Construct new bathhouse at Doug Russell pool.
- Installation of field lights at MUGS.
- Plans for Multi-generational Recreation Center
- Plant over 100 trees in parks through partnerships.
- Develop Plans for RMN Phase 2 baseball fields
- Update Parks, Recreation, and Open Space Master Plan

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of park reservations	417	452	359	425
Total number of MLK reservations	250	390	346	500
Total number of field reservations	643	658	909	1150
Total number of pool reservations	104	101	102	105

<b>Expenditures</b>	<b>ACT FY22</b>	<b>BUD FY23</b>	<b>BUD FY24</b>	<b>% Change</b>
Personnel	6,410,789	7,295,637	8,543,028	17.10%
Operating Expenses	1,312,638	1,514,099	1,679,960	10.95%
Contractual Services	5,671,505	6,030,119	6,516,150	8.06%
Other Uses	4,019	-	-	0%
Capital	-	-	165,500	0%
<b>TOTAL DEPT. BUDGET</b>	<b>\$13,082,040</b>	<b>\$14,839,855</b>	<b>\$16,904,638</b>	<b>13.91%</b>

<b>Staffing</b>	<b>ACT FY22</b>	<b>BUD FY23</b>	<b>BUD FY24</b>
Parks	32	33	37
Animal Services	15	22	27
Recreation	7	8	9
Senior Services	-	-	-
Health Services	27	28	28
<b>Total</b>	<b>81</b>	<b>91</b>	<b>101</b>

## Department Overview -

The Midland Police Department will safeguard lives and property through the proactive suppression of crime.

### ACCOMPLISHMENTS OF FY 2023:

- Decrease in Part 1 crimes
- Implementation of Permian Basin Violent Crime Task Force (PBVCTF)
- Development and implementation of the DWI Enforcement Unit
- Continued progression on Midland Public Safety Training Center project

### OBJECTIVES/GOALS FOR FY 2024:

- Full Staffing
- Decrease in Part 1 crimes
- Traffic fatality reduction
- Midland Public Safety Training Center’s funding of phases 1 and 2

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Marked patrol units	152	125	146	150
Police required responses	86,188	81,141	82,579	80,000
Sworn police officer vacancy rate	15.3%	15%	17.5%	10%
DWI fatalities	4	7	5	0
Traffic stops	15,157	22,583	19,873	25,000
Proactive enforcement efforts	29,270	34,910	33,536	36,000
Part 1 crimes	3,067	3,043	3,049	2,700

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	28,228,639	31,522,138	36,881,308	17.00%
Operating Expenses	904,954	929,536	1,066,910	14.78%
Contractual Services	4,655,184	6,004,650	7,350,457	22.41%
Other Uses	52,736	30,740	34,845	13.35%
Capital	-	487,500	79,858	-83.62%
<b>TOTAL DEPT. BUDGET</b>	<b>\$33,841,514</b>	<b>\$38,974,564</b>	<b>\$45,413,378</b>	<b>16.52%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Communications	31	31	31
VCLG	1	1	-
Airport Police	-	-	15
Commercial Vehicle Enforcement	3	3	3
Police Administration	11	12	12
Support Services	34	42	40
Field Operations	129	128	128
Investigation Services	52	52	57
<b>Total</b>	<b>261</b>	<b>269</b>	<b>286</b>

# Fire Department

## Department Overview -

The Midland Fire Department's mission is to make a positive difference in our community by being a progressive, quality driven organization through compassionate care, professional service, and training & education.

### ACCOMPLISHMENTS OF FY 2023:

- Completed 100% of Target Hazard pre-fire plans. Complete 364 total pre-fire plans.
- Responded to all EMS calls < 8 min, 82.2% of the time for in City limit responses.
- First arriving engine on working structure fire response in City limit < 320 seconds, 65.1% of the time. Priority to improve in 2024
- Averaged 19.6% training hours per employee, per month.
- Added EMS Supervisor to our EMS response model.

### OBJECTIVES/GOALS FOR FY 2024:

- Complete 100% of Target Hazard pre-fire plans.
- Respond to all EMS calls < 8 min, 80% of the time for in City limit responses.
- First arriving engine on working structure fire response in City limit < 320 seconds, 90% of the time.
- Average 20 training hours per employee, per month.
- Add 8<sup>th</sup> frontline EMS response unit.
- Create an EMS Field Training Officer (FTO) program.
- Restructure Fire response model with addition of an aerial apparatus on the West side.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Emergency responses	18,696	20,323	21,012	22,650
Fires extinguished	532	767	821	885
Average EMS response time (mins)	7:32	7:17	5:25	5:25
Total inspections	4,075	2,443	2,251	2,600
Fire stations	11	11	11	11
City Fires	318	417	462	498

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	30,059,117	30,917,071	35,633,970	15.26%
Operating Expenses	732,111	831,075	953,457	14.73%
Contractual Services	4,753,694	6,561,326	7,133,127	8.71%
Other Uses	-	-	-	-
Capital	-	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$35,544,922</b>	<b>\$38,309,472</b>	<b>\$43,720,554</b>	<b>14.12%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Fire	219	227	241
Fire Training	7	5	6
Fire Prevention	8	8	8
Emergency Medical Services	5	8	7
Airport Fire	-	-	13
Emergency Management	1	1	1
<b>Total</b>	<b>240</b>	<b>249</b>	<b>276</b>

# Non - Departmental

## Department Overview -

This division was established to account for all expenditure items that are not found exclusively within the functional responsibilities of any one General Fund department. The costs cover a broad range of expenditures associated with the general City operations.

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	-	269,800	28,054	-89.60%
Operating Expenses	138,421	150,000	125,000	-16.67%
Contractual Services	5,293,602	5,858,823	6,277,771	7.15%
Other Uses	491,977	1,050,561	820,100	-21.94%
Capital	23,755	-	-	-
<b>TOTAL DEPT. BUDGET</b>	<b>\$5,947,755</b>	<b>\$7,329,184</b>	<b>\$7,250,925</b>	<b>-1.07%</b>



# ENTERPRISE FUNDS

# Descriptions

## WATER & SEWER

### **UTILITIES ADMINISTRATION:**

Personnel of the administrative division are responsible for the direction, supervision, and management of the following organizations within the Utilities Department: Water & Wastewater Operations, Paul Davis Well Field, Airport Well Field and Towers, Water Pollution Control Plant, Spraberry Farm, Water Purification Plant, Water & Wastewater Maintenance, Environmental Compliance and the MBR plant. Three Superintendents head these divisions.

### **ENVIROMENTAL COMPLIANCE:**

Personnel of this division operate the water laboratory associated with the Health Department. This lab conducts tests for the City as well as other water systems in the region. They also operate the laboratory that provides information for control of the City's Water and Wastewater Plants.

### **WATER RECLAMATION FACILITY:**

This division is responsible for the treatment of sewage according to the standards set by the Texas Commission on Environmental Quality (TCEQ). The division operates the plant every day on a 24-hour basis.

### **WATER PURIFICATION PLANT:**

This division is responsible for treating an adequate daily water supply according to standards set by the Texas Commission on Environmental Quality (TCEQ). Includes operating the Airport Well Field, which operates City water pumping stations and is responsible for the operation and maintenance of the well field collection and supply lines at Air Terminal and ground and elevated water storage reservoirs. Also responsible for the treatment of sewage according to the standards set by the Texas Commission on Environmental Quality (TCEQ). The division operates every day on a 24-hour basis.

### **W&S MAINTENANCE:**

This division is responsible for the distribution of water and collection of sewage throughout the City. The division maintains water mains, fire hydrants, valves, sewer mains, manholes, and lift stations. Short main line extensions, line replacements and taps for service connections are installed by the division.

### **T-Bar Well Field:**

This division is responsible for the operation and maintenance of the T-Bar and Clearwater well fields out in Winkler and Loving Counties. The system operates over 50 wells and has the capacity to send up to 20 million gallons of water from the fields to the City. The division is privately operated and managed by the Utilities Department, the system operates on a 24-hour basis.

### **CUSTOMER SERVICE:**

The division performs work related to new utility customers, preparation of bills, complaints and adjustments, bad order meters, the closeout of customers' accounts and the collection of utility bills. This division also repairs and replaces water meters.

## DRAINAGE

### **DRAINAGE ADMINISTRATION:**

Drainage (or Storm Water) Services, provided by the City Engineering Division. Providing educational information to residents, developers and contractors on the Storm Water/Drainage system and regulations. The main goal of the storm water management plan is to reduce pollutants that may be washed into the drainage system by rain. The goal of the construction element of the City of Midland's Drainage/Storm Water Management Program is to protect receiving waters from pollutants occurring at construction sites and to provide guidance and promote the continued growth in and around Midland in a manner that is compliant with federal, state, and local storm water regulations.

## SANITATION

### **SOLID WASTE MANAGEMENT:**

This division is responsible for the collection of refuse and its delivery to the Landfill. They also collect recyclable materials from drop-off points for delivery to our recycle contractor; provide a large item pickup service; and provide hauling service for the yard waste sites.

### **LITTER ABATEMENT:**

This division is responsible for the management of the Litter Abatement Fee.

### **RECYCLE:**

This is a new division that was extracted from the Solid Waste and Landfill divisions. The division operates the Citizens Collection Station and is responsible for the collection of recyclable materials from drop-off points for delivery to our recycle contractor and the handling and processing of yard waste and large items taken in at the Citizens Collection Station.

### **LANDFILL:**

This division operates the Landfill according to the standards set by the Texas Commission on Environmental Quality (TCEQ). The Landfill is open from 7:30 a.m. through 5:30 p.m., Monday through Saturday.

## AIRPORT

### **AIRPORT OPERATIONS:**

This division, under the direct supervision of the Aviation Director, is responsible for providing for the safety and convenience of the flying public. It is also responsible for the operation and maintenance of the runways, roads, ramps, electrical systems, and the repair and maintenance of warehouses, hangers, and buildings in the "aviation use area".

### **AIRPORT POLICE:**

The function of the Airport Police is to provide 24-hour security for the Midland International Airport. Officers patrol secured areas of the airport and respond to aircraft alerts. They provide security at the screening checkpoint which ensures the safety of passengers and airport employees. The Airport Police work closely with Airport Operations, Midland Fire Department, US Transportation Safety Administration, US Immigrations and Customs Enforcement, and the Federal Aviation Administration. Additionally, they provide some patrol functions in the recently annexed areas near the airport.

### **AIRPORT FIRE:**

This division is responsible for all fire and crash rescue service at the Airport.

### **TERMINAL BUILDING:**

The division is responsible for providing for the convenience and necessities of the flying public and other persons using the Terminal Building and surrounding area. It is also responsible for the repair, maintenance, and operation of the Terminal Building, car rental building, and the control tower.

### **PARKING LOT:**

This division is responsible for the operation and policing of the parking lot during the hours the Terminal Building is open for business.

### **AIRPARK:**

This division carries out activities related to the repair, maintenance, and operation of the Airpark.

### **INDUSTRIAL PARK:**

This division is under the general supervision of the Director of Airports. The employees of this division assist in the maintenance of buildings and grounds in the Industrial Park area next to Air Terminal.

# Utilities – Water & Sewer

## Department Overview -

To provide the City of Midland Utility customers with safe, reliable, and cost-effective water and wastewater services. Responsible for the treatment of sewage according to standards set by the Texas Commission on Environmental Quality (TCEQ). Responsible for the following organizations within the Utilities Department: Utilities Administration, Environmental Compliance, Water Reclamation Facility, Water Purification Plant, W&S Maintenance, Cashiering and W&S Customer Service.

### ACCOMPLISHMENTS OF FY 2023:

- Completion of the North East water distribution system
- Successful testing of the Airport water system for no exceedance in the lead and copper rule
- All requested reuse water from the water reclamation facility was delivered to Pioneer Water
- Met 99% of all regulatory requirements for treatment and testing of our public water system

### OBJECTIVES/GOALS FOR FY 2024:

- Recruit and retain qualified operators and lab techs
- Complete projects for the removal of our four wastewater lift stations in the collection system
- Rehab of WRF ponds in compliance with TCEQ condition of permit
- Obtain the bed and banks permit for discharge of effluent water in Midland draw
- Upgrade and secure SCADA systems for public safety

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total fire hydrants	4,660	4,672	5,168	5254
Average daily consumption (MGD)	20.50	23.70	23.8	24
Average daily sewage treatment (MGD)	10.50	10.50	10.50	10.5
Total sanitary sewers (miles)	685	694	654	670
Total water mains (miles)	932	946	1,003	1100
Met all volume requests by Pioneer Water for reuse of effluent from WRF	10 MGD	100%	100%	100%
Met all regulatory requirements & testing of public water system	100%	99%	98%	100%

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	634,846	325,000	425,000	30.77%
Interfund Transfers	-	-	-	0.00%
Rental Revenue	127,250	101,000	101,000	0.00%
WA & Sewer Other Rev	356,433	400,000	345,000	-13.75%
Discounts/Penalties	(6,063,608)	100,000	(900,000)	-1000.00%
WA & Sewer Tap Fees	5,741,664	280,000	1,035,000	269.64%
Civic Contributions	3,423,373	-	-	0.00%
Misc Revenue	480	-	-	0.00%
Non-Operating Rev	79,685	11,701,132	10,308,574	-11.90%
One Time use REVENUE	-	-	-	0.00%
Sewer Charge Sales	17,677,215	17,500,000	18,375,000	5.00%
Water Sales	69,273,871	62,000,000	64,200,000	3.55%
<b>Total Revenue</b>	<b>91,251,210</b>	<b>92,407,132</b>	<b>93,889,574</b>	<b>1.60%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	7,611,722	10,303,184	10,857,493	5.38%
Operating Expenses	6,886,417	12,305,813	14,564,186	18.35%
Contractual Services	42,124,009	44,842,570	35,428,658	-20.99%
Other Uses	29,788,471	6,939,992	28,048,637	304.16%
Capital	3,939,895	18,388,000	4,990,600	-72.86%
<b>Total Expenditures</b>	<b>90,350,514</b>	<b>92,779,559</b>	<b>93,889,574</b>	<b>1.20%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Utilities Administration	5	9	8
Environmental Compliance	8	8	8
Water Pollution Control Plant	23	21	21
Spraberry Farm	-	-	-
Water Purification Plant	22	23	24
Water & Sewer Maintenance	27	30	30
Cashiering	3	3	3
Customer Service	36	32	33
<b>Total Staff</b>	<b>124</b>	<b>126</b>	<b>127</b>

# Drainage Fund

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	45,752	15,000	15,450	3.00%
Interfund Transfers	-	-	-	0.00%
Discounts/Penalties	(135,137)	-	-	0.00%
WA & Sewer Tap Fees	2,334,386	2,400,000	2,472,000	3.00%
Non-Operating Rev	(294,604)	268,585	-	-100.00%
<b>Total Revenue</b>	<b>1,950,397</b>	<b>2,683,585</b>	<b>2,487,450</b>	<b>-7.31%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	209,447	218,425	232,725	6.55%
Operating Expenses	108,998	17,000	17,510	3.00%
Contractual Services	47,220	1,276,717	318,164	-75.08%
Other Uses	1,699,304	171,443	181,267	5.73%
Capital	238,581	1,000,000	1,737,784	73.78%
<b>Total Expenditures</b>	<b>2,303,550</b>	<b>2,683,585</b>	<b>2,487,450</b>	<b>-7.31%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Stormwater Management	2	2	2
<b>Total Staffing</b>	<b>2</b>	<b>2</b>	<b>2</b>

# Sanitation

## Department Overview -

It is the City of Midland Solid Waste Collection mission to provide our customers with exceptional waste collection services that protect, preserve and improve our environment and the quality of life in our community. It is the City of Midland’s Recycle mission to provide recycling and disposal services that protect, preserve and improve our environment and the quality of life in our community. It is the City of Midland Landfill’s mission to provide Midland residents a facility to properly dispose of municipal solid waste in an effective and safe manner while also caring for our environment and preserving our natural resources.

### ACCOMPLISHMENTS OF FY 2023:

- Solid Waste Facilities construction almost complete. This will provide a more suitable working environment for employees.
- Completed the design phase for North and South side Citizen Collection Stations.
- Completed the design phase for the Landfill entrance road reconstruction project.
- Received TCEQ approval on all regulatory compliance submissions.

### OBJECTIVES/GOALS FOR FY 2024:

- Complete construction on Solid Waste facilities.
- Bid out and start construction on both Citizen Collection Stations.
- Start construction on Landfill entrance road project.
- Continue to acquire new equipment to be more effective and efficient.
- Continue to explore new ways to be more efficient in our operations while maintaining service levels.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of garbage containers changed out	741	695	805	850
Total recyclables collected (tons)	803	858	740	800
Litter picked up (tons)	98.37	245	283.78	300
Total litter abatement fee Collections	\$539,696	\$531,076	\$565,113	\$576,000

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	357,114	125,000	175,000	40.00%
Sanitation Revenues	22,854,504	20,171,600	24,413,760	21.03%
Interfund Transfers	-	-	-	0.00%
Discounts/Penalties	(861,502)	35,000	38,500	10.00%
Misc Revenue	16,014	-	-	0.00%
Non-Operating Rev	(2,284,080)	4,964,642	695,912	-85.98%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenues</b>	<b>20,082,051</b>	<b>25,296,242</b>	<b>25,323,172</b>	<b>0.11%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	6,134,445	7,162,607	7,868,645	9.86%
Operating Expenses	1,171,091	1,397,688	1,411,908	1.02%
Contractual Services	9,530,259	10,683,115	11,667,713	9.22%
Other Uses	5,782,950	4,466,035	3,669,246	-17.84%
Capital	-	1,600,000	705,660	-55.90%
<b>Total Expenditures</b>	<b>22,618,745</b>	<b>25,309,445</b>	<b>25,323,172</b>	<b>0.05%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Solid Waste Management	52	52	55
Recycle	5	5	9
Landfill	17	17	17
<b>Total Staffing</b>	<b>74</b>	<b>74</b>	<b>81</b>

## Department Overview -

The Department of Airports mission is to provide a safe, professional, and efficient experience for all Midland International Air & Space Port and Midland Airpark users.

### ACCOMPLISHMENTS OF FY 2023:

- No audit findings.
- Switched over to Munis for Accounts Receivable.
- Highest enplanements in history.

### OBJECTIVES/GOALS FOR FY 2024:

- Finalize plans for parking garage.
- Complete Multi-Facility Project.
- Negotiate equitable airline rates & charges.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total passenger Enplanements	435,893	605,749	661,842	700,000
Total commercial landings	7,112	8,371	9,251	9,500
Badge issuance	3 Weeks	<2 Weeks	<1.5 weeks	1 week
Handling routine maintenance issues	3 Days	3 Days	3 days	2 days
Exiting time in parking lots	5-10 min	5 min	3 min	2 min

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	472,393	50,000	50,000	0.00%
Interfund Transfers	-	-	-	0.00%
Parking Fees	6,153,325	4,513,000	4,648,390	3.00%
Rental Revenue	-	-	-	0.00%
Air Terminal Revenue	6,648,943	4,390,000	4,511,200	2.76%
Airpark Revenue	165,220	165,000	169,950	3.00%
Airport Other Rev	278,268	115,000	118,450	3.00%
Intergov Contributions	-	1,212,000	3,000,000	147.52%
Civic Contributions	-	-	-	0.00%
Misc Revenue	6,039	-	-	0.00%
Non-Operating Rev	6,993,017	2,120,000	2,183,600	3.00%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenue</b>	<b>20,717,205</b>	<b>12,565,000</b>	<b>14,681,590</b>	<b>16.85%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	6,285,057	7,194,207	3,465,862	-51.82%
Operating Expenses	509,648	657,771	676,071	2.78%
Contractual Services	2,092,529	3,530,796	3,503,762	-0.77%
Other Uses	2,244,914	1,207,654	6,736,159	457.79%
Capital	237,303	-	299,736	100.00%
<b>Total Expenditures</b>	<b>11,369,451</b>	<b>12,590,428</b>	<b>14,681,590</b>	<b>16.61%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Airport Operations	32	33	34
Airport Police	15	15	-
Airport Fire	13	13	-
<b>Total Staffing</b>	<b>60</b>	<b>61</b>	<b>34</b>

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# INTERNAL SERVICE FUNDS

## Descriptions

### GARAGE

#### VEHICLE SERVICES:

The Service Center is responsible for preventative maintenance services, roadside assistant services and fuel and tire management services for City owned vehicles and equipment. This division works on an 18 hour per day 2 shift basis.

#### GARAGE SERVICES:

The Garage division is responsible for the purchase, repair, maintenance and record keeping for all heavy, automotive and specialized equipment for the City. The division operates on a single shift basis, providing a comprehensive maintenance program, an emergency repair service, a cost and service record for each piece of equipment, and a program for driver's safety and maintenance education. The division analyzes City wide equipment needs and budgets fleet replacements and new acquisitions for the City's fleet of vehicles and equipment.

#### WAREHOUSE:

The City's central warehouse procures, inventories, and issues common items consisting of mechanical, electrical, civil and general supplies, materials and parts. This division provides an ongoing service function to all City divisions and provides economies of scale in using centralized purchasing, storage and control. Time expended is reduced for individual City divisions in separately obtaining such items.

### TECHNOLOGY

#### TECHNOLOGY:

This division is responsible for the purchase of technological assets of the City. This division analyzes City wide technology needs and budgets replacements and new acquisitions for the entire City.

#### TECHNOLOGY NON-DEPARTMENTAL:

This division is used to record the payment the Technology Fund makes to the General Fund for services rendered, to record depreciation expense and this fund's share of general liability insurance and external audit fees.

### RISK FUNDS

#### EMPLOYEE BENEFITS:

The objective of this fund is to promote health and wellness initiatives in the workplace, provide health and wellness services to eligible employees, retirees, and dependents via established programs and clinics. The division is also responsible for major workforce health related programs such as FMLA compliance, workers' compensation records and services, and pre-employment physical assessments.

#### GENERAL LIABILITY:

This fund includes the following divisions: Workers Compensation, Risk Management, General Liability Attorney and General Liability Costs. Risk Management is responsible for the operations of risk management in Administrative Services. General Liability Costs oversees the payment of all insurance costs, liability costs, and claims for the City of Midland through this unit.

# Garage

## Department Overview -

The Garage Fund is committed to providing vehicles and equipment at the lowest cost and best quality along with exceptional vehicle and equipment repair services to City departments and divisions. We are also committed to providing the highest level of professionalism, service response, and quality workmanship.

### ACCOMPLISHMENTS OF FY 2024:

- Installed all new LED lighting in the Parts Room and Garage.
- Garage is fully staffed
- Replaced concrete and drains in Garage Shop.
- Despite a global shortage of brass fittings the Warehouse Manager was able to locate and stock these items.

### OBJECTIVES/GOALS FOR FY 2025:

- Continue to provide the best customer service for all departments
- Prioritize vehicle and equipment replacements for future fiscal years.
- Increase efficiency rate for repair of vehicles and equipment by purchasing and updating diagnostic software as available.
- 99% of normally stocked warehouse items will be available within 36 hours of demand.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Average number of days to put new vehicles in service	4	3	3	3
Total number of fleet out of service at one time	3	4	4	3
Accuracy of inventory as determined by year end counts are within 97% of book value	YES	YES	YES	YES

Revenues	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	190,116	75,000	100,000	33.33%
Interfund Transfers	-	-	-	0.00%
Interfund Charges	21,998,620	25,530,164	27,908,930	9.32%
Discounts/Penalties	-	-	-	0.00%
Intergov Contrib	-	-	-	0.00%
Civic Contributions	-	-	-	0.00%
Misc Revenue	(2,051)	-	-	0.00%
Non-Operating Rev	(1,047,933)	885,535	2,567,707	189.96%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenue</b>	<b>21,138,752</b>	<b>26,490,699</b>	<b>30,576,637</b>	<b>15.42%</b>

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	2,373,419	2,645,213	2,815,146	6.42%
Operating Expenses	9,068,798	8,069,471	8,238,340	2.09%
Contractual Services	651,138	1,172,292	1,314,596	12.14%
Other Uses	740,697	2,576,490	2,485,022	-3.55%
Capital	5,617,676	12,027,232	15,723,533	30.73%
<b>Total Expenditures</b>	<b>18,451,728</b>	<b>26,490,698</b>	<b>30,576,637</b>	<b>15.42%</b>

Staffing	ACT FY22	BUD FY23	BUD FY24
Vehicle Services	10	10	10
Garage	20	19	20
Warehouse	1	1	1
<b>Total Staffing</b>	<b>31</b>	<b>30</b>	<b>31</b>

# Technology Fund

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	15,969	10,000	10,000	0.00%
Interfund Transfers	-	-	-	0.00%
Interfund Charges	1,182,141	5,255,573	6,691,729	27.33%
Non-Operating Rev	(95,426)	194,207	-	-100.00%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenues</b>	<b>1,102,685</b>	<b>5,459,780</b>	<b>6,701,729</b>	<b>22.75%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	-	290,637	211,254	-27.31%
Operating Expenses	1,816,619	2,000,750	1,175,000	-41.27%
Contractual Services	80,555	3,255,084	5,300,133	62.83%
Other Uses	348,524	9,739	15,342	57.53%
Capital	-	-	-	0.00%
<b>Total Expenditures</b>	<b>2,245,698</b>	<b>5,556,210</b>	<b>6,701,729</b>	<b>20.62%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Technology	-	2	2
<b>Total Staffing</b>	<b>-</b>	<b>2</b>	<b>2</b>

# Employee Benefits Fund

Revenues	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	185,088	50,000	50,000	0.00%
Intergovernmental Rev	109,922	100,000	100,000	0.00%
Interfund Transfers	134,652	150,000	150,000	0.00%
Interfund Charges	12,907,982	12,150,000	12,742,500	4.88%
Self Insurance	205,603	200,000	200,000	0.00%
Discounts/Penalties	-	-	-	0.00%
Misc Revenue	(167)	-	-	0.00%
Non-Operating Rev	(1,276,560)	-	-	0.00%
PaytoInsuranceFund	1,596,888	2,400,000	2,400,000	0.00%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenues</b>	<b>13,863,409</b>	<b>15,050,000</b>	<b>15,642,500</b>	<b>3.94%</b>

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	66,770	90,047	108,809	20.84%
Operating Expenses	-	4,150	1,000	-75.90%
Contractual Services	721,596	733,500	733,500	0.00%
Other Uses	9,575,861	14,222,303	14,799,191	4.06%
Capital	-	-	-	0.00%
<b>Total Expenditures</b>	<b>10,364,227</b>	<b>15,050,000</b>	<b>15,642,500</b>	<b>3.94%</b>

Staffing	ACT FY22	BUD FY23	BUD FY24
Employee Benefits	1	1	1
<b>Total Staffing</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Risk Management Fund

Revenues	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	126,201	-	-	0.00%
Interfund Transfers	2,952,305	-	-	0.00%
Interfund Charges	2,912,933	3,010,818	3,251,711	8.00%
Misc Revenue	37,581	-	-	0.00%
Non-Operating Rev	(847,295)	1,257,602	2,030,174	61.43%
One Time use REVENUE	-	-	-	0.00%
WorkerCompChrgRev	1,017,011	1,052,140	1,064,529	1.18%
<b>Total Revenues</b>	<b>6,198,735</b>	<b>5,320,560</b>	<b>6,346,414</b>	<b>19.28%</b>

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	734,951	892,093	977,146	9.53%
Operating Expenses	6,758	19,890	33,380	67.82%
Contractual Services	1,612,235	2,192,169	3,086,804	40.81%
Other Uses	1,251,184	2,216,408	2,249,084	1.47%
Capital	-	-	-	0.00%
<b>Total Expenditures</b>	<b>3,605,128</b>	<b>5,320,560</b>	<b>6,346,414</b>	<b>19.28%</b>

Staffing	ACT FY22	BUD FY23	BUD FY24
General Liability, Attorney	2	4	4
Risk Management	2	2	2
Workers Compensation	1	2	1
<b>Total Staffing</b>	<b>5</b>	<b>8</b>	<b>7</b>

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# SPECIAL REVENUE FUNDS

## Descriptions

Special Revenue Funds account for proceeds of specific revenue sources legally restricted to expenditures for specified sources:

### Hotel/Motel Fund:

Hotel revenue comes from the local Hotel/Motel Tax and makes allocations to various agencies. This division captures the cost of operating Bush Convention Center as well as record the debt service expense for the Bush Center Certificate of Obligations.

### Police Special Purpose Fund – State:

This fund accounts for funds received from forfeited property under state jurisdiction. Such funds are used solely for law enforcement purposes such as salaries, training, equipment, supplies and items used by officers in direct law enforcement duties.

### Police Special Purpose Fund – Federal:

This fund accounts for funds received from forfeited property under federal jurisdiction. Such funds are used solely for law enforcement purposes such as salaries, training, equipment, supplies and items used by officers in direct law enforcement duties.

### Police Technology & Equipment Fund:

This fund accounts for revenues generated from private organizations or individuals specifically for law enforcement related operations. These funds are used solely for law enforcement purposes.

### Police LEOSE Fund:

This fund accounts for funds received from the State of Texas for the purpose of providing training to sworn officers. LEOSE stands for Law Enforcement Officers Standards and Education.

### Fire Technology & Equipment Fund:

This fund accounts for revenues generated from private organizations or individuals specifically for fire related operations. These funds are used solely for fire department related purposes.

### **Fire LEOSE Fund:**

This fund accounts for funds received from the State of Texas for the purpose of providing training to sworn officers. LEOSE stands for Law Enforcement Officers Standards and Education.

### **Municipal Court Technology Fund:**

This fund is to account for fees collected from the defendant upon conviction for a misdemeanor offense in the City of Midland Municipal Court as a cost of court. These funds are restricted for the purchase of technological enhancements for the benefit of the City of Midland Municipal Court by Texas Code of Criminal Procedure Article 102.0172.

### **Municipal Court Security Fund:**

This fund is to account for fees collected from the defendant upon conviction for a misdemeanor offense in the City of Midland Municipal Court as a cost of court. These funds are restricted for the purchase of building security enhancements for the benefit of City of Midland Municipal Court by Texas Code of Criminal Procedure Article 102.017.

### **Municipal Court Time Payments Fund:**

The Time Payment Fee is a special revenue fee that is restricted by the City for specific purposes. Code of Criminal Procedure Article 102.030 mandates that \$15.00 be collected from a person convicted of a misdemeanor and pays any part of the fine, court costs, restitution, or another reimbursement fee on or after the 31st day after the date judgment is entered. The City must deposit this fee into a separate account in the city's general revenue fund to be used for the purpose of improving the collection of outstanding court costs, fines, reimbursement fees, restitution, or improving the efficiency of administration of justice.

### **Golf Course Fund:**

This fund is responsible for obtaining revenues that are used for minor construction, maintenance, development and operation of the Municipal Golf Course and related activities.

### **Sports Complex Fund:**

Scharbauer Sports Complex is a full-service baseball park, football and soccer stadium with a pavilion for concerts & other shows that includes the Momentum Ballpark, Cimarex Energy Pavilion and Astound Communications Stadium. Scharbauer Sports Complex is home to the Midland RockHounds, a minor league baseball team based in Midland, Texas. The complex has four multi-purpose fields that can be used for practice and/or games and seats 6,669 fans.

### **Parks Oil & Gas Special Purpose Fund:**

This fund accounts for all donations, oil royalties/leases, and other special revenue set aside for the replacement of parks and park amenities as well as the addition of new parks or new features to existing parks.

# SPECIAL REVENUE FUNDS

## Summary

### REVENUE

SPECIAL REVENUE FUNDS	FY22 BUDGET	FY23 BUDGET	FY24 BUDGET	% CHANGE
Police Law Enforcement Office Standars & Education (LEOSE)	12,200	15,000	14,950	-0.33%
Fire Law Enforcement Office Standars & Education (LEOSE)	1,000	1,000	1,000	0.00%
Police Special Purpose - Federal	28,500	130,200	440,000	237.94%
Police Special Purpose - State	102,000	186,000	4,200	-97.74%
PD Technology & Equipment	101,500	75,200	164,944	119.34%
FD Technology & Equipment	52,000	97,600	150,000	53.69%
Municipal Court Time Payments	13,500	41,823	27,000	-35.44%
Municipal Court Technology Fund	198,610	74,766	80,000	7.00%
Municipal Court Security Fund	64,449	56,000	33,000	-41.07%
Park Donation & Special Purpose	3,086,500	10,390,000	13,036,500	25.47%
Hotel/Motel	5,962,320	6,484,166	6,510,000	0.40%
Golf Course	2,783,901	3,037,329	3,363,661	10.74%
Sports Complex	3,577,549	3,318,786	3,729,966	12.39%
<b>TOTAL REVENUE:</b>	<b>\$ 15,984,030</b>	<b>\$ 23,907,869</b>	<b>\$ 27,555,221</b>	<b>15.26%</b>

\*\*\* The Golf Course & Sports Complex were moved into Special Revenue Funds for FY22

### EXPENDITURES

SPECIAL REVENUE FUNDS	FY22 BUDGET	FY23 BUDGET	FY24 BUDGET	% CHANGE
Police Law Enforcement Office Standars & Education (LEOSE)	12,200	15,000	14,950	-0.33%
Fire Law Enforcement Office Standars & Education (LEOSE)	1,000	1,000	1,000	0.00%
Police Special Purpose - Federal	28,500	130,200	440,000	237.94%
Police Special Purpose - State	102,000	186,000	4,200	-97.74%
PD Technology & Equipment	101,500	75,200	164,944	119.34%
FD Technology & Equipment	52,000	97,600	150,000	53.69%
Municipal Court Time Payments	13,500	41,823	27,000	-35.44%
Municipal Court Technology Fund	198,610	74,766	80,000	7.00%
Municipal Court Security Fund	64,449	56,000	33,000	-41.07%
Park Donation & Special Purpose	3,086,500	10,390,000	13,036,500	25.47%
Hotel/Motel	6,112,320	6,484,166	6,510,000	0.40%
Golf Course	2,783,901	2,916,649	3,363,661	15.33%
Sports Complex	3,577,549	3,492,492	3,729,966	6.80%
<b>TOTAL EXPENDITURES:</b>	<b>\$ 16,134,030</b>	<b>\$ 23,960,896</b>	<b>\$ 27,555,221</b>	<b>15.00%</b>

# Golf Course

## Division Overview -

Hogan Park Golf Course provides Midland residents and visitors an affordable and exceptional golf experience on two public courses with a total of 36 holes and is the premier facility in the community for charity golf events.

### ACCOMPLISHMENTS OF FY 2024:

- Improved playability of both golf courses.
- Record sales in 2023-2024 for Pro Shop (over \$900,000).
- Completed Financial Master Plan.
- Adjustment to fees to provide funds for capital improvements.
- Started Cart Barn Replacement.
- Implemented Tenfore Golf for online tee times.
- Starting using Golf Genius for better tournament experience for staff and tournament directors.
- Increased Chemical injection capabilities to all 36 holes.

### OBJECTIVES/GOALS FOR FY 2025:

- Complete Hogan Park Development Master Plan
- Install new point of sale system for Pro Shop.
- Continue improving new website for better customer service.
- Redesign greens irrigation and install RO system.
- Complete new Cart Barn.
- Replace 5 Restroom on golf course.
- Continue to improve tournament experience with Golf Genius.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Total number of tournaments held	61	99	104	110
Total number of driving range sales	115,085	116,469	163,053	172,000
Golf Cart Rentals	631,895	698,400	883,891	925,000
Total Golf Course Attendance	61,095	65,400	76,346	81,000
Keep turf maintained to standards accepted by the golfing industry within budget	90%	90%	90%	90%
Maintain a minimum of 125 golf carts for rental at any time	100%	100%	100%	100%
Pro Shop Sales	697,667	766,361	909,718	950,000

### Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Revenue	3,033,777	2,293,200	2,859,050	29.04%
Transfers in	-	744,129	504,611	-32.19%
<b>Total Revenues</b>	<b>\$3,033,777</b>	<b>\$2,916,649</b>	<b>\$3,363,661</b>	<b>15.33%</b>

### Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	1,024,890	1,188,245	1,353,399	13.90%
Operating Expenses	758,716	318,263	348,673	9.56%
Contractual Services	701,809	647,340	699,575	8.07%
Other Uses	508,389	762,801	916,014	26.12%
Capital	-	-	-	-
<b>Total Revenues</b>	<b>\$2,993,805</b>	<b>\$2,916,649</b>	<b>\$3,363,661</b>	<b>15.33%</b>

### Staffing

	ACT FY22	BUD FY23	BUD FY24
Golf Course	11	11	13
Pro Shop	3	3	3
<b>Total</b>	<b>14</b>	<b>14</b>	<b>16</b>

# Sports Complex

## Division Overview -

Scharbauer Sports Complex is a full-service complex comprised of Astound Broadband Stadium, Coterra Pavilion, Momentum Bank Ballpark, and four auxiliary multi-purpose fields that host baseball, football, soccer and other events throughout the year. It is home to the Midland RockHounds, a minor league baseball team based in Midland, Texas.

### ACCOMPLISHMENTS OF FY 2024:

- Hosted 20 playoff games.
- Hosted 4 regular season college football games.
- Hosted 1 NCAA Division 2 Playoff Game.
- Replaced Backstop Net in Momentum Ballpark.
- Completed modernization of four elevators.
- Completed Major League Baseball required renovations.
- Completed pedestrian bridge repairs in Momentum Ballpark.
- Installed Restrooms and Concession stand on the Red and Yellow Auxiliary Fields.
- Replaced Expansion Joints at Astound Broadband Stadium.
- Installed LED Lights at Astound Broadband Stadium.
- Replaced sound system in Momentum Ballpark.
- New Contract with MISD for Astound Broadband Stadium.

### OBJECTIVES/GOALS FOR FY 2025:

- Host 25 playoff games.
- Host 5 NCAA games.
- 1200 auxiliary field rentals.
- Replace Security Lighting in Complex.
- Replace playground in Momentum Ballpark.
- Replace furniture in suites at Astound Broadband Stadium.
- Develop and build 2 new auxiliary fields.
- Develop plans to renovate the press box windows.
- Develop plans to renovate the bridges in Astound Broadband Stadium.
- Repair the fire suppression system.

### KEY PERFORMANCE INDICATORS:

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 TARGET
Baseball stadium attendance	180,000	205,602	285,528	275,000
Football/soccer stadium attendance	2	170,814	155,479	160,000
Football/soccer concession sales total revenue	\$92,816	\$58,541	\$73,572.58	\$70,000
Multi-purpose fields total usage	420	811	1,098	1100
Rental agreements issued	71	49	53	50
Playoff football/soccer games held at auxiliary fields	0	12	3	5
Playoff football/soccer games held at Astound Stadium	31	13	13	15

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Revenue	1,559,292	1,033,893	670,295	-30.26%
Transfer In	-	2,240,483	2,309,974	0.00%
<b>Total Revenues</b>	<b>\$1,559,292</b>	<b>\$3,318,786</b>	<b>\$2,980,269</b>	<b>-10.20%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	377,556	631,318	738,178	16.93%
Operating Expenses	592,469	1,031,465	1,253,780	21.55%
Contractual Services	911,773	868,611	1,067,713	22.92%
Other Uses	1,351,673	1,371,673	670,295	-30.26%
Capital	4,602,154	-	-	0.00%
<b>Total Expenditures</b>	<b>\$7,835,625</b>	<b>\$3,492,492</b>	<b>\$3,729,966</b>	<b>6.80%</b>

## Staffing

	ACT FY22	BUD FY23	BUD FY24
Sports Complex	7	10	10
<b>Total Staffing</b>	<b>7</b>	<b>10</b>	<b>10</b>

# Hotel/Motel Fund

## Fund Overview –

The Hotel/Motel Fund consists of 7 members who meet as needed to advise City Council on the use of funds collected pursuant to Chapter 351, “Municipal Hotel Occupancy Taxes”, of the Texas Tax Code.

Revenues	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	163,331	50,000	100,000	100.00%
Interfund Transfers	-	40,000	-	-100.00%
Rental Revenue	181,493	200,000	350,000	100.00%
Civic Contributions	-	-	-	0.00%
Misc Revenue	23,509	-	-	0.00%
Non-Operating Rev	(1,111,031)	689,166	-	-100.00%
Hotel Motel Tax	5,711,520	5,505,000	6,060,000	10.08%
One Time use REVENUE	-	-	-	0.00%
<b>Total Revenues</b>	<b>4,968,821</b>	<b>6,484,166</b>	<b>6,510,000</b>	<b>0.40%</b>

Expenditures	ACT FY22	BUD FY23	BUD FY24	% Change
Personnel	-	-	-	0.00%
Operating Expenses	1,721	-	-	0.00%
Contractual Services	115,017	68,363	47,310	-30.80%
Other Uses	5,153,265	6,415,803	6,462,690	0.73%
Capital	-	-	-	0.00%
<b>Total Expenditures</b>	<b>5,270,003</b>	<b>6,484,166</b>	<b>6,510,000</b>	<b>0.40%</b>

# Parks Oil & Gas Special Purpose Fund

## Revenues

	ACT FY22	BUD FY23	BUD FY24	% Change
Interest Income	173,162	10,000	10,000	0.00%
Interfund Transfers	-	-	-	0.00%
Rental Revenue	21,783,344	8,253,500	13,000,000	57.51%
Civic Contributions	47,627	26,500	26,500	0.00%
Misc Revenue	-	-	-	0.00%
Non-Operating Rev	(1,425,253)	2,100,000	-	-100.00%
<b>Total Revenues</b>	<b>20,578,879</b>	<b>10,390,000</b>	<b>13,036,500</b>	<b>25.47%</b>

## Expenditures

	ACT FY22	BUD FY23	BUD FY24	% Change
Contractual Services	77,865	40,000	77,750	94.38%
Operating Expenses	40,500	-	-	0.00%
Other Uses	214,602	350,000	421,031	20.29%
Capital	-	10,000,000	12,537,719	25.38%
<b>Total Expenditures</b>	<b>332,967</b>	<b>10,390,000</b>	<b>13,036,500</b>	<b>25.47%</b>



# DEBT SERVICE FUNDS

# DEBT SERVICE

# Funds

*Debt Service Funds track the principal and interest payments on Certificates of Obligation and General Obligation Bonds.*

## MIDLAND'S DEBT SERVICE FUNDS INCLUDE:

**Governmental Debt Service** – The revenue is generated from a property tax levy and from Hotel Motel fund transfer. The funds are restricted to only be used to pay authorized debt service. Money remains in this fund until spent for its authorized purpose.

**Water & Sewer (W&S) Debt Service** – The revenue is generated from water & sewer charges. The funds are restricted to only be used to pay authorized issuance debt service. All money remains in this fund until spent for its authorized purpose.

**Golf Course Debt Service** – The revenue is generated from golf course charges. The funds are restricted to only be used to pay authorized issuance debt service. FY2022, Golf Course Debt was included in the Governmental Debt Service.

## Revenues

	FY22 Actuals	FY23 BUDGET	FY24 BUDGET	% CHANGE
Governmental Debt Service	11,371,309	11,580,454	14,210,701	22.71%
Water & Sewer Debt Service	7,820,258	7,817,730	18,957,807	142.50%
Golf Course Debt Service	-	-	128,063	-
<b>TOTAL REVENUE</b>	<b>19,191,567</b>	<b>19,398,184</b>	<b>33,168,508</b>	<b>71.65%</b>

## Expenditures

	FY22 Actuals	FY23 BUDGET	FY24 BUDGET	% CHANGE
Governmental Debt Service	12,662,646	11,580,454	14,338,764	22.71%
Water & Sewer Debt Service	5,816,476	7,817,730	18,957,807	142.50%
Golf Course Debt Service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,479,122</b>	<b>19,398,184</b>	<b>33,168,508</b>	<b>71.65%</b>



**SECTION I:**

**APPENDIX**

# BUDGET

# Glossary

**APPROPRIATION** – A legal authorization made by the City Council which permits City officials to incur obligations against and to make expenditures of governmental resources.

**AD VALOREM** – Refers to the tax assessed against real (land & buildings) and personal (equipment & furniture) property in compliance with the State Property Tax Code.

**ASSESSED VALUATION** – A value established by the Midland Central Appraisal District which approximated market value of real or personal property.

**BALANCED BUDGET** – A balanced budget occurs when the total sum of money a government has budgeted to collect in a year is equal to the amount it has budgeted to spend on goods, services and debt.

**BOND** – A written promise to pay a sum of money on a specific date(s) at a specific interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. Most commonly, these are General Obligation Bonds, Certificates of Obligation, or Revenue Bonds used for capital construction projects.

**BUDGET** – A financial plan, for a specified period, of operations that matches all planned revenues with the services provided the residents of the City. The budget is approved by Ordinance and sets legal spending limits for the fiscal year.

**BUDGET DOCUMENT** – the compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenues and expenditure plan.

**BUDGET MESSAGE** – The opening section of the budget from the City Manager which provides the City Council and the public with a general summary of the most important aspects of the budget.

**BUDGET ORDINANCE** – The official enactment, by City Council, to legally authorize City staff to obligate and expend resources.

**CAPITAL** – Expenditures for equipment, vehicles, machinery or other improvements that result in the acquisition of assets which an estimated useful life of more than one year, a unit cost of \$5,000 or more and capable of being identified as an individual unit or property.

**CERTIFICATED OF OBLIGATION (CO)** – Legal debt instruments which finance a variety of public projects such as streets, buildings and improvements. These bonds are backed by the full faith and credit of the issuing government and are financed through property tax revenues.

**CITY COUNCIL** – The Mayor and six (6) Council Members collectively acting as the legislative and policy making body of the City.

**DEBT SERVICE FUND** – A fund established to account for the accumulation of resources for, and the payment of, long-term principal and interest.

**DEPARTMENT** – A major administrative organizational unit of the City which indicated overall management responsibility for one or more divisions.

**DIVISION** – A basic organization unit that is functionally unique and provides services under the administrative direction of a department.

**ENTERPRISE FUND** – Funds established to account for operations of the water & sewer system, drainage, sanitation, golf course and airport. These funds are operated in a manner similar to private business enterprises.

**ESTIMATED REVENUE** – A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

**EXPENDITURE** – Funds spent in accordance with budgeted appropriations on assets or goods and services obtained.

**FISCAL YEAR** – A consecutive 12-month period which signifies the beginning and ending dates recording financial transactions. The City of Midland’s fiscal year begins October 1<sup>st</sup> and ends September 30<sup>th</sup> of the following calendar year. This is also called a budget year.

**FRANCHISE FEE** – A fee paid by public service utilities for use of public property in providing their services to the citizens of the community.

**FUND** – An accounting entity with a self-balancing set of accounts that record financial transactions for specific activities or government functions.

**FUND BALANCE** – The difference between governmental fund assets and liabilities. An adequate fund balance is essential for several reasons, including the need to have sufficient cash for operations prior to receipt of property tax revenues, maximization of investment earnings, maintaining a financial position favorable to strong bond ratings and funds availability in case of emergencies or unexpected events.

**GENERAL FUND** – The fund used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived from taxes, user and franchise fees which support general public services such as public safety, development services and community services.

**GENERAL OBLIGATION (GO) BONDS** – Legal debt instruments which finance a variety of public projects such as streets, buildings and improvements. These bonds are backed by the full faith and credit of issuing government and are financed through property tax revenues.

**INTERGOVERNMENTAL REVENUE** – Grants, entitlements and cost reimbursements from another federal, state or local governmental unit.

**INTERNAL SERVICE FUND** – These funds account for the financing of goods or services provided by one City department to other departments of the governmental unit on a cost reimbursement basis. The Garage Fund and the Technology Fund are operated as internal service funds in the City of Midland.

**LEVY** – To impose or collect by legal authority vested in the City Council.

**LONG TERM DEBT** – Debt with a maturity of more than one year after the date of issuance.

**NET ASSETS (FUND EQUITY)** – the noncapital portion of proprietary fund net assets, including both restricted and unrestricted net assets.

**NO-NEW-REVENUE RATE (Formally the Effective Tax Rate)** – The ad valorem tax rate which, when applied to properties existing on last year’s tax roll, adjusted for changes in appraisal values and other items, would yield the same tax revenues in the current year as in the previous year.

**ORDINANCE** – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a State statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

**PERSONNEL SERVICES** – The costs associated with compensating employees for their labor. This includes salaries and fringe benefits.

**PROPERTY TAXES** – Used to describe all revenues received in a period from current taxes, delinquent taxes, penalties and interest on delinquent taxes. Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

**RESERVE** – An account used to indicate that a portion of a fund balance is restricted for a specific purpose.

**REVENUE** – Funds that the government receives as income.

**REVENUE BONDS** – A legal debt instrument which may be used to finance projects for enterprise funds. Revenues from the borrowing fund are pledged to pay principal and interest of the bonds.

**TAX BASE** – The total value of all real and personal property in the City as of January 1<sup>st</sup> of each year, as certified by the Appraisal Review Board. The tax base represents net value after all exemptions.

**TAX RATE** – The tax rate consisted of two components, maintenance/operations and debt service and is adopted by Ordinance by the City Council after a public hearing.

**VOTER APPROVAL RATE (Formally the Roll-Back Rate)** – The Voter Approval tax rate is the maximum allowable tax rate that can be adopted before requesting voter approval and encompass the No-New Revenue Rate X 1.035% plus the current debt service rate.



ORDINANCE NO. 10432

**AN ORDINANCE OF THE CITY OF MIDLAND PROVIDING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024, BY APPROVING THE BUDGET FOR SAID PERIOD AND APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES AND UNAPPROPRIATED FUND BALANCE OF THE CITY OF MIDLAND FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS TO THE CITY; AND ORDERING PUBLICATION**

**WHEREAS**, as required by Article IV, Section 14, of the City Charter, the City Manager has prepared and submitted to the City Council a Budget Estimate of expenditures and revenues of all City departments, activities, and offices for the year beginning October 1, 2023, and ending September 30, 2024; and

**WHEREAS**, said Budget has been filed with the City Secretary of the City of Midland, Texas, as required; and

**WHEREAS**, notices of a public hearing upon said Budget have been duly and legally made; and

**WHEREAS**, said public hearing has been held and full and final consideration given said Budget;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:**

**SECTION ONE.** That for the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Midland for the fiscal year beginning October 1, 2023, and ending September 30, 2024, the Budget prepared by the City Manager and submitted to the City Council for its consideration and approval is hereby approved, and the available resources and revenues of the City of Midland as set forth in said Budget for said fiscal year, are hereby appropriated and set aside for the maintenance and operation of the various departments of the Government of the City of Midland, together with the various

activities and improvements as set forth in said Budget; and the appropriations shall be strictly applied for the uses and purposes in the respective departments as provided for in said Budget.

**SECTION TWO.** That the said Budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024, approved herein shall be attached to and made a part of this ordinance the same as if copied in full herein, said Budget being on file in the City Secretary's office referenced by the number and date of this Ordinance.

**SECTION THREE.** That expenditures during the fiscal year beginning October 1, 2023, and ending September 30, 2024, shall be made in accordance with the summary Budget approved by this ordinance unless otherwise authorized by a duly enacted resolution or ordinance of the City of Midland and subject to the following provisions and conditions, to wit:

1. That no expenditure may be made without Council approval which shall increase the total appropriation for any one Fund.
2. That the City Manager may make transfers to and between departments and divisions unless such transfers would increase the total appropriation within a Fund.
3. That department managers are hereby authorized to approve transfers of amounts between line items within their departments if such transfers do not significantly change the work program contemplated in the approved Budget.

**SECTION FOUR.** During each year while there is any liability by reason of the City's Personnel Policies or Employment Agreements, the City Council shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls with full allowance being made for tax collection, which will be sufficient to raise the money required to pay any sums which may be or become due during any such year, in no instance to be less than two percent (2%) of such obligation, together with all interest thereon, because of the obligations assumed by the City's Personnel Policies or Employment

Agreements. Said rate and amount of ad valorem tax will be ordered to be levied against all taxable property in the City for each year while any liability exists by reason of the obligations undertaken by the City's Personnel Policies or Employment Agreements, and said ad valorem tax shall be assessed and collected each year until all of the obligations incurred in the City's Personnel Policies or Employment Agreements shall have been discharged and all liability discharged.

**SECTION FIVE.** For the purpose of this ordinance, certain words as used herein are defined as follows:

1. The term "agency" wherever used in the said Budget shall mean the same and be synonymous with the term "department" as used in the Charter, ordinances, resolutions, and other official documents and policies of the City of Midland, Texas.
2. The term "organization" wherever used in the said Budget shall mean the same and be synonymous with the term "division" as used in the Charter, ordinances, resolutions and other official documents and policies of the City of Midland, Texas.

**SECTION SIX.** All departments of the City required to be established by the City Charter, state law, or federal law are deemed to be created.

**SECTION SEVEN.** That all transfers from the Water and Sewer Fund and Sanitation Fund are made in compliance with Sections 1502.057, 1502.058 and 1502.059 of the Texas Government Code.

**SECTION EIGHT.** That the City Manager shall give notice of water rate increases to appropriate individuals and entities as required by state law.

**SECTION NINE.** That the City Manager is hereby authorized and directed to execute contracts for grants of Hotel/Motel Tax funds to the extent that said grants are included in the Budget.

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the 22nd day of August, A.D., 2023; and passed to second reading on motion of Council member Corrales, seconded by Council member Norman, by the following vote:

Council members voting "AYE": Stretcher Burkes, Corrales, Poole, Blong, Dufford, Ladd, Norman

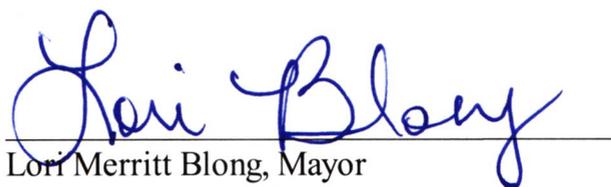
Council members voting "NAY": None

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member Corrales, seconded by Council member Norman, on the 29th day of August, A.D., 2023, at a regular meeting of the City Council:

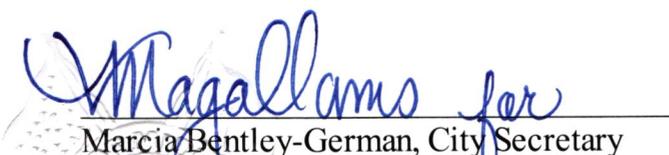
Council members voting "AYE": Stretcher Burkes, Corrales, Poole, Blong, Dufford, Ladd, Norman

Council members voting "NAY": None

PASSED AND APPROVED THIS 29th day of August, A.D., 2023.

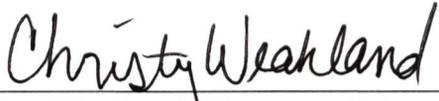
  
Lori Merritt Blong, Mayor

ATTEST:

  
Marcia Bentley-German, City Secretary



APPROVED AS TO CONTENT  
AND COMPLETENESS:

  
\_\_\_\_\_  
Christy Weakland, Director of Finance

APPROVED ONLY AS TO FORM:

  
\_\_\_\_\_  
John Ohnemiller, City Attorney

ORDINANCE NO. 10433

**AN ORDINANCE FIXING THE TAX LEVY FOR THE CITY OF MIDLAND, TEXAS, FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2023, AND ENDING ON SEPTEMBER 30, 2024**

**WHEREAS**, the Midland City Council voted to propose a tax rate of \$0.350662 for each one hundred dollar valuation of taxable property for the fiscal year October 1, 2023, to September 30, 2024; and

**WHEREAS**, the Midland City Council finds and determines that the City of Midland has fully and timely complied with all notice, hearing and other legal requirements relative to the adoption of this ordinance; and

**WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE; AND**

**WHEREAS, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 2.54 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000.00 HOME BY APPROXIMATELY \$-15.03.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:**

**SECTION ONE.** That to pay interest and principal on outstanding bonds as they mature, a tax levy of \$0.060852 on each \$100.00 valuation of all taxable property in the City of Midland, Texas is hereby made and levied for the year 2023 to be credited to the Interest and Sinking Fund of the City.

**SECTION TWO.** That to raise funds to help defray current General expenses of the City, a levy of \$0.289810 on each \$100.00 valuation of all taxable property within the City is hereby made and levied for the year 2023. The collections from these levies are to be apportioned and deposited as follows:

Interest and Sinking Fund	<u>\$0.060852</u>
General Fund	<u>\$0.289810</u>
TOTAL TAX LEVY FOR ALL PURPOSES	<u>\$0.350662</u>

The above and foregoing ordinance was duly proposed, read in full and adopted on first reading, the 22nd day of August, A.D., 2023; and passed to second reading on motion of Council member Dufford, seconded by Council member Norman, with the motion being stated as “I move that the property tax rate be increased by the adoption of a tax rate of \$0.353162, which is effectively a 7.4 percent increase in the tax rate”, by the following vote:

Council members voting “AYE”: Stretcher Burkes, Blong, Dufford, Ladd, Norman

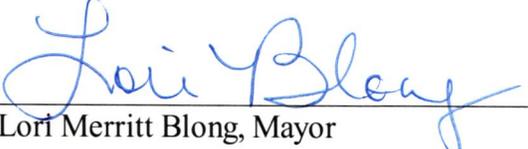
Council members voting “NAY”: Corrales, Poole

The above and foregoing ordinance was read in full and finally adopted by the following vote upon motion of Council member Stretcher Burkes, with the motion being stated as “I move that the property tax rate be increased by the adoption of a tax rate of \$0.350662, which is effectively a 6.68 percent increase in the tax rate”, seconded by Council member Dufford, on the 29th day of August, A.D., 2023, at a regular meeting of the City Council:

Council members voting “AYE”: Stretcher Burkes, Blong, Dufford, Ladd, Norman

Council members voting “NAY”: Corrales, Poole

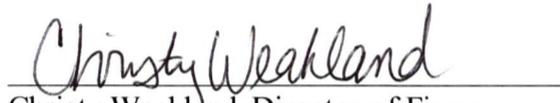
PASSED AND APPROVED THIS 29th day of August, A.D., 2023.

  
Lori Merritt Blong, Mayor

ATTEST:

  
\_\_\_\_\_  
Marcia Bentley-German, City Secretary

APPROVED AS TO CONTENT AND  
COMPLETENESS:

  
\_\_\_\_\_  
Christy Weakland, Director of Finance

APPROVED AS TO FORM ONLY:

  
\_\_\_\_\_  
John Ohnemiller, City Attorney

05 MAY 2023

## Fitch Rates Midland, TX's \$24MM GO Bonds 'AAA'; Outlook Stable

Fitch Ratings - Austin - 05 May 2023: Fitch Ratings has assigned a 'AAA' rating to the following City of Midland, Texas (city) limited tax (LT) obligations:

--\$23.93 million general obligation (GO) bonds, series 2023.

Additionally, Fitch has affirmed Midland's Issuer Default Rating (IDR) and roughly \$257 million of outstanding GO long-term debt at 'AAA'.

The Rating Outlook is Stable.

The bonds are scheduled to sell via negotiation on May 11, 2023. Proceeds from the sale of the bonds will be used to acquire and construct various improvement for the city, as well as pay for the cost of issuance.

### SECURITY

The bonds are payable from a limited ad valorem tax pledge of \$2.50 per \$100 taxable assessed valuation (TAV) levied against all property within the city.

### ANALYTICAL CONCLUSION

The 'AAA' rating reflects the city's strong revenue growth prospects, robust financial resilience, expenditure flexibility, satisfactory revenue-raising capability and low long-term liability burden.

### Economic Resource Base

The city is the county seat for Midland County (GO bonds rated 'AAA') and is the main service center for the Permian Basin in west Texas. According to the U.S. Census Bureau 2022 data, the city's population is more than 133,000, reflecting an increase of 19% since 2010. The region's commodity-driven economy is more volatile than most local economies in the U.S., but it has provided significant wealth and strong growth on average across cycles. Per capita personal income is more than twice that of the state and nation.

### KEY RATING DRIVERS

#### Revenue Framework: 'aaa'

The city of Midland's general fund revenues have realized strong average 10-year revenue growth.

For more information on Finance Policies  
for the City of Midland:

<https://www.midlandtexas.gov/231/Finance-Budget>

**Financial Policies provided in link:**

- Financial Policy
- Investment Policy
- Purchasing Policy
- Budget Procedure
- Cash Handling Policy
- Capital Improvement Policy