

UNFAIR CONCEALED CITY UTILITY TAXES ARE ROBBING YOUR FAMILY!

Hidden taxes on our utility bills have escalated almost \$10 million over the last 5 years to \$29.4 million in 2013-14. This amount is now 1/5 of the City's total revenue and costs the average family of four an extra \$500 over the actual cost of their utilities this year. Obviously, those with modest incomes are least able to pay these "transfers" to the General Fund that are used for purposes totally unrelated to the utility departments.

The ways these taxes disguised as franchise and payment in lieu of taxes (PILOT) are calculated differently for the LP&L electric utility and are finally itemized on our bills. The franchise fee of 5% on gross receipts sends 3% to the General Fund and 2% to the Gateway Fund. The PILOT fee (called an electric tax on the new bills) is based on 1% of gross receipts and also goes to the General Fund. The electric taxes are finally being itemized on your bills.

The Water, Wastewater, Solid Waste and Storm Water Departments are charging us franchise fees of 6%. The PILOT fees on these are calculated by charging 1% of what the City has estimated the property value of each department's assets are. As projects are finished, these increased "valuations" generate a lot more revenue and the 1% is double the current property tax rate of 50.04 cents per hundred dollars on private property. NONE of these are shown on bills.

These calculations may seem complicated, but City leaders don't want you to realize that every rate increase builds in a huge windfall to add substantially more revenue without adding to the property tax rate. The total revenue from all sources this year is estimated to be \$674,463,531, an increase of \$23.7 million over last year, which is more than enough to pay for basic City services and maintenance of facilities and streets and pay down our huge debt.

After checking with 5 Texas cities near our size, we found that none of them rip off their ratepayers like this at all. Lubbock citizens must insist that these dishonest hidden taxes be phased out and be itemized until then on our utility bills so they can be deducted from income taxes.

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Funding Source Summary - General Fund

	Actual	Actual	Actual	Amended	Budget	% Change
TAXES	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	from Forecast
Property Taxes	\$ 38,047,133	38,820,278	40,874,500	43,799,854	45,565,927	4.0
Delinquent Taxes/Penalties & Interest	864,853	1,029,708	766,265	915,000	885,000	(3.3)
Sales Tax	46,757,685	49,200,038	52,528,476	53,011,559	58,300,785	10.0
Mixed Beverage Sales Tax	-	-	-	-	266,664	-
Mixed Beverage Tax	950,571	978,651	853,461	870,482	445,071	(48.9)
Bingo Tax	268,521	326,501	307,193	285,358	310,000	8.6
TOTAL TAXES	86,888,762	90,355,175	95,329,895	98,882,253	105,773,447	7.0
FRANCHISE FEES/RIGHT OF WAY						
Suddenlink	1,049,887	1,077,399	1,103,626	1,142,025	1,200,000	5.1
Xcel Energy	1,604,314	209,967	-	-	-	-
Atmos	1,843,188	1,440,115	1,293,381	1,575,000	1,125,000	(28.6)
South Plains Electric Coop.	504,566	566,846	544,919	598,972	562,500	(6.1)
West Texas Gas	2,578	4,670	3,716	-	3,750	-
Telecom ROW	2,020,591	1,687,940	2,875,161	1,871,089	2,025,000	8.2
TOTAL FRANCHISE FEES/RIGHT OF WAY	7,025,123	4,986,937	5,820,803	5,187,086	4,916,250	(5.2)
FEES FOR SERVICES						
Development Services	120,406	142,308	153,632	126,696	141,450	11.6
General Government	64,766	75,813	81,966	69,903	72,500	3.7
City Secretary	383,001	369,346	312,934	312,290	315,118	0.9
Public Safety	1,084,041	1,057,854	1,062,170	1,096,650	1,122,040	2.3
Public Works	115,678	101,354	66,909	79,100	53,900	(31.9)
Public Health	123,086	107,208	16,405	16,990	15,610	(8.1)
Animal Shelter	120,466	121,489	129,777	126,000	116,600	(7.5)
Cultural/Recreational	975,378	1,032,354	1,054,733	984,529	1,022,754	3.9
Museum	180,441	217,972	217,152	215,150	214,850	(0.1)
TOTAL FEES FOR SERVICES	3,167,263	3,225,697	3,095,679	3,027,308	3,074,822	1.6
FEES AND FINES						
Licenses and Permits	2,498,204	2,075,041	2,395,666	2,144,489	2,497,045	16.4
Intergovernmental	360,932	297,802	339,677	575,413	336,854	(41.5)
Fines and Forfeitures	2,993,803	2,940,613	3,404,338	3,283,600	3,346,181	1.9
TOTAL FEES AND FINES	5,852,938	5,313,457	6,139,681	6,003,502	6,180,080	2.9
OTHER REVENUES						
Interest Earnings	48,896	25,379	96,249	-	-	-
Rental	6,526	4,595	7,520	9,756	9,581	(1.8)
Recoveries of Expenditures	1,019,169	913,331	1,333,614	720,621	789,765	9.6
Other	1,158,723	1,560,406	1,602,833	1,373,355	362,400	(73.6)
TOTAL OTHER REVENUES	2,233,313	2,503,711	3,040,216	2,103,732	1,161,746	(44.8)
TRANSFERS						
Transfers from Special Revenue Funds	865	-	299,720	299,720	299,720	-
Transfers from LP&L	4,443,771	8,431,721	8,248,333	8,205,106	9,033,705	10.1
Transfers from Water Fund	7,009,760	7,310,010	8,094,828	9,245,651	9,784,639	5.8
Transfers from Wastewater Fund	3,155,984	3,351,026	3,548,596	3,753,410	3,997,080	6.5
Transfers from Solid Waste	2,463,220	2,291,602	2,324,726	2,347,431	2,426,530	3.4
Transfers from Airport Fund	1,189,314	1,444,949	1,491,603	1,603,080	1,620,483	1.1
Transfers from Stormwater	1,542,894	1,911,885	2,153,478	2,138,307	2,236,258	4.6
Transfers from Hotel/Motel	-	-	-	-	-	-
Transfers from LEDA	-	-	-	-	-	-
Other Transfers	-	-	-	-	-	-
TOTAL TRANSFERS	19,805,808	24,741,193	26,161,284	27,592,705	29,398,416	6.5
TOTAL REVENUE SOURCES	124,973,207	131,126,170	139,587,558	142,796,586	150,504,760	5.4
Utilization of Net Assets	-	-	-	1,290,000	7,923,854	514.3
TOTAL FUNDING SOURCES	\$ 124,973,207	131,126,170	139,587,558	144,086,586	158,428,614	10.0
CAPITAL LEASE PROCEEDS	\$ 4,015,386	3,588,154	5,537,998	-	-	-