



CITY OF MIDLAND, TEXAS

Table 18 - Historical Water Pumpage and Consumption

Fiscal Year Ended 9-30	Water Pumpage Average Day Pumpage (MGD)	Peak Day Pumpage (MGD)	Total Pumpage (Million Gallons)	Water Consumption Average Day Consumption (MGD)	Total Consumption (Million Gallons)
2012	15.92	27.11	5,826	15.56	5,694
2013	16.49	24.08	6,019	15.65	5,711
2014	16.75	25.94	6,112	15.41	5,625
2015	18.90	30.21	6,897	17.40	6,351
2016	13.77	23.74	5,039	17.74	6,494
2017	18.88	21.28	6,892	18.19	6,638
2018	20.31	14.77	7,412	20.31	7,414
Average Number of Accounts, 10/17 - 9/18 (est)			42,802		
Average Monthly Water Bill, 10/17 - 9/18 (est)			\$147.22		
Average Monthly Consumption per Account			12.92		

(Unaudited - See Accompanying Independent Auditor's Report.)



CITY OF MIDLAND, TEXAS

Table 1 - Passenger Emplanements on Scheduled Airline Flights

Calendar Year	Southwest Airlines (1)	United Airlines (2)	American Eagle (3)	Other Airlines	Total
2014	292,173	89,155	105,504	56,464	543,296
2015	272,517	64,912	100,680	65,163	503,272
2016	245,796	49,375	105,878	66,546	467,595
2017	276,511	56,039	122,162	64,467	519,179
2018	303,894	26,020	138,704	123,918	592,536

(1) Southwest commenced service in May 1977

(2) Continental commenced service in January 1993

(3) American Eagle commenced service in November 1990



CITY OF MIDLAND, TEXAS

Table 2 - Airline/Airport User Agreement

Certificated Passenger Airline/Airport Use Agreement

Scheduled airlines operating at Midland International Air and Space Port are required to sign standard Airline/Airport use and lease agreements (the "Agreements"). These agreements allow the signatory airline the use of certain premises and facilities and for the exercise of certain rights and privileges at the Midland International Air and Space Port in connection with the operation of an air transportation system. All current airline agreements are in a holdover period with new agreements being worked on at this time.

Landing Fees

On August 1, 2008, the rate for landing fees was temporarily rolled back from \$0.70 to \$0.60 per 1,000 Gross Landing Weight. This reduction, enacted to assist the airlines during the crisis generated by high fuel costs, lapsed on February 1, 2009. At that time the rate returned to the \$0.70 per 1,000 Gross Landing Weight. The City has no plans to increase landing fees above that level during the year ended September 30, 2019.

Rentals

Terminal Building joint use and exclusive rates are currently \$20.50 per square foot per year. The rate used to calculate the amount of rent to be paid by the airline to the City shall be reviewed annually and may be adjusted if the Airport's financial data for the Airport System Cost/Revenue indicates such need. In no event shall the square footage rate be less than the base \$20.50 rate. No change in rates is anticipated for Fiscal Year 2019.

Exclusive Terminal Building Space

Includes ticket counters, operations offices, airfreight handling areas, and administrative offices.

Non-exclusive Terminal Building Space

Joint Use Area - 20% of the total monthly charge divided equally among all scheduled airlines. 40% of the total is prorated among all scheduled airlines based upon the ratio of each such airline's number of revenue landings during the calendar month for which such charges are being determined, to the total of all revenue landings for all scheduled airlines. The remaining 40% is prorated among all scheduled airlines based upon the ratio of each such scheduled airline's number of enplaned passengers to the total of enplaned passengers for the calendar month.

Passenger Loading Bridges and Baggage Claim System

Under the terms of the Airline/Airport Use and Lease agreement between the City of Midland and the airlines serving the Airport, the airlines have responsibility for operation of these systems. In accordance with the Aircraft Passenger Loading Bridge and Baggage System Maintenance contract, charges for maintenance are assessed to the airlines based upon labor performed plus parts, materials and shipping costs.

Extraordinary Costs and Expenses

The agreements provide for timely renegotiation and adjustments to rentals, landing fees and other charges in the event extraordinary costs or expenses are incurred by the City, including technical advances or new governmental requirements.



CITY OF MIDLAND, TEXAS

Table 3 - Airport Revenue Debt Service Requirements

The final payment to retire the Airport Revenue Bonds, Series 1997 was made on December 1, 2006.

Table 4 - Authorized But Unissued Airport Revenue Bonds; Anticipated Issuance of Airport Revenue Bonds

The City has no authorized but unissued revenue bonds, and pursuant to State law is not required to approve its revenue bonds through election. The City does not anticipate the issuance of additional Airport Revenue Bonds in the foreseeable future.

Table 5 - Other Airport Obligations

The City has no lease, lease-purchase or note obligations secured by Airport revenues.



CITY OF MIDLAND, TEXAS

Table 6 - Airport Statement of Operations

	2018	2017	2016	2015	2014
Operating Revenues					
Terminal (1)					
Airport Parking	\$ 4,301,281	\$ 3,533,079	\$ 3,391,476	\$ 3,923,015	\$ 2,987,635
Airport Building Rental	5,214,775	4,704,832	4,614,015	4,312,874	4,090,892
Airport Aviation Rental	260,438	260,392	130,796	431,819	359,438
Airport Landing Fees	497,198	423,375	494,015	527,521	487,659
Airport Commercial Rentals	-	-	(172)	150,066	168,248
Airport Fuel and Oil Commissions	117,262	107,506	109,374	88,955	104,480
Miscellaneous	7,225,423	1,722,520	115,036	538,283	504,421
Total terminal	17,616,377	10,751,704	8,854,540	9,972,533	8,702,773
Air Park (2)					
Airpark Rentals	139,871	124,853	12,099	136,204	135,924
Airpark Fuel and Oil Commissions	23,504	4,530	4,162	21,832	22,614
Total air park	163,375	129,383	16,261	158,036	158,538
Total operating revenues	17,779,752	10,881,087	8,870,801	10,130,569	8,861,311
Non-Operating Revenues					
Passenger Facility Cahrge	2,259,621	1,952,350	1,957,035	1,999,243	1,594,738
Other Non-operating	738,673	513,190	158,732	533,078	2,152,211
Total Non-Operating Revenues	2,998,294	2,465,540	2,115,767	2,532,321	3,746,949
Gross Revenues	20,778,046	13,346,627	10,986,568	12,662,890	12,608,260
Operating and Maintenance Expenses					
Salaries and Fringe Benefits	2,406,309	2,490,903	2,320,708	2,168,268	2,308,505
Contractual Services	3,021,706	5,074,994	2,157,535	2,104,835	1,812,983
Maintenance of Structures	89,032	201,980	189,704	210,415	66,786
Maintenance of Equipment	366,450	52,536	51,021	90,981	57,603
Foreign Trade Zone	142,696	143,853	149,495	174,989	149,552
General Fund Services	2,014,148	1,934,680	1,758,800	1,600,000	1,500,000
Supplies	139,518	82,917	122,020	200,480	121,702
Total Operating and Maintenance Expenses	8,179,859	9,981,863	6,749,283	6,549,968	6,017,131
NET REVENUES	\$ 12,598,187	\$ 3,364,764	\$ 4,237,285	\$ 6,112,922	\$ 6,591,129

(1) "Terminal" means Midland International Airport.

(2) "Airpark" is a 500 acre airport, part of the Airport System, located in north Midland.

(3) "Operating and Maintenance Expenses" do not include depreciation, capital outlay or debt service.



CITY OF MIDLAND, TEXAS

Table 7 - Coverage

The City does not have outstanding Airport Revenue Bonds at September 30, 2018.

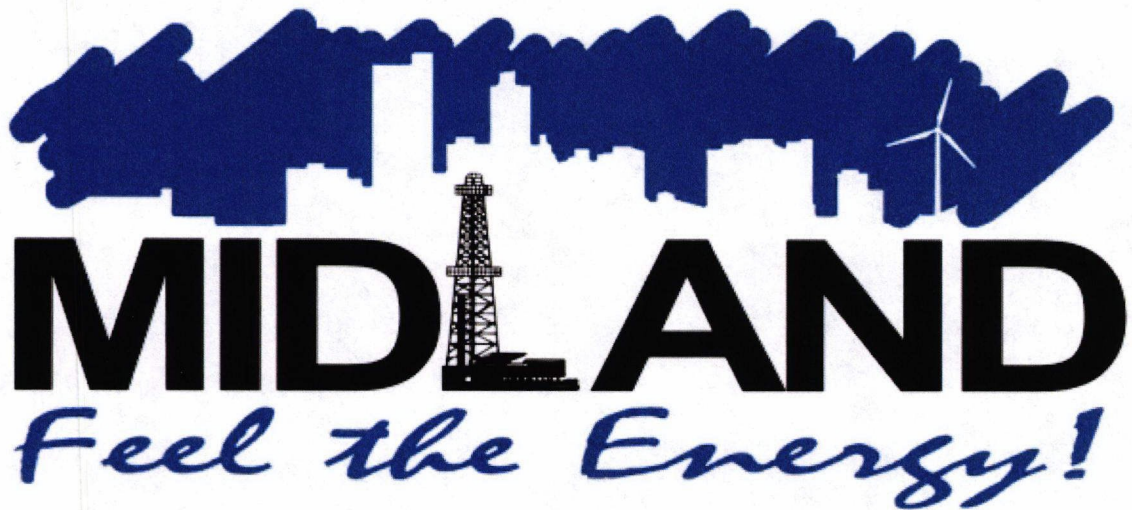
Table 8 - Current Investments

As of September 30, 2018, the City's investable funds were invested in the following categories:

<u>Type of Investment</u>	<u>% of</u>	<u>Market Value</u>
<u>Description</u>	<u>Market Value</u>	<u>Market Value</u>
U.S. Treasury Notes and Bills	0.00%	\$ 0
U.S. Agency and Instrumentality	20.70%	72,458,290
Cash and Local Government Pools	<u>79.30%</u>	<u>277,630,610</u>
Totals	<u>100.00%</u>	<u>\$ 350,088,900</u>

As of such date, 75.5% of the City's investment portfolio was invested in immediately available funds from pools. The market value of the investment portfolio was 100% of its fair value and the effective investment yield was 1.9973%. Average maturity of the portfolio was 6.99 years.





**CAPITAL
IMPROVEMENT
PROGRAM**

2013-2014

MIDLAND, TEXAS



**THE CITY OF MIDLAND, TEXAS
CAPITAL IMPROVEMENT PROGRAM**

Fiscal Year
October 1, 2013 through September 30, 2014

Mayor W. Wesley Perry

Council Members

W. Jeffrey Sparks
Mayor Pro Tempore
District 1

John Love III
District 2

John H. James
District 3

Michael B. Trost
District 4

A. Scott Dufford
At-Large

Jerry F. Morales
At-Large

Courtney B. Sharp, City Manager



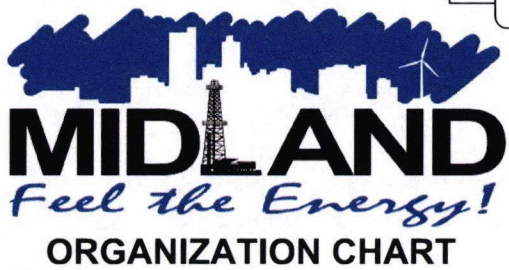
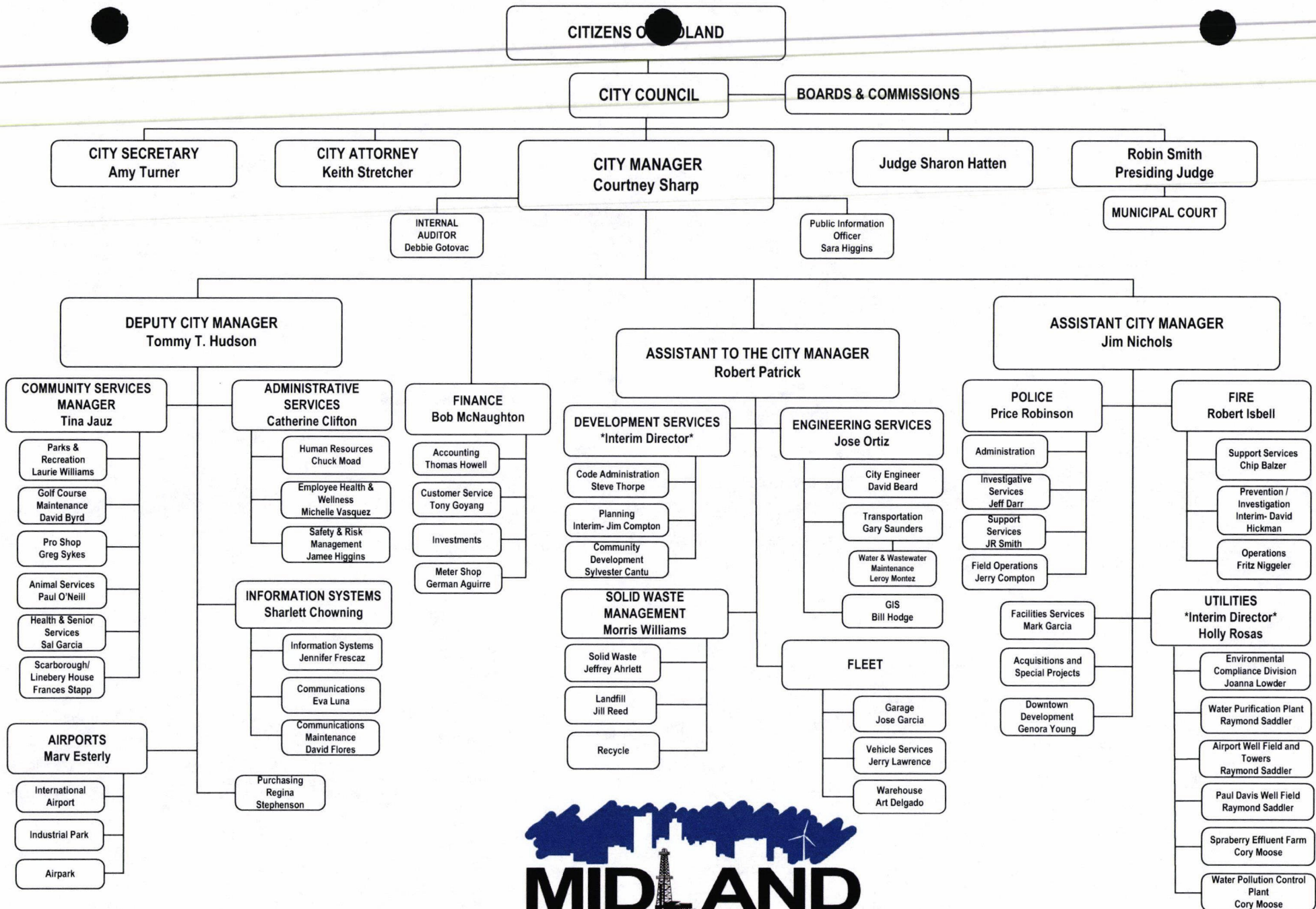




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SECTION I
INTRODUCTION







August 26, 2013

TO: Honorable Mayor and City Council
FROM: Courtney Sharp, City Manager
SUBJECT: 2013/2014 Capital Improvement Program

The 2013/2014 Capital Improvement Program (CIP) Budget for current capital projects and CIP requests is submitted for your consideration. This budget is submitted as the general capital plan currently in place and to provide a source document for the evaluation and planning for future capital expenditures. The CIP Budget is an essential item in planning for capital acquisitions to insure that capital funds are spent on high priority projects that are compatible with the City's long term goals and that these projects cause no extraordinary financial burden to the City.

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 \$15,000 and include such items as land purchases, building and/or renovating structures, roads, water and sewer line extensions, park developments and new City facilities such as fire stations, airports, or water treatment facilities. Inclusion of a project as a CIP request does not insure that the project will be funded at any time in the future, but it does assure that the project will be evaluated on its merits relative to other proposed CIP projects. Major maintenance projects such as street resurfacing or a new roof for a building should normally be included in the City's operating budget and are not included in the CIP.

Annually, a five year CIP needs assessment will be presented to City management by the various City departments. Inherent in this needs assessment is the consideration of the operating budget impact in future years of the proposed project as presented on the summary of the five year needs assessment.

A listing of all currently available capital project funds is included in the third section of the CIP budget. This summary of available resources is supplemented by a description of the restrictions on the use of the listed funds which immediately follows the summary.



In general, these are dollars which, subject to certain restrictions, may be used to fund some of the proposed CIP in conjunction with possible future debt issues, unappropriated fund balances, working capital, grants, contributions or other funding sources available to the City.

Inherent in any consideration of capital expenditures is the consideration of finding the dollars to pay for the proposed projects. A primary source of capital dollars is debt issued by the City. General guidelines for a "safe" level of debt have been established at approximately eight percent (8%) of taxable assessed valuation, with certain minor adjustments to this amount. A discussion of this calculation and some basic information relative to ad valorem considerations of debt issuance are presented in the fourth section of the CIP budget.

The primary presentation of current CIP projects is made based upon the department responsible for the project. Each project is supported by a CIP Activity Form which was prepared by the responsible department and provides more detail of the project. The primary presentation is supplemented by an appendix which presents current CIP projects by project, fund and funding source.

The primary presentation of requested CIP projects is made based upon the department responsible for the project. Each project is supported by a CIP Request Form which was prepared by the responsible department and provides more detail of the project. The primary presentation is supplemented by an appendix which presents CIP requested projects by project, fund and funding source.

A Capital Improvement Program is a general plan put in place to provide source documentation for the evaluation, planning and expenditure of City funds for capital assets. Additionally, a Capital Improvement Program should be flexible enough to change to meet the needs of the City as the City grows and changes. It is through this flexibility, responsiveness and forward looking sense of responsibility that the City can best achieve these objectives.



VISION

Midland 2021
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: BELIEFS AND VALUES THAT DRIVE DAILY OPERATIONS

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



CAPITAL IMPROVEMENT PROGRAM POLICY

I. PURPOSE

The purpose of the Capital Improvement Program (CIP) is to implement and facilitate the City's Master Plan. 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:

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

Generally, capital projects consist of purchasing, building, or renovating land and/or structures. Common CIP projects include but are not limited to roads, water & sewer line extensions, park developments and new city facilities such as: recreation centers, fire stations, airports, or water treatment facilities.

Major maintenance projects, such as street resurfacing or placing a new roof on a building, are not included in the CIP. Although these projects may meet the cost and useful life criteria for a CIP project, they generally do not result in a new structure or a structure altered in design or use. Instead, these projects are periodically necessary to keep structures or facilities operating properly. These items will be included in the City's operating budget.

II. DEFINITIONS

- A. ***City of Midland Master Plan:*** A long range project plan to facilitate the development of the City.
- B. ***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.
- C. ***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 (ie.. land, buildings, machinery, equipment). This definition is intended to include, but not limited to, the following:
 1. Land: All related expenditures for land whether or not they meet the dollar limitation previously mentioned. This includes right-of-way acquisitions.



**CAPITAL IMPROVEMENT PROGRAM
POLICY (continued)**

II. DEFINITIONS (continued)

C. Capital Improvement:

2. Structures: All related expenditures for structures regardless of cost (ie., architectural, renovation, addition to, engineering).
3. 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.

III. POTENTIAL FUNDING SOURCES

The City raises funds to finance capital improvements primarily by using reserves, through user fees, by grants in aids from other governmental units, and by issuing bonds.

- A. 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.
- B. Enterprise Funds:** The City of Midland operates four Enterprise Funds - Solid Waste, Utilities, Airport and the Golf Course. 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).
- C. Assistance from other Governments:**
 1. Federal Assistance: The Federal Government provides monetary assistance in the form of grants for various programs and projects. Certain restrictions may be attached.
 2. State Assistance: The State Government provides local governments with loans and other assistance to ensure the delivery of services. Certain restrictions may be attached.
- D. Bonds.** The City of Midland has the ability to issue bonds and incur debt based on its ability to pay and its credit rating.
 1. General Obligation (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.



**CAPITAL IMPROVEMENT PROGRAM
POLICY (continued)**

III. POTENTIAL FUNDING SOURCES (continued)

- D. Bonds.** The City of Midland has the ability to issue bonds and incur debt based on its ability to pay and its credit rating.
2. 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 certificates, 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.
 3. 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.

IV. CALENDAR

Important dates to remember during the CIP process are summarized below:

April	CIP material sent to departments.
May	CIP requests due in to City Manager (CM).
June	CIP requests reviewed and/or ranked by respective Assistant City Manager (ACM).
June	Preliminary CIP requests sent to Finance.
July	CMO and Finance discuss CIP.
July	CMO recommendations evaluated by CM.
Late Summer	CMO/ Finance final review of CIP.
Fall	CM presents tentatively approved CIP to City Council for adoption.
January-February	Bond issued when required.

V. PROCEDURE

Each department of the City of Midland will prepare and submit to the City Manager's Office a CIP Request Form for each requested project. These requests are reviewed by both the City Manager and Finance office. Preliminary CIP's are presented to the City Council for review and approval.



**CAPITAL IMPROVEMENT PROGRAM
POLICY (continued)**

V. PROCEDURE (continued)

A. *Project Determination:* Each department must assess its needs and develop a list highlighting priorities. Since needs are constantly changing, this list should be revisited and updated annually. Before stating a capital need, the Department Head should identify those needs by including the following:

1. The project's relationship to the City of Midland's Goals and Needs.
2. The projects relationship to Departmental Goals.
3. An evaluation of existing facilities and/or structures.
4. Necessary time periods (i.e. planning, construction and preparation)
5. The impact of not implementing/ including the project in the CIP.

B. *Organization Decision:* If a capital requirement need requires a determination at a divisional level, then the department head should assign the responsibility to the appropriate division head. A review of all aspects of the request should be conducted by the department head.

The department head will determine which projects are to be included in the CIP request forms. The ability of the department's capacity to carry out all factors of the request should be considered.

C. *Amendments:* An amendment request to a CIP should be submitted to the City Manager's Office on the Capital Improvement Request Form and clearly marked as an amendment. After a review by all concerned parties, the request will be submitted to the City Manager. The City Manager will review the proposed amendment and submit the request along with recommendation to the City Council.



GLOSSARY

CAPITAL PROJECTS - consist of purchasing, building, or renovating land and/or structures. Common CIP projects include but are not limited to roads, water & sewer line extensions, park developments and new city facilities such as: recreation centers, fire stations, airports, or water treatment facilities.

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).

CITY OF MIDLAND MASTER PLAN - A long range project plan to facilitate the development of the City.

DEBT MARGIN - The difference between the safe debt level as determined by City Council (8% of assessed value) and outstanding debt less assets restricted for the retirement of debt.

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

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

FUNDING SOURCE - Show the proposed source(s) of funds for this project for each subsequent year. In addition, indicate the cost of the proposed project in the appropriate space. Be reminded that the totals for both the project cost and proposed funding source(s) should be identical.

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.



CIP Activity Form Instructions

The CIP Activity Form is to be used to transmit supporting information for current capital project activity to the City Manager. The form is to be completed in **duplicate** with one copy transmitted to the City Manager's Office and one being retained by the respective department.

All sections of the form should be completely filled out. If a section is not applicable, please so state; dollar estimates should be rounded to the nearest one hundred (\$100) dollars; any pertinent information of concern to the project, which will further justify the need, may be included as an attachment.

The following are brief guidelines of each section of the form to aid you in completing your request.

Program Summary

Department:	Self Explanatory
Project Title:	Self Explanatory
Project Number:	Four digit number assigned by Finance
Enabling Legislation:	City Council's authorization number (resolution/ordinance)
Start Date:	Self Explanatory
Completion Date:	Self Explanatory

Project Need

The focus of this section is to relate the need for the project activity. Indicate the necessity for the project by citing the needs, the functions to be served (i.e., is the need growth related, a deficiency or other in terms of level of service).

Initial Appropriation / Additional Appropriations

Indicate the amounts of the initial appropriation for this project in the first field and the total of any supplemental appropriations to the project in the second field. The sum of the two fields should be the same as the Fund Source total and the Project Cost total.



CIP Activity Form Instructions (continued)

Description and Location

Give a narrative explanation of the nature of the project, what the project is expected to accomplish and the location of the project. Included in this narrative explanation should be an accurate and complete summation of all aspects of the project.

Operating Budget Impact

This section is intended to provide information about how the project will affect future operating budgets. Indicate the effect of the project on the annual operating budget detailing the cost according to various categories of expenses (i.e., personnel, operating, capital outlays). Also, if the project will be a reduction in the operating budget, please outline these savings.

Funding Source

Show the source(s) of funds for this project to date. Any future proposed funding should be indicated as such on a request form.

Project Costs

Indicate the anticipated costs of the project in the appropriate categories. Be reminded that the totals for both the project costs and funding source(s) should be identical.



Capital Improvement Project <u>Activity</u> Form							<u>Initial Appropriation</u>	<u>Additional Appropriation</u>	
							\$0	\$0	
<u>Program Summary</u>							<u>Description and Location</u>		
Department									
Project Title									
Project Number									
Enabling Legislation (Resolution #, etc)									
Scheduled Start Date.									
Scheduled Completion Date									
<u>Project Need</u>							<u>Operating Budget Impact</u>		
							<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>
Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>		
Federal Grant						\$0	Property Acquisition	\$0	
State Grant						0	Consulting	0	
Certificates of Obligation						0	Construction	0	
Revenue Bonds						0	Furnishings & Equipment	0	
Operating Revenue						0	Other	0	
Other						0		0	
Total	\$0	\$0	\$0	\$0	\$0	\$0	Total	\$0	



CIP Request Form Instructions

The CIP Request Form is to be used to transmit supporting information for capital project requests to the City Manager. The form is to be completed in **duplicate** with one copy transmitted to the City Manager's Office and one being retained by the respective department.

All sections of the form should be completely filled out. If a section is not applicable, please so state; dollar estimates should be rounded to the nearest one hundred (\$100) dollars; any pertinent information of concern to the project, which will further justify the need, may be included as an attachment.

The following are brief guidelines of each section of the form to aid you in completing your request.

Program Summary

Department:	Self Explanatory
Project Title:	Self Explanatory
CIP Number:	20YY-XX Assigned by Finance
Start Date:	Self Explanatory
Completion Date:	Self Explanatory

Project Need

The focus of this section is to relate the need for the project request. Indicate the necessity for the proposed project by citing the needs, the functions to be served (i.e., is the need growth related, a deficiency or other in terms of level of service).

Impact of Not Funding

Indicate how not funding this project will affect your operations. Give specific examples of this impact. Be realistic.

Initial Request / Request Amendment

This section is intended to show what the initial estimate of costs were and how the proposed costs have changed. The sum of the two fields should be the same as the Funding Source total and the Project Costs total.



CIP Request Form Instructions (continued)

Description and Location

Give a narrative explanation of the nature of the project, what the project is expected to accomplish and the location of the project. Included in this narrative explanation should be an accurate and complete summation of all aspects of the project if permissible.

Operating Budget Impact

This section is intended to provide information about how the project will affect future operating budgets. Indicate the effect of the proposed project on the annual operating budget detailing the cost according to various categories of expenses (i.e., personnel, operating, capital outlays). Also, if the project will be a reduction in the operating budget, please outline these savings.

Future Improvements

Indicate the relationship of any future improvements in this area as they relate to the present proposed project.

Funding Source

Show the proposed source(s) of funds for this project for each subsequent year.

Project Costs

Indicate the costs of the proposed project in the appropriate categories. Be reminded that the totals for both the project costs and proposed funding source(s) should be identical.



Capital Improvement Project <u>Request</u> Form							<u>Initial Request</u> \$0	<u>Request Amendment</u> \$0	
<u>Program Summary</u> Department: Project Title: Request Number: Scheduled Start Date: Scheduled Completion Date:							<u>Description and Location</u>		
<u>Project Need</u>							<u>Operating Budget Impact</u> (List anticipated annual savings and/or additional cost as a result of this project)		
							<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>
<u>Impact of Not Funding</u>							<u>Future Improvements</u>		
							<u>Description and Location</u>	<u>Amount</u>	
<u>Funding Source</u>	<u>Year 1 (2014)</u>	<u>Year 2 (2015)</u>	<u>Year 3 (2016)</u>	<u>Year 4 (2017)</u>	<u>Year 5 (2018)</u>	<u>Total</u>	<u>Project Costs</u>		
Federal Grant						\$0	Property Acquisition	\$0	
State Grant						0	Consulting	0	
Certificates of Obligation						0	Construction	0	
Revenue Bonds						0	Furnishings & Equipment	0	
Operating Revenue						0	Other	0	
Other						0			
Total	\$0	\$0	\$0	\$0	\$0	\$0	Total	\$0	



SECTION II

FUND SOURCES AND RESTRICTIONS



SUMMARY OF CAPITAL RESOURCES AVAILABLE

FUND	FUND NAME		REMAINING BALANCE
070	POLICE SPECIAL PURPOSES -FEDERAL (1)	\$ 432,298	
071	POLICE SPECIAL PURPOSES-STATE (1)	71,786	
073	HIDTA FEDERAL SEIZURES (1)	7,789	
074	DEPT OF JUSTICE GRANT (JAG) POLICE	<u>118</u>	\$ <u>511,991</u>
095	STREET IMPROVEMENT FUND (PERMIT FEES) (2)	\$ 1,854,554	
159	1999 GP CO-STREET IMPROVEMENTS	3	
163	2012 GP CO-STREETS AND DRAINAGE	2,259,326	
165	2001 GP CO-DRAINAGE IMPROVEMENTS	5,803	
168	2001 TRAFFIC IMPROVEMENTS BOND	4,706	
186	2005 GP CO-STREETS AND DRAINAGE	161	
191	2007 GP CO-STREETS AND DRAINAGE	304	
193	2007 GP CO-TRAFFIC SYSTEM IMPROVEMENT	26,337	
195	2009 GP CO-STREETS AND DRAINAGE STREETS & TRAFFIC	<u>2,646,866</u>	\$ <u>6,798,060</u>
185	2005 GP CO-PUBLIC SAFETY EQUIPMENT		\$ <u>8,214</u>
092	MUNICIPAL COURT TECHNOLOGY (6)		\$ <u>271,357</u>
140	ANIMAL SHELTER FACILITY & EQUIPMENT		\$ <u>211,990</u>
160	2012 GP CO-COMMUNICATIONS SYSTEM		\$ <u>3,504,559</u>
161	2012 GP CO-FIRE FIGHTING FACILITIES		\$ <u>563</u>
167	2001 RECORDS STORAGE EQUIP BOND		\$ <u>3,769</u>
169	2001 PROFESSIONAL SERVICES BOND		\$ <u>7,443</u>
188	2005 GP CO-CITY FACILITY IMPROVEMENT	\$ 12,204	
192	2007 GP CO-CITY FACILITY IMPROVEMENT	91,066	
196	2009 GP CO-CITY FACILITY IMPROVEMENT CITY FACILITY	<u>23,663</u>	\$ <u>126,933</u>
158	1999 GP CO-PARK & HERITAGE DISTRICT	\$ 15	
162	2012 GP CO-PARKS AND RECREATION	1,122,927	
182	2003 GP CO-PARK IMPROVEMENTS	65	
187	2005 GP CO-PARK IMPROVEMENTS	20,944	
190	2007 GP CO-PARK IMPROVEMENTS	85,360	
194	2009 GP CO-PARK IMPROVEMENTS PARKS	<u>2,743</u>	\$ <u>1,232,054</u>
157	1998 GP CO-DOWNTOWN, CITY HALL, LAND	\$ 171,973	
184	2003 GP CO-DOWNTOWN IMPROVEMENTS	389,166	
189	2005 GP CO-DOWNTOWN IMPROVEMENTS DOWNTOWN	<u>84,282</u>	\$ <u>645,421</u>
330	SPECIAL W&S SYSTEM IMPR & REPL CONSTRUCTION (3)	\$ 11,032,602	
340	T-BAR RANCH - WINKLER COUNTY IMPROVEMENTS (4)	1,269,069	
365	1993 W&S REV BOND CONSTRUCTION	13,003	
366	1996 W&S REV BOND CONSTRUCTION	20,418	
375	1999 W&S FLT RATE REV CONST (TEX-CAP)	485,788	
380	2007 GP CO-WATER AND SEWER IMPROVEMENTS	152,329	
381	2012 GP CO-WATER AND SEWER IMPROVEMENTS WATER & SEWER	<u>1,889,878</u>	\$ <u>14,863,087</u>
509	AIRPORT RESTRICTED ASSET SALES (5)		\$ <u>(3,267)</u>
641	2001 SPORT COMPLEX C O CONSTRUCTION FUND		\$ <u>9,921</u>
776	2012 GP CO-INFORMATION TECHNOLOGY		\$ <u>143,348</u>
	TOTAL RESOURCES AVAILABLE		\$ <u>28,335,443</u>

(1)RESTRICTED TO SPECIAL POLICE MATTERS

(4)COUNCIL DESIGNATED RESERVE FOR WINKLER CO DEVELOPMENT

(2)RESTRICTED TO GENERAL STREET IMPROVEMENTS

(5)RESTRICTED TO FAA APPROVED PROJECTS

(3)FUNDS ARE PROVISIONS FOR REPLACEMENT OF ASSETS

(6)RESTRICTED TO MUNICIPAL COURT TECHNOLOGY



Summary of Restrictions and Limitations on the Use of Resources Available

Fund 070 – Police Special Purposes – Federal – Funds are received from the Department of Justice Forfeiture Program. These funds are under the control of the Chief of Police, with budgetary approval by the City Council, and are to be used to supplement and/or enhance law enforcement activities with priority given to supporting community policing activities, training, and law enforcement activities calculated to result in further seizures or forfeitures. These funds may not be used to supplant other funds that would have been used for law enforcement.

Fund 071 – Police Special Purposes - State – These funds are received from the State of Texas as forfeited property and are under the control of the Chief of Police, with budgetary approval by the City Council. The funds may be used for law enforcement purposes such as salaries, training, specialized investigative equipment and supplies and items used in direct law enforcement duties.

Fund 073 – HIDTA Federal Seizure Fund – High Intensity Drug Trafficking Area seizure funds are received from the Drug Enforcement Administration. These funds are under the control of the Chief of Police, with budgetary approval by the City Council, and are to be used to supplement and/or enhance law enforcement activities with priority given to supporting community policing activities, training, and law enforcement activities calculated to result in further seizures or forfeitures. These funds may not be used to supplant other funds that would have been used for law enforcement.

Fund 074 – Department of Justice Fund – The Edward Byrne Memorial Justice Assistance Grant Program allows states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. JAG replaces the Byrne Formula and Local Law Enforcement Block Grant (LLEBG) programs with a single funding mechanism that simplifies the administration process for grantees.

Fund 092 – Municipal Court Technology Fund – This fund is restricted to any type of technological enhancement to the City's municipal court building or operations.

Fund 095 – Street Improvement Fund – This fund is composed of fees collected on building permits calculated at the rate of \$1.00 per \$1,000 of building costs as indicated on the building permit for any building to be constructed plus interest earnings on those fees collected. These amounts are to be used as described in City Ordinance 5857 to cover the unusual wear and tear to public streets, alleys and/or sidewalks growing out of construction activities.

Fund 140 – Animal Shelter Facility and Equipment Fund – This fund was established by City Council Resolution 90-414. It segregates one dollar from each pet license fee issued under Section 6-2-7 of the Midland City Code for the purpose of providing for animal control equipment acquisition and facilities. The funds available consist of all deposits as required by Resolution 90-414 less amounts for projects completed or underway plus interest earnings.

Fund 157 – 1998 GPCO – Downtown and City Hall Improvements and Land – These funds are part of the \$2,250,000 1998 General Purpose Certificate of Obligation issued in March 1998. The funds available consist of the remainder of the original proceeds to this fund of \$388,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to downtown Midland and City Hall improvements and land acquisition.



Summary of Restrictions and Limitations on the Use of Resources Available (continued)

Fund 158 – 1999 GPCO – Park and Heritage District Improvements – These funds are part of the \$4,960,000 1999 General Purpose Certificate of Obligation issued in February 1999. The funds available consist of the original proceeds to this fund of \$1,900,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with park, senior center and Heritage District development and expansion.

Fund 159 – 1999 GPCO – Street Improvements – These funds are part of the \$4,960,000 1999 General Purpose Certificate of Obligation issued in February 1999. The funds available consist of the original proceeds to this fund of \$1,700,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with street and roadway expansion and improvements.

Fund 160 – 2012 GPCO – Communications System - These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$3,579,843 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with acquiring and installing a voice and data communication system for public services, including police and fire departments.

Fund 161 – 2012 GPCO – Fire Fighting Facilities – These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$4,105,157 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improving, constructing and equipping fire fighting facilities.

Fund 162 – 2012 GPCO – Park and Recreation Improvements – These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$2,000,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improving, constructing and equipping park and recreational facilities.

Fund 163 – 2012 GPCO – Street and Drainage Improvements – These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$2,500,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with constructing and improving streets, including drainage, landscaping, curbs, gutters, sidewalks, signage and traffic signalization incidental thereto and the acquisition of land and right of way.

Fund 165 – 2001 GPCO – Drainage Improvements – These funds are part of the \$7,000,000 2001 General Purpose Certificate of Obligation issued in February 2001. The funds available consist of the original proceeds to this fund of \$1,690,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with drainage improvements.



Summary of Restrictions and Limitations on the Use of Resources Available (continued)

Fund 167 – 2001 GPCO – Records Storage Equipment – These funds are part of the \$7,000,000 2001 General Purpose Certificate of Obligation issued in February 2001. The funds available consist of the original proceeds to this fund of \$250,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with records storage and retention equipment.

Fund 168 – 2001 GPCO – Traffic Control Improvements – These funds are part of the \$7,000,000 2001 General Purpose Certificate of Obligation issued in February 2001. The funds available consist of the original proceeds to this fund of \$100,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with traffic control improvements in the core downtown area.

Fund 169 – 2001 GPCO – Professional Services Contracts – These funds are part of the \$7,000,000 2001 General Purpose Certificate of Obligation issued in February 2001. The funds available consist of the original proceeds to this fund of \$100,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with a planning and zoning comprehensive update.

Fund 182 – 2003 GPCO – Park Improvements – These funds are part of the \$4,900,000 2003 General Purpose Certificate of Obligation issued in February 2003. The funds available consist of the original proceeds to this fund of \$1,485,500 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with park improvements.

Fund 184 – 2003 GPCO – Downtown Improvements – These funds are part of the \$4,900,000 2003 General Purpose Certificate of Obligation issued in February 2003. The funds available consist of the original proceeds to this fund of \$350,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with downtown Midland improvements, including curb and gutter construction and improvement, landscape improvements, and traffic signs and signalization.

Fund 185 – 2005 GPCO – Public Safety Equipment – These funds are part of the \$4,950,000 2005 General Purpose Certificate of Obligation issued in February 2005. The funds available consist of the original proceeds to this fund of \$184,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with public safety equipment.

Fund 186 – 2005 GPCO – Streets and Drainage Improvements – These funds are part of the \$4,950,000 2005 General Purpose Certificate of Obligation issued in February 2005. The funds available consist of the original proceeds to this fund of \$3,235,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with streets, including paving, drainage, traffic signage and signalization.

Fund 187 – 2005 GPCO – Park Improvements – These funds are part of the \$4,950,000 2005 General Purpose Certificate of Obligation issued in February 2005. The funds available consist of the original proceeds to this fund of \$160,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with park improvements.



Summary of Restrictions and Limitations on the Use of Resources Available (continued)

Fund 188 – 2005 GPCO – City Facility Improvements – These funds are part of the \$4,950,000 2005 General Purpose Certificate of Obligation issued in February 2005. The funds available consist of the original proceeds to this fund of \$1,205,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improvements to City facilities, including fire station site study and design, Martin Luther King, Jr. Community Center improvements, Doug Russell Pool bathhouse renovations, and HVAC upgrades at City Hall.

Fund 189 – 2005 GPCO – Downtown Improvements – These funds are part of the \$4,950,000 2005 General Purpose Certificate of Obligation issued in February 2005. The funds available consist of the original proceeds to this fund of \$166,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with downtown Midland improvements, including Downtown Master Plan development and streetscape improvements.

Fund 190 – 2007 GPCO – Park Improvements – These funds are part of the \$6,910,000 2007 General Purpose Certificate of Obligation issued in January 2007. The funds available consist of the original proceeds to this fund of \$780,000 plus reoffering premium less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with park improvements.

Fund 191 – 2007 GPCO – Street and Drainage Improvements – These funds are part of the \$6,910,000 2007 General Purpose Certificate of Obligation issued in January 2007. The funds available consist of the original proceeds to this fund of \$4,700,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with streets, including paving and drainage.

Fund 192 – 2007 GPCO – City Facility Improvements – These funds are part of the \$6,910,000 2007 General Purpose Certificate of Obligation issued in January 2007. The funds available consist of the original proceeds to this fund of \$780,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improvements to City facilities.

Fund 193 – 2007 GPCO – Traffic System Improvements – These funds are part of the \$4,995,000 2007 General Purpose Certificate of Obligation issued in January 2007. The funds available consist of the original proceeds to this fund of \$650,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with traffic signage and signalization.

Fund 194 – 2009 GPCO – Park Improvements – These funds are part of the \$9,855,000 2009 General Purpose Certificate of Obligation issued in February 2009. The funds available consist of the original proceeds to this fund of \$550,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with acquiring, constructing, equipping, and improving parks and park facilities within the City, including the Jenna Welch Nature Study Center.



Summary of Restrictions and Limitations on the Use of Resources Available (continued)

Fund 195 – 2009 GPCO – Street and Drainage Improvements – These funds are part of the \$9,855,000 2009 General Purpose Certificate of Obligation issued in February 2009. The funds available consist of the original proceeds to this fund of \$6,000,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with constructing and improving streets, including paving, drainage, traffic signage, and signalization.

Fund 196 – 2009 GPCO – City Facilities Improvements – These funds are part of the \$9,855,000 2009 General Purpose Certificate of Obligation issued in February 2009. The funds available consist of the original proceeds to this fund of \$3,250,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improving, renovating, and equipping existing City-owned buildings, including the Martin Luther King Community Center, the Midland Municipal Court Building, and the Midland Senior Center Building.

Fund 330 – Special Water and Sewer System Improvement and Replacement Construction Fund – This fund contains interest from revenue bond reserve funds where the bond covenants direct that the interest earnings on the reserve fund be deposited to the system fund and interest earnings on those funds less funds appropriated to projects currently underway or completed. These funds can be used for any legal purpose of the City associated with the water and sewer system.

Fund 340 – T-Bar Ranch – Winkler County Improvements – This fund was established at the time the water rights and land in Winkler County were purchased to insure water for the future of the City. The fund consists of revenue earned from leases associated with this property and interest earnings. These funds have been designated by City Council as a reserve to aid in the future development of this property.

Fund 365 – 1993 Water and Sewer System Revenue Bond Construction Fund – This fund represents the remainder of the \$14,300,000 1993 Water and Sewer System Revenue Bond. This bond was initially issued for the purpose of constructing a \$6,250,000 water supply line from the Colorado River Municipal Water District terminal reservoir to the City's raw water storage reservoir. Also, a \$7,000,000 sewer line from the water pollution control plant to Midland International Airport was constructed with these proceeds. The remainder of the issue amount funded site surveys for future sewer system expansion, the required \$889,225 addition to the Water and Sewer System Revenue Bond Reserve Fund and debt issuance costs. These residual funds are restricted, as per bond ordinance, to the improvement of the City's water and sewer system.

Fund 366 – 1996 Water and Sewer System Revenue Bond Construction Fund – This fund represents the remainder of the \$8,730,000 1996 Water and Sewer System Revenue Bond issued to expand the capacity of the City's wastewater treatment plant, fund the required addition to the Water and Sewer System Revenue Bond Reserve Fund and debt issuance costs. These residual funds are restricted, as per bond ordinance, to the improvement of the City's sewer system.

Fund 375 – 1999 Water and Sewer System Revenue Bond Construction Fund – This fund is composed of the \$15,285,000 1999 Waterworks and Sewer System Junior Lien Revenue Bond issued less any exchange refunding amounts, project costs paid or issuance costs paid. This issue provided for the exchange refunding of \$11,860,000 of the 1989 Waterworks and Sewer System Junior Lien Revenue Bond and \$3,425,000 to fund acquisitions, extensions, construction, improvements or repair of the City's water and sewer system and to pay costs of issuance.



Summary of Restrictions and Limitations on the Use of Resources Available (continued)

Fund 380 – 2007 Water and Sewer Tax and Limited Pledge Revenue Certificates of Obligation Construction Fund – These funds are part of the \$55,505,000 2007 Tax and Limited Pledge Revenue Certificates of Obligation issued in February 2007. The funds available consist of the remainder of the original proceeds to this fund of \$49,700,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to the acquisition, construction, improvement and renovation of the City's water and sewer system and to pay costs of issuance.

Fund 381 – 2012 Water and Sewer Tax and Limited Pledge Revenue Certificates of Obligation Construction Fund – These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$15,855,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improving and extending the City's water and sewer system.

Fund 509 – Airport Restricted Assets – This fund represents the Federal portion of any Airport asset sold which was originally acquired with the assistance of Federal funding. Prior to expenditure of these funds, permission must be acquired from the Federal Aviation Administration (FAA) to use the funds. In general, the funds may be used for any purpose approved by the FAA, normally the acquisition of assets.

Fund 641 – 2001 Sports Complex Certificate of Obligation Fund – This fund is composed of all proceeds less debt origination fees and other issuance costs plus interest earnings of the 2001 Certificate of Obligation issued to construct the Scharbauer Sports Complex. All amounts associated with this fund are restricted to use in construction of the Scharbauer Sports Complex.

Fund 776 – 2012 Information Technology Certificate of Obligation Fund – These funds are part of the \$29,445,000 2012 Tax and Limited Pledge Revenue Certificates of Obligation, Series 2012 issued in February 2012. The funds available consist of the original proceeds to this fund of \$2,000,000 less debt origination fees plus interest earnings less projects completed using this money less funds appropriated to projects currently underway using these funds. The use of these funds is restricted to costs associated with improving and equipping the City's information technology system.



SECTION III

DEBT MARGIN AND DEBT SERVICE



Debt Limits and Debt Levels
October 1, 2013

The City of Midland carefully plans debt acquisition to fund only capital replacement and construction. This process includes matching the maturity of the debt to the useful lives of the assets to be funded, as closely as possible. This allows for the use of debt to compliment operations by allowing for matching the cash flows of asset cost to the period deriving the benefit from the asset. Additionally, this allows the City to plan for and structure debt payments in such a manner that debt service tends to be fairly level across the years creating a known, even demand upon resources for debt service and limiting the demand upon resources to a managed level. As a result of the development and refinement of this process, the impact of current debt upon present and future operations is minimized and annual operations can be based upon a known level of expendable, available resources to respond to the immediate needs of the city.

The Constitution and Statutes of the State of Texas and the Charter of the City of Midland do not provide for a legal debt limit. The 8% debt limit rate used herein is that recommended by the Finance Advisory Board of the City of Midland and adopted by the City Council as a safe debt limit.

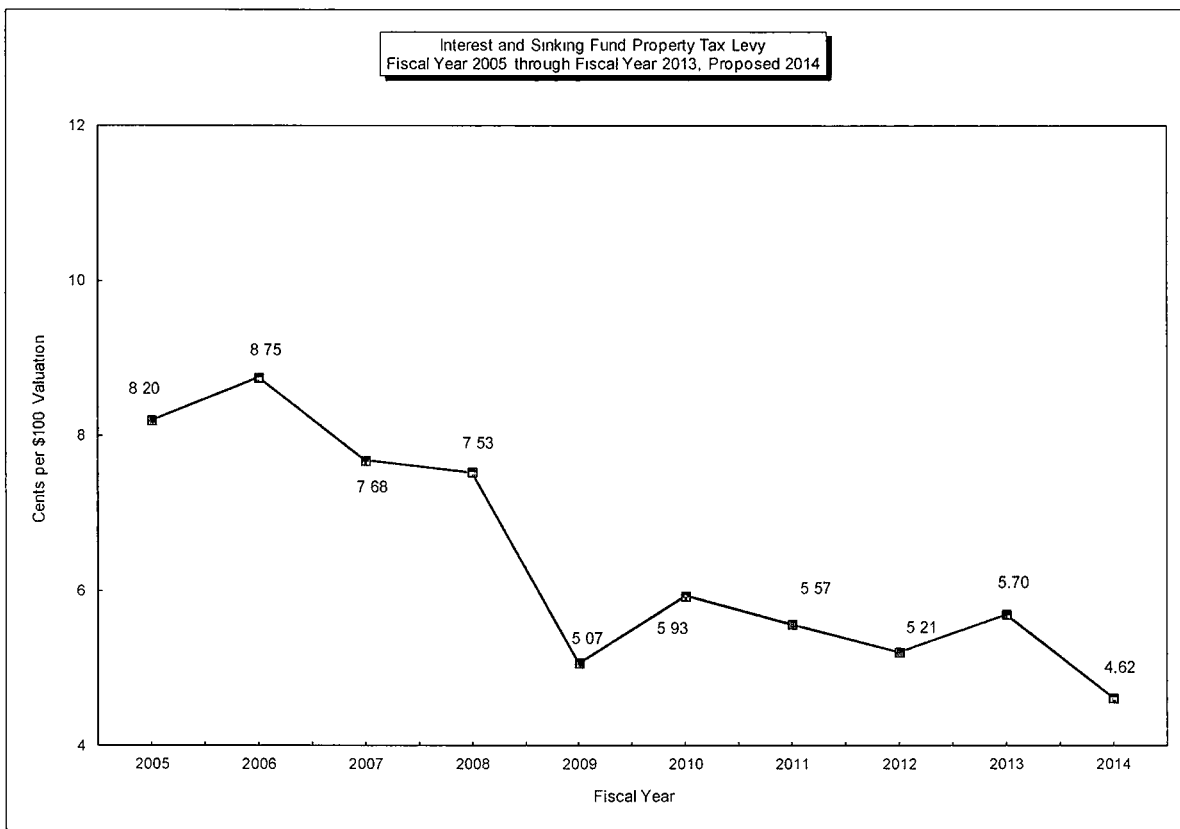
The taxable assessed value from each year's tax roll is multiplied by 8% (.08) to derive an amount that represents the maximum safe debt limit. This amount is then reduced by the net amount of all outstanding debt (outstanding debt less amounts restricted for repayment of those debts) to yield the debt margin.

CITY OF MIDLAND, TEXAS
Computation of Estimated Debt Margin
October 1, 2013

Assessed value 2013 tax roll		\$8,599,994,472
Debt limit, 8% of assessed value		\$ 687,999,558
Amount of debt applicable to debt limit:		
Total bonded debt	\$ 120,580,000	
Less:		
Estimated net position in Debt Service Fund	448,613	
Estimated Water and Sewer bonds restricted assets	1,702,573	
Estimated Golf Course bonds restricted assets	33,908	
Estimated Airport bonds restricted assets	882,209	
Estimated Scharbauer Sports Complex bonds restricted assets	<u>1,255,992</u>	
Total estimated net position restricted for debt service	\$ <u>4,323,295</u>	
Total bonded debt less assets restricted for debt service		<u>116,256,705</u>
Debt Margin		<u>\$ 571,742,853</u>



Included in the total amount of debt applicable to the current debt limit is \$59,670,000 Tax and Limited Pledge Revenue Certificates of Obligation and \$1,680,000 Tax and Revenue Refunding Bonds for water and sewer and \$127,261 General Obligation Refunding Bonds for Hogan Park Golf Course expansion; \$4,600,000 General Obligation Refunding Bonds for Airport improvements; and \$19,955,000 General Obligation Refunding Bonds for construction of the Scharbauer Sports Complex. Principal and interest on these bonds and certificates is being financed by the Water and Sewer Fund, Golf Course Fund, the Airport Fund and the Scharbauer Sports Complex Fund, through contractual agreements with the Midland Football/Soccer and Baseball Complex Development Corporation, a 4b corporation, respectively, and therefore requires the use of no tax dollars.



As a basic guide to be used in consideration of the issuance of new debt, each penny (.01) on the City's tax rate per \$100 taxable assessed valuation would yield approximately \$842,799 annually. A Certificate of Obligation issued for \$4,900,000 for fifteen years with an assumed interest rate similar to the City's most recently issued debt (approximately 2.9%) would have annual debt service payments of approximately \$467,000. Therefore, it would require approximately 0.55 cents per \$100 valuation to issue \$4,900,000 in new debt. Given the City's long term declining tax supported debt payment structure, this would equate to an approximate interest and sinking fund levy for the first year this new debt is issued of approximately 0.55 cents (\$0.0055) more than the 2013 tax levy for Fiscal Year 2014 debt payments.

An alternative way to view the cost of issuing debt for long-term capital projects is to consider the cost to service the debt per million dollars of debt issued. Based upon the same considerations as the \$4,900,000 issue described above, it would cost approximately \$95,306 per year per million dollars of debt issued to make the required debt service payments.



City of Midland
Debt Service Requirements to Maturity
September 30, 2013

Fiscal Year Ending September 30,	Supported by General Government			Supported by Enterprise Funds			Total All Debt Service Requirements
	General Obligation Bonds, Certificates of Obligation and Notes Payable			General Obligation Bonds, Certificates of Obligation and Notes Payable			
	Principal	Interest	Total	Principal	Interest	Total	
2014	\$ 2,982,154	\$ 1,253,110	\$ 4,235,264	\$ 5,662,846	\$ 3,787,677	\$ 9,450,523	\$ 13,685,787
2015	2,655,857	1,154,288	3,810,145	5,909,143	3,519,222	9,428,365	13,238,510
2016	2,659,728	1,059,042	3,718,770	6,180,272	3,244,256	9,424,528	13,143,298
2017	2,150,000	975,036	3,125,036	4,150,000	2,998,102	7,148,102	10,273,138
2018	2,230,000	891,511	3,121,511	4,335,000	2,810,852	7,145,852	10,267,363
2019	1,850,000	817,418	2,667,418	4,515,000	2,634,757	7,149,757	9,817,175
2020	1,925,000	746,791	2,671,791	4,720,000	2,430,937	7,150,937	9,822,728
2021	1,550,000	677,479	2,227,479	4,950,000	2,198,006	7,148,006	9,375,485
2022	1,615,000	614,969	2,229,969	3,080,000	2,015,017	5,095,017	7,324,986
2023	1,675,000	549,336	2,224,336	2,340,000	1,901,434	4,241,434	6,465,770
2024	1,750,000	478,719	2,228,719	2,450,000	1,795,281	4,245,281	6,474,000
2025	1,825,000	402,804	2,227,804	2,565,000	1,678,481	4,243,481	6,471,285
2026	1,900,000	327,099	2,227,099	2,685,000	1,560,656	4,245,656	6,472,755
2027	1,975,000	253,146	2,228,146	2,800,000	1,446,594	4,246,594	6,474,740
2028	1,495,000	185,596	1,680,596	2,915,000	1,327,431	4,242,431	5,923,027
2029	1,555,000	126,425	1,681,425	3,040,000	1,202,106	4,242,106	5,923,531
2030	885,000	82,722	967,722	3,175,000	1,068,991	4,243,991	5,211,713
2031	920,000	51,113	971,113	3,320,000	922,381	4,242,381	5,213,494
2032	950,000	17,219	967,219	3,475,000	767,494	4,242,494	5,209,713
2033	-	-	-	2,485,000	626,125	3,111,125	3,111,125
2034	-	-	-	2,615,000	498,625	3,113,625	3,113,625
2035	-	-	-	2,745,000	364,625	3,109,625	3,109,625
2036	-	-	-	2,885,000	223,875	3,108,875	3,108,875
2037	-	-	-	3,035,000	75,875	3,110,875	3,110,875
	<u>\$ 34,547,739</u>	<u>\$ 10,663,823</u>	<u>\$ 45,211,562</u>	<u>\$ 86,032,261</u>	<u>\$ 41,098,800</u>	<u>\$ 127,131,061</u>	<u>\$ 172,342,623</u>



SECTION IV

**CURRENT CAPITAL IMPROVEMENT
PROJECTS**



City Departments with Current Capital Improvement Projects

<u>Department Number</u>	<u>Department Name</u>	<u>Page Number</u>
010	Municipal Court	31
030	Information Systems	33
040	General Services (Purchasing, Facilities, Risk Mgmt, Vehicle Services, Garage, and Warehouse)	45
075	Development Services (Planning and Development, Community Development, Code Administration)	53
080	Engineering (GIS Administration, Engineering Services, Transportation, and Water & Wastewater Maint)	75
090	Community Services (Parks and Recreation, Animal Services, Community Center, Health and Senior Services, Golf Course, and Pro Shop)	95
110	Police	103
115	Fire	113
300	Utilities (Water and Sewer)	117
430	Sanitation (Solid Waste and Landfill)	143
500	Airport (Midland International Airport and Midland Airpark)	147
620	Scharbauer Sports Complex	161



**CITY OF MIDLAND
CURRENT CAPITAL IMPROVEMENT PROJECTS
MUNICIPAL COURT DEPARTMENT**

Project Name	Fund	Dept	Project Number	Source of Funding	Appropriated Funds	Expenditures as of 5/31/13	Asset Life in Years	Operating Budget Impact	
								Depreciation Expense	Other Expense (Savings)
Municipal Court Building	196	010	8919	C O	1,500,000 00	65,496.63	40	37,500 00	0 00
					<u>1,500,000 00</u>	<u>65,496 63</u>		<u>37,500 00</u>	<u>0 00</u>



Capital Improvement Project Activity Form							<u>Initial Appropriation</u>	<u>Additional Appropriation</u>	
<u>Program Summary</u>							\$1,500,000	\$0	
Department Municipal Court Project Title Municipal Court Building Project Number 8919 Enabling Legislation (Resolution #, etc) 2009-296, 2013-060 Scheduled Start Date March 1, 2013 Scheduled Completion Date October 1, 2015							<u>Description and Location</u>		
<u>Project Need</u> Less than 90 square feet per person is available for Municipal Court employees due to volume of transactions undertaken by Court Court is 20 plus years old							Replace Municipal Court located at 406 E Illinois, Midland, TX Proposed location is Northwest of the Front St and Mariendfeld St intersection		
							<u>Operating Budget Impact</u>		
							<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>
<u>Funding Source</u>	<u>Current to Date</u>	<u>Year 2 (2014)</u>	<u>Year 3 (2015)</u>	<u>Year 4 (2016)</u>	<u>Year 5 (2017)</u>	<u>Total</u>	<u>Project Costs</u>		
Federal Grant						\$0	Property Acquisition	\$650,000	
State Grant						0	Consulting	850,000	
Certificates of Obligation	1,500,000					1,500,000	Construction	0	
Revenue Bonds						0	Furnishings & Equipment	0	
Operating Revenue						0	Other	0	
Other	0					0		0	
Total	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000	Total	\$1,500,000	



**CITY OF MIDLAND
CURRENT CAPITAL IMPROVEMENT PROJECTS
INFORMATION SYSTEMS DEPARTMENT**

Project Name	Fund	Dept	Project Number	Source of Funding	Appropriated Funds	Expenditures as of 5/31/13	Asset Life in Years	Operating Budget Impact	
								Depreciation Expense	Other Expense (Savings)
Radio Sites Upgrade Project	005	030	7055	Federal	325,000 00	25,061 68	6	54,166.67	0 00
City Wireless Project 07	005	030	8814	General Fund	170,120 00	137,586 08	10	17,012 00	0 00
CGI Systems Upgrade Project 07	005	030	8817	General Fund	216,220 00	97,015 23	5	43,244 00	0.00
CGI Systems Upgrade Project 07	700	030	8817	Other	187,500 00	187,500 00	5	37,500 00	0 00
CGI Systems Upgrade Project 07	705	030	8817	Other	187,500 00	187,500 00	5	37,500 00	0 00
CGI Systems Upgrade Project 07	755	030	8817	Garage Fund	2,150,000 00	2,150,000 00	5	430,000 00	0.00
CGI Systems Upgrade Project 07	765	030	8817	Other	125,000 00	125,000 00	5	25,000 00	0 00
CAD/AVL Location System	005	030	8825	General Fund	1,097,490 00	1,091,292 76	10	109,749.00	0 00
CAD/AVL Location System	755	030	8825	Garage Fund	2,200,000.00	2,200,000 00	10	220,000 00	0 00
Computer and Accessories Upgrade	776	030	8983	C O	1,001,250 00	112,362 61	6	166,875 00	0 00
Central Hardware Upgrade Project	776	030	8985	C O	258,500 00	23,926 69	6	43,083 33	0.00
Software Upgrade Project	776	030	8986	C O	350,000 00	54,187 42	6	58,333 33	0 00
Wireless System Project	776	030	8987	C O	250,000 00	45,478 16	6	41,666.67	0 00
Technology Acquisitions 2012 Project	005	030	9013	General Fund	243,680 00	199,005 00	6	40,613 33	0 00
Radio System Upgrade Project	160	030	9018	C O	89,000 00	21,592.22	6	14,833.33	0 00
					8,851,260 00	6,657,507 85		1,339,576 67	0 00



Capital Improvement Project Activity Form

Initial Appropriation

\$325,000

Additional Appropriation

\$0

Program Summary

Department: Information Systems
 Project Title: Radio Sites Upgrade Project
 Project Number: 7055
 Enabling Legislation (Resolution #, etc.): 2010-251, 2010-312
 Scheduled Start Date: November 30, 2010
 Scheduled Completion Date: February 28, 2014

Description and Location

The purpose of the project is to upgrade the various radio sites for better communications, especially at the Airport

Project Need

The purpose of the project is to upgrade the various radio sites for better communications.

Operating Budget Impact

Title of Budget Account Impacted

Savings

Additional Cost

<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>

Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>	
Federal Grant	\$325,000					\$325,000	Property Acquisition	\$0
State Grant						0	Consulting	0
Certificates of Obligation						0	Construction	0
Revenue Bonds						0	Furnishings & Equipment	325,000
Operating Revenue						0	Other	0
Other						0		0
Total	\$325,000	\$0	\$0	\$0	\$0	\$325,000	Total	\$325,000



Capital Improvement Project Activity Form

<u>Initial Appropriation</u> \$170,120							<u>Additional Appropriation</u> \$0		
<u>Program Summary</u>							<u>Description and Location</u>		
Department Information Systems Project Title City Wireless Project 07 Project Number 8814 Enabling Legislation (Resolution #, etc) 2007-229 Scheduled Start Date. August 15, 2007 Scheduled Completion Date: January 1, 2014							Hire consultant to evaluate the needs of the City of Midland and make recommendations For 2012-2013 the consultant reviewed the wireless radio needs.		
<u>Project Need</u>							<u>Operating Budget Impact</u>		
The purpose of the project is to determine the wireless needs of the City For 2013-2014 there is no change in funding							<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>
Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>		
Federal Grant						\$0	Property Acquisition	\$0	
State Grant						0	Consulting	170,120	
Certificates of Obligation						0	Construction	0	
Revenue Bonds						0	Furnishings & Equipment	0	
Operating Revenue	170,120					170,120	Other	0	
Other						0		0	
Total	\$170,120	\$0	\$0	\$0	\$0	\$170,120	Total	\$170,120	



Capital Improvement Project Activity Form

Initial Appropriation

\$2,150,000

Additional Appropriation

\$716,220

Program Summary

Department Information Systems
 Project Title CGI Systems Upgrade Project 07
 Project Number 8817
 Enabling Legislation (Resolution #, etc.) 2007-216
 Scheduled Start Date August 14, 2007
 Scheduled Completion Date December 31, 2014

Description and Location

The CGI systems and hardware are located at 601 N Loraine St, Rm 101

Project Need

Upgrade the City's financial, human resources, and payroll software.

Operating Budget Impact

<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>

Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>	
Federal Grant						\$0	Property Acquisition	\$0
State Grant						0	Consulting	0
Certificates of Obligation						0	Construction	0
Revenue Bonds						0	Furnishings & Equipment	0
Operating Revenue	2,366,220					2,366,220	Other	2,866,220
Other	500,000					500,000		0
Total	\$2,866,220	\$0	\$0	\$0	\$0	\$2,866,220	Total	\$2,866,220



Capital Improvement Project <u>Activity</u> Form							<u>Initial Appropriation</u>	<u>Additional Appropriation</u>	
<u>Program Summary</u>							\$2,500,000	\$797,490	
Department Information Systems Project Title CAD/AVL Location System Project Number 8825 Enabling Legislation (Resolution #, etc) 2008-356 Scheduled Start Date. January 1, 2009 Scheduled Completion Date August 1, 2014							<u>Description and Location</u>		
<u>Project Need</u> Computer automated dispatch system and automatic vehicle location system upgrade.							The equipment is located at 601 N Loraine St, Rm 101, and the vehicle equipment is located at various City vehicles and City sites		
							<u>Operating Budget Impact</u>		
							<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>
Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>		
Federal Grant						\$0	Property Acquisition	\$0	
State Grant						0	Consulting	0	
Certificates of Obligation						0	Construction	0	
Revenue Bonds						0	Furnishings & Equipment	3,297,490	
Operating Revenue	3,297,490					3,297,490	Other	0	
Other						0		0	
Total	\$3,297,490	\$0	\$0	\$0	\$0	\$3,297,490	Total	\$3,297,490	



Capital Improvement Project Activity Form

<u>Initial Appropriation</u> \$601,250							<u>Additional Appropriation</u> \$400,000	
<u>Program Summary</u>							<u>Description and Location</u>	
Department Information Systems							Standardize City computers, printers, and scanners throughout the organization	
Project Title Computer and Accessories Upgrade								
Project Number 8983								
Enabling Legislation (Resolution #, etc) 2012-076, 2012-196								
Scheduled Start Date May 1, 2012								
Scheduled Completion Date September 30, 2016							<u>Operating Budget Impact</u>	
<u>Project Need</u>							<u>Title of Budget Account Impacted</u>	
Standardize City computers, printers, and scanners.							<u>Savings</u>	<u>Additional Cost</u>
Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>	
Federal Grant						\$0	Property Acquisition	\$0
State Grant						0	Consulting	0
Certificates of Obligation	1,001,250					1,001,250	Construction	0
Revenue Bonds						0	Furnishings & Equipment	1,001,250
Operating Revenue						0	Other	0
Other						0		0
Total	\$1,001,250	\$0	\$0	\$0	\$0	\$1,001,250	Total	\$1,001,250



Capital Improvement Project Activity Form

Program Summary

Department: Information Systems
 Project Title: Computer and Accessories Upgrade
 Project Number: 8985
 Enabling Legislation (Resolution #, etc): 2012-197
 Scheduled Start Date: May 1, 2012
 Scheduled Completion Date: September 30, 2016

Project Need

Replace aging centralized hardware that house the various City applications

Initial Appropriation

\$258,500

Additional Appropriation

\$0

Description and Location

Replace aging centralized hardware that house the various City applications. The hardware is located at 601 N Loraine St, Rm 101

Operating Budget Impact

Title of Budget Account Impacted

Savings

Additional Cost

<u>Title of Budget Account Impacted</u>	<u>Savings</u>	<u>Additional Cost</u>

Funding Source	Current to Date	Year 2 (2014)	Year 3 (2015)	Year 4 (2016)	Year 5 (2017)	Total	<u>Project Costs</u>	
Federal Grant						\$0	Property Acquisition	\$0
State Grant						0	Consulting	0
Certificates of Obligation	258,500					258,500	Construction	0
Revenue Bonds						0	Furnishings & Equipment	258,500
Operating Revenue						0	Other	0
Other						0		0
Total	\$258,500	\$0	\$0	\$0	\$0	\$258,500	Total	\$258,500