



**ECONOMIC IMPROVEMENT CORPORATION AGENDA**  
**JULY 20, 2020, 4:00 PM**  
**Kerrville City Hall Council Chambers**  
**701 Main Street, Kerrville, Texas**

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**Public engagement will be through ZOOM. See participation instructions.**

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The purpose of the Economic Improvement Corporation is to improve economic prosperity in the City of Kerrville.

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**CALL TO ORDER:**

**INVOCATION:**

**1    CONSENT AGENDA:**

1.A. Minutes for the regular EIC meeting held on June 15, 2020

Attachments:

[20200720\\_Minutes\\_EIC regular meeting 6-15-20.pdf](#)

1.B. Minutes of the EIC special called meeting held June 29, 2020

Attachments:

[EIC Minutes 6-29-20.pdf](#)

**2    MONTHLY REPORTS:**

2.A. Financial update for the month ended June 30, 2020

Attachments:

[June 2020 financial presentation.pdf](#)

2.B. Projects Update

**3    NOMINATE AND ELECT OFFICERS:**

3.A. President, Vice President, Secretary and Treasurer

3.B. EIC representative to the Kerr Economic Development Corporation

3.C. EIC representative to the "GO Team"

**4    CONSIDERATION AND POSSIBLE ACTION:**

4.A. Kerr Economic Development Corporation (KEDC) Annual Workplan Review and Budget for Fiscal Year 2021

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4.B. Update and direction to City staff regarding proposed Economic Improvement Corporation Budget for Fiscal Year 2021

Attachments:

[FY2021 Proposed Budget.pdf](#)

**5 EXECUTIVE SECTION:**

*The Economic Improvement Corporation may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Section 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code, including the following matters:*

5.A. Sky Master Business Development Project (551.071, 551.072, and 551.087)

5.B. EIC-owned property located at 300 Peterson Farm Road (551.071 and 551.072)

**6 POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

**7 ITEMS FOR FUTURE AGENDAS:**

**8 ANNOUNCEMENTS:**

**ADJOURN.**



## ALTERNATIVE CITIZEN/PUBLIC PARTICIPATION GUIDELINES (Due to COVID-10 Pandemic Disaster Declaration)

***Despite the necessity to restrict public access to Economic Improvement Corporation meetings in the interest of public health during the COVID-19 pandemic, citizens and visitor are welcome to participate in EIC meetings in several alternative ways as outlined below.***

### **Instructions for callers:**

Dial one of the following numbers:

877 853 5247 (Toll Free) or

888 788 0099 (Toll Free)

If you cannot get through on one of the numbers due to network congestion, please try the other number.)

When your call is answered you will hear "Welcome to Zoom, enter your Meeting ID followed by pound." Enter in the Meeting ID below followed by the pound sign (#).

The Meeting ID is **938 0070 2020#**

If the moderator has not started the meeting yet, you will hear "The meeting has not started yet, please hold or call back later." If you decide to call back later, please do so before 3:45 p.m.

Once you have called into the meeting, your microphone will be placed on mute and your call will be placed in the call queue. At this point, you will hear silence on the phone. Please do not hang up. The moderator will unmute your microphone as he/she is going down the list. Once the meeting has started, you will be able to listen to proceedings even if your microphone is muted.

The moderator will be accepting calls starting at 3:00pm. Please place your call before the 3:45 p.m. deadline to participate in order to allow time for calls to be loaded and queued. Calls made after this time will not be answered.

### **Instructions for written comments:**

Written comments will be read into record, and can be provided in two different ways:

**OPTION 1 by hard copy** – Comments may be dropped off at the City Hall Utility Payments Drop-Box on the north side of City Hall by 3:45 p.m. the afternoon of the EIC Meeting. You are required to provide your first and last name, address, and identify the item you wish to comment on.

**OPTION 2 by email** - Comments can be emailed to [kesha.franchina@kerrvilletx.gov](mailto:kesha.franchina@kerrvilletx.gov) and must be received by 3:45 p.m. the afternoon of the EIC Meeting. You are required to provide your first and last name, address, and identify the item you wish to comments on.

For either option, please provide **all required information** in order for your comments to be accepted. Thank you for your participation!



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



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**SUBJECT:** Minutes for the regular EIC meeting held on June 15, 2020

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:** [20200720\\_Minutes\\_EIC regular meeting 6-15-20.pdf](#)

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Minutes of the regular EIC meeting from June 15, 2020 at 4:00 pm

**RECOMMENDED ACTION:**

Approve minutes as presented

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING** **JUNE 15, 2020**

On Monday, June 15, 2020, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kent McKinney, Vice President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Maggie Megee offered the invocation.

**Members Present:**

Kent McKinney, Vice President  
Danny Almond  
Don Barnett  
Gary Cochrane  
Maggie Megee  
Gregory Richards  
Aaron Yates

**Members Absent:** None

**City Executive Staff Present:**

Mark McDaniel, City Manager  
E.A. Hoppe, Deputy City Manager  
Mike Hayes, City Attorney  
Amy Dozier, Finance Director  
Shelley McElhannon, City Secretary  
Kesha Franchina, Utility Billing Manager

No citizens were present at the Economic Improvement Corporation meeting due to the COVID-19 pandemic restrictions and the Governor's Disaster Declaration on March 16, 2020; public participation and engagement were offered through Zoom by telephone, by written comments, and by email.

**1. APPROVAL OF MINUTES:**

1A. Approval of minutes for the regular EIC meeting held on May 18, 2020.

Aaron Yates moved to approve the minutes as presented. Maggie Megee seconded, and the motion passed 7-0.

**2. MONTHLY REPORTS:**

2A. Monthly financials for April 2020.

Amy Dozier presented monthly financials for May 2020, and responded to questions.

2B. Projects update:

River Trail Extension to Schreiner University: progress continues. Erosion control work at G Street. Completion estimated for end of July 2020.

Tennis Center Improvements: final components of project being completed.

Aquatics Feasibility Study: postponed due to COVID-19. Tentatively scheduled for project reactivation the end of July 2020.

Olympic Drive Infrastructure Extension: progress continues. Utility infrastructure work.

Downtown Elevator Enclosure: progress continues.

Legion Lift Station: Lift Station is operational; currently decommissioning old lift station.  
Loop 534 Guadalupe River Utility Crossing: Working with TxDOT and designing plans, and obtaining bids. Scheduled to engineer project by end of summer.  
Thompson/Spur 98 Infrastructure Extension: project is nearing completion.  
Arcadia Theater: progress continues. Scheduled opening is July 03, 2020.  
KERV Airport Improvements: progress continues.  
Doyle Community Center Improvements: Currently in architectural and design process.

E.A. Hoppe presented information and responded to questions.

2C. Monthly update from Kerr Economic Development Corporation.

Gil Salinas presented monthly update via teleconference.

**3. CONSIDERATION AND POSSIBLE ACTION:**

3A. Review and discuss setting a date and time for the Annual meeting of the Kerrville Economic Improvement Corporation.

EA Hoppe presented information and responded to questions.

Gary Cochrane made a motion to schedule the Economic Improvement Corporation Annual meeting for Monday, July 20, 2020. Maggie Megee seconded, and the motion passed 7-0.

**4. EXECUTIVE SESSION:**

Gary Cochrane moved to go into closed executive session under 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code. Aaron Yates seconded, and the motion passed 7-0.

The EIC convened into closed executive session at 4:35 p.m.

4A. Sky Master Business Development Project (551.072, 551.087)

4B. 300 Peterson Farm Road (551.072)

EIC reconvened in open session at 4:43 p.m.

**5. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

No action taken during Executive Session.

**6. ITEMS FOR FUTURE AGENDAS:**

Maggie Megee requested an update regarding future options in and around the airport, and would also like Airport Manager Mary Rohrer to provide an Airport update.

**7. ANNOUNCEMENTS:** None

**8. ADJOURN.** Kent McKinney adjourned the meeting at 4:45 p.m.

APPROVED BY EIC: \_\_\_\_\_

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Kent McKinney, Vice President

ATTEST:

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Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** Minutes of the EIC special called meeting held June 29, 2020

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:** [EIC Minutes 6-29-20.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Minutes from the special called meeting held June 29, 2020 at 4:00 pm

**RECOMMENDED ACTION:**

Approve minutes as presented

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
SPECIAL CALLED MEETING** **JUNE 29, 2020**

On Monday, June 29, 2020, the special called meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:00 p.m. by Kent McKinney, Vice President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Danny Almond offered the invocation.

**Members Present:**

Kent McKinney, Vice President  
Danny Almond  
Don Barnett  
Gary Cochrane  
Maggie Megee  
Gregory Richards

**Members Absent:** Aaron Yates

**City Executive Staff Present:**

Mark McDaniel, City Manager  
E.A. Hoppe, Deputy City Manager  
Mike Hayes, City Attorney  
Kesha Franchina, Deputy City Secretary

No citizens were present at the Economic Improvement Corporation meeting due to the COVID-19 pandemic restrictions and the Governor's Disaster Declaration on March 16, 2020; public participation and engagement were offered through Zoom by telephone, by written comments, and by email.

**1. EXECUTIVE SESSION:**

Gary Cochrane moved to go into closed executive session under 551.072 (deliberation regarding real property), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code. Gregory Richards seconded, and the motion passed 6-0.

The EIC convened into closed executive session at 4:01 p.m.

1A. Sky Master Business Development Project (551.072, 551.087)

1B. 300 Peterson Farm Road (551.072)

EIC reconvened in open session at 4:51 p.m.

**2. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**

No action taken during Executive Session.

**ADJOURN.** Kent McKinney adjourned the meeting at 4:53 p.m.

APPROVED BY EIC: \_\_\_\_\_

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Kent McKinney, Vice President

ATTEST:

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Kesha Franchina, Deputy City Secretary



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** Financial update for the month ended June 30, 2020

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 17, 2020

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [June 2020 financial presentation.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

EIC received sales tax of \$326K in June 2020. This payment represents tax collected on sales in April. Since we are closely watching sales tax, I have also included July sales tax collections in the Sales Tax Revenue Analysis shown on slide 4 of the attached presentation.

Sales tax in both June (April sales) and July (May sales) is significantly better than originally estimated. Based on confidential detail by payer information that the City received from the Comptroller, Kerrville has benefitted from two strategic advantages during the COVID-19 pandemic:

- Kerrville manufacturers meet state requirements for origin-based sales tax sourcing. This means that sales tax from online orders of products manufactured and

fulfilled from Kerrville remains in Kerrville.

- Kerrville is a regional retail hub with multiple large retailers. These retailers attract customers from a large geographical area outside of the city, especially from small communities to the west of Kerrville.

Due to continued high levels of unemployment and government stimulus money that is ending soon, it is not safe to assume that this sales tax performance will continue. However, it does appear that Kerrville is not going to see the extreme downturn that was originally feared.

Based on the new data, we have revised our COVID-19 projection as follows:

August (June sales): 10% less than budget

September (July sales): 10% less than budget

FY2021 budget: 5.9% less than estimated FY2020

Amazingly, using actual numbers through July plus the assumptions above, sales tax revenue may finish the year very close to the original budget.

On the expense side, EIC made regular monthly payments for administrative and debt service commitments and a payment of \$10,440 related to architectural services for the Doyle School project. In addition, EIC made a \$1,745 payment for the Airport project and paid for \$1,685 in professional services related to the Skymaster project.

Following this activity, EIC ended June with a cash balance of \$2,270,859. The cash flow forecast on slide 3 has been modified with the previously mentioned COVID-19 assumptions and actual sales tax through July. With these changes and updated project payment timing, EIC's cash balance is expected to vary between \$2.3 and \$3.4 million over the next 15 months. Note that this cash flow forecast does not include payments for projects currently being discussed, but without a funding agreement.

EIC's funds are invested in TexPool, a completely liquid municipal pool account that is currently earning 0.42%.

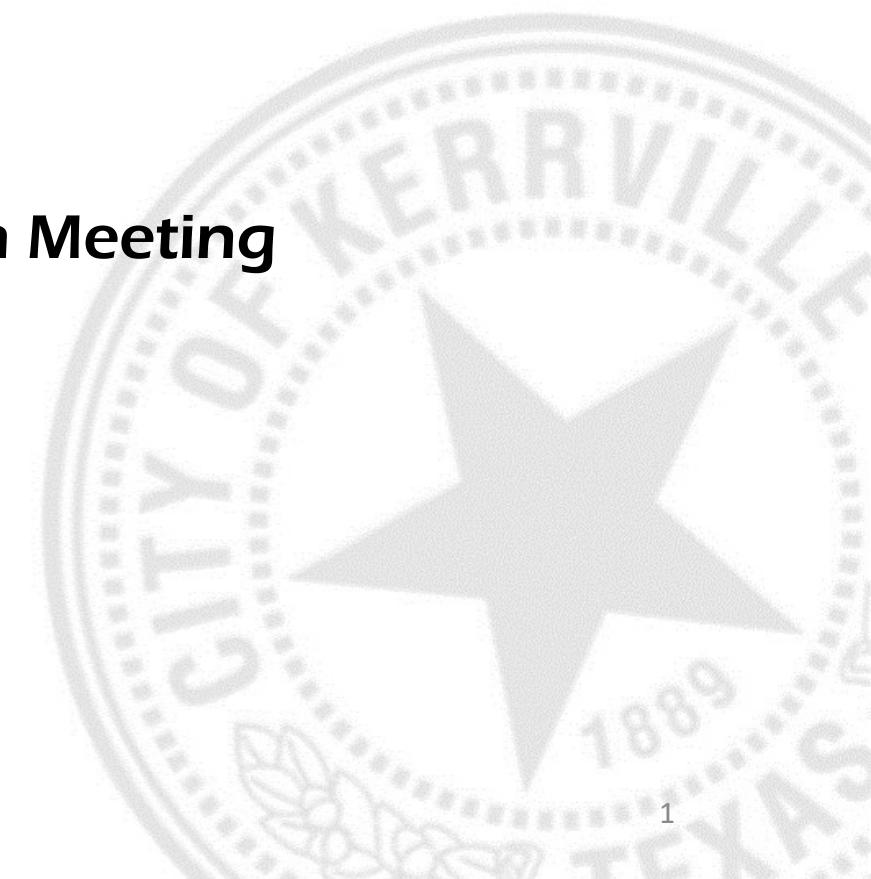
**RECOMMENDED ACTION:**

No action required; information only.



# **Financial update for the month ended June 30, 2020**

**Economic Improvement Corporation Meeting  
July 20, 2020**



**Economic Improvement Corporation**  
**Statement of Activities**  
**Month Ended June 30, 2020**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Remaining Budget
<b>Revenues</b>					
Sales and Use Tax	\$ 3,689,250	\$ 326,259	\$ 2,758,287	74.8%	\$ (930,963)
Interest Income	33,750	895	27,283	80.8%	(6,467)
<b>Total Revenues</b>	<b>3,723,000</b>	<b>327,154</b>	<b>2,785,570</b>	<b>74.8%</b>	<b>(937,430)</b>
<b>Expenditures</b>					
Administrative					
Office Supplies	500	-	60	12.0%	440
Professional Services	-	1,685	10,148		(10,148)
Administrative Services Fee	185,000	15,417	138,750	75.0%	46,250
Kerr Economic Development Corp.	250,000	-	172,500	69.0%	77,500
Total Administrative	435,500	17,102	321,457	73.8%	114,043
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	258,506	20,998	190,926	73.9%	67,580
Debt Service - Series 2012 (River Trail)	250,330	20,969	188,723	75.4%	61,607
Debt Service - Series 2015 (KSC)	603,350	50,488	454,388	75.3%	148,963
Total Debt Service	1,112,186	92,455	834,036	75.0%	278,150
Projects					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Schreiner River Trail	750,000	-	750,000	100.0%	-
Olympic Drive	935,000	-	894,000	95.6%	41,000
Thompson Drive Partners (The Landing)	566,667	-	-	0.0%	566,667
KFOR - Arcadia	600,000	-	600,000	100.0%	-
Airport Projects	-	1,745	7,367		(7,367)
Doyle School	-	10,440	19,063		(19,063)
Total Projects	3,851,667	12,185	3,270,430	84.9%	581,237
<b>Total Expenditures</b>	<b>5,399,353</b>	<b>121,741</b>	<b>4,425,923</b>	<b>82.0%</b>	<b>973,430</b>
<b>Change in Net Position</b>	<b><u>\$(1,676,353)</u></b>	<b><u>\$ 205,413</u></b>	<b><u>\$ (1,640,353)</u></b>		

**Economic Improvement Corporation**  
**Cash Flow Forecast (using COVID-19 assumptions)**  
**As of June 30, 2020**

	<b>FY2020 Actual</b>	<b>FY2020 Projected</b>	<b>FY2021 Projected</b>				
			Oct 2019 to June 2020	Jul 2020 to Sep 2020	Oct 2020 to Dec 2020	Jan 2021 to Mar 2021	Apr 2021 to June 2021
<b>Beginning Cash Balance</b>	\$3,921,213	\$2,270,859	\$ 2,380,050	\$ 2,261,999	\$ 2,589,508	\$ 2,982,349	
<b>Revenue</b>							
Sales Tax	2,758,287	934,707	834,151	896,127	861,709	898,724	
Interest Income	27,283	2,500	2,588	2,588	2,588	2,588	
<b>Total Revenue</b>	2,785,570	937,207	836,738	898,715	864,297	901,312	
<b>Expenditures</b>							
Administrative							
Administrative Fee & Supplies	138,810	46,250	46,500	46,250	46,500	46,250	
Professional Services	20,148	-	-	50,000	-	-	
KEDC	172,500	47,500	49,375	49,375	49,375	49,375	
Total Administrative	331,457	93,750	95,875	145,625	95,875	95,625	
Debt Service	834,036	277,364	275,581	275,581	275,581	275,581	
Projects							
Legion Lift Station	1,000,000	-	-	-	-	-	
Thompson Drive Partners	-	283,333	283,333	-	-	-	
Schreiner River Trail	750,000	-	-	-	-	-	
Olympic Drive	894,000	-	-	-	-	-	
KFOR - Arcadia	600,000	-	-	-	-	-	
Airport Projects	7,367	142,633	50,000	50,000	-	125,000	
Doyle Center	19,063	30,937	250,000	100,000	100,000	-	
Total Projects	3,270,430	456,903	583,333	150,000	100,000	125,000	
<b>Total Expenditures</b>	4,435,923	828,017	954,789	571,206	471,456	496,206	
<b>Ending Cash Balance</b>	\$2,270,859	\$2,380,050	\$ 2,261,999	\$ 2,589,508	\$ 2,982,349	\$ 3,387,455	

**Sales Tax Assumptions:**

August (June sales) 10% less than budget  
 September (July sales) 10% less than budget  
 FY2021 5.9% less than estimated FY20

# Financial Analysis

Project Analysis as of June 30, 2020			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
<b>Committed Projects:</b>			
Thompson Drive Partners	\$ 850,000	\$ 283,333	\$ 566,667
Airport Projects	375,000	7,367	367,633
Doyle School	500,000	19,063	480,937
<b>Committed Project Total</b>	<b>\$ 1,725,000</b>	<b>\$ 309,763</b>	<b>\$ 1,415,237</b>

Cash Analysis as of June 30, 2020		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 2,270,859
Investment	<b>Total Cash and Investments</b>	<b>\$ 2,270,859</b>

Sales Tax Revenue Analysis - FY2020						
Month	Actual FY2019	Budget FY2020	COVID-19 Projection	Actual FY2020	FY2019 vs. FY2020	Budget vs. Actual
October	\$ 284,752	\$ 294,123	\$ 294,752	\$ 294,752	3.51%	0.21%
November	276,717	302,630	301,001	301,001	8.78%	-0.54%
December	295,154	284,841	297,620	297,620	0.84%	4.49%
January	271,314	293,053	292,966	292,966	7.98%	-0.03%
February	376,154	386,639	393,938	393,938	4.73%	1.89%
March	266,024	267,403	270,955	270,955	1.85%	1.33%
April	284,581	266,696	262,275	262,275	-7.84%	-1.66%
May	299,073	341,802	318,521	318,521	6.50%	-6.81%
June	304,930	302,222	326,259	326,259	6.99%	7.95%
July	315,626	300,675	350,459	350,459	11.04%	16.56%
August	332,420	346,545	311,890			
September	341,470	302,620	272,358			
<b>YTD Total</b>	<b>\$ 3,648,217</b>	<b>\$ 3,689,250</b>	<b>\$ 3,692,994</b>	<b>\$ 3,108,746</b>	<b>4.52%</b>	<b>2.26%</b>



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



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**SUBJECT:** Projects Update

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

- River Trail Extension to Schreiner University
- Tennis Center Improvements
- Aquatics Feasibility Study
- Olympic Drive Infrastructure Extension
- Downtown Elevator Enclosure
- Legion Lift Station
- Loop 534 Guadalupe River Utility Crossing
- Thompson/Spur 98 Infrastructure Extension

- Arcadia Theater
- KERR Airport Improvements
- Doyle Community Center Improvements

**RECOMMENDED ACTION:**

Update No Action



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** President, Vice President, Secretary and Treasurer

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

The Economic Improvement Corporation's Bylaws dictate that at the annual meeting, the Corporation nominate and appoint a President, Vice-President, Treasurer, and Secretary.

**RECOMMENDED ACTION:**

Nominate and Elect Officers



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



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**SUBJECT:** EIC representative to the Kerr Economic Development Corporation

**AGENDA DATE OF:** July 20, 2020      **DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

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<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

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<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

The Kerrville Economic Development Corporation has representatives from the City of Kerrville, Kerr County, the Kerrville Public Utility Board, and the Kerrville Economic Improvement Corporation (EIC). Additional community representation is made up of Kerrville ISD and the business community at large. Each year the EIC must nominate a representative to serve on the KEDC Board.

**RECOMMENDED ACTION:**

Nominate and Approve EIC Representative



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** EIC representative to the "GO Team"

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

The "GO Team" vettes completed applications for requested EIC economic development funds prior to their placement on an EIC Agenda. The "GO Team" is made up of representatives from Kerr County, City of Kerrville staff, KEDC staff, and one member from the Kerrville Economic Improvement Corporation (EIC). Each year the EIC must nominate a representative to serve in this capacity.

**RECOMMENDED ACTION:**

Nominate and Approve "GO Team" representative



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** Kerr Economic Development Corporation (KEDC) Annual Workplan Review and Budget for Fiscal Year 2021

**AGENDA DATE OF:** July 20, 2020

**DATE SUBMITTED:** Jul 02, 2020

**SUBMITTED BY:** Kesha Franchina

**EXHIBITS:**

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
NA	NA	NA	NA

**PAYMENT TO BE MADE TO:** NA

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

By contract, the KEDC must provide an annual workplan status report to the EIC, in addition to present their budget and workplan for the next fiscal year.

**RECOMMENDED ACTION:**

Provide guidance and approval on annual workplan and FY2021 KEDC Budget



**TO BE CONSIDERED BY  
ECONOMIC IMPROVEMENT CORPORATION  
CITY OF KERRVILLE, TEXAS**



**SUBJECT:** Update and direction to City staff regarding proposed Economic Improvement Corporation Budget for Fiscal Year 2021

**AGENDA DATE OF:** July 20, 2020      **DATE SUBMITTED:** Jul 17, 2020

**SUBMITTED BY:** Amy Dozier

**EXHIBITS:** [FY2021 Proposed Budget.pdf](#)

<b>Expenditure Required:</b>	<b>Remaining Budget Balance in Account:</b>	<b>Amount Budgeted:</b>	<b>Account Number:</b>
N/A	N/A	N/A	N/A

**PAYMENT TO BE MADE TO:** N/A

<b>Kerrville 2050 Item?</b>	No
<b>Key Priority Area</b>	N/A
<b>Guiding Principle</b>	N/A
<b>Action Item</b>	N/A

**SUMMARY STATEMENT:**

Attached please find a proposed FY2021 budget for discussion.

Significant assumptions in the budget include:

1. Sales tax - Sales tax has performed significantly better than expected during the pandemic. While this is good news, we are not budgeting for continued increases. The economy is in a recession and double digit unemployment remains, even in Kerrville. Texas saw positive economic signs and job growth as businesses began to reopen in May, however, Texas A&M economist, Luis Torres, stated last week that the "rebound in economic activity could be hindered going forward by the recent upsurge in COVID-19 cases in Texas. Further waves of infections can reverse increased mobility and spending, affecting the path to recovery."

The uncertainty makes predicting sales tax for FY2021 very difficult. We are still early in the budget process for most cities, so there is little comparable data available. Cities that have put projections forward, mostly show budget decreases ranging from 1% to 10%.

During the great recession, Kerrville saw sales tax decline by 8.2% in a single year, FY2010. The decline in Kerrville happened later than in the rest of the country and sales tax rebounded by 5.6% the following year.

After analyzing this data, our current recommendation for FY2021 is a 5.9% decline from projected FY2020 revenue and a 4.3% decline from actual FY2019 revenue.

2. Interest income - Interest rates have fallen significantly in 2020. The budget assumption for FY2021 is to earn 75 basis points on an average balance of \$1.4 million. This balance is lower than the proposed budget shown in anticipation that EIC could enter into additional funding agreements not known at this time.

3. Professional services - The FY2021 proposed budget shows \$50,000 for a downtown River Trail concept/feasibility plan.

4. KEDC - KEDC is requesting funding of \$197,500 for FY2021. This is less than the original FY2020 budget of \$250,000 and less than the current funding of \$220,000.

5. Debt Service - The debt service amount for series 2012 may be reduced if a potential refunding is successful in the early fall. The numbers in the proposed budget reflect the current debt service schedules with no refunding.

6. Project Contributions - Project contributions are budgeted for the remaining balances on existing funding agreements with Thompson Drive Partners (\$283,333), the Airport (\$225,000) and the Doyle School (\$450,000).

Using these assumptions, EIC's cash balance is projected to grow from \$2.4 to \$3.4M during FY2021. Going forward, the long term forecast anticipates a 2% annual increase in sales tax and fixed debt and administrative costs totaling approximately \$1.5 million each year. These assumptions result in the cash balance growing by approximately \$2 million each year.

**RECOMMENDED ACTION:**

Discussion only; action will be taken at August meeting.

**City of Kerrville**  
**Economic Improvement Corporation**  
**FY2021 Proposed Budget**

	<b>FY21</b>				
	<b>FY20</b>	<b>Proposed</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
	<b>Estimated</b>	<b>Budget</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>Beginning Cash Balance</b>	\$3,921,213	\$2,380,050	\$3,387,455	\$5,449,988	\$7,613,453
<b>Revenue</b>					
Sales Tax	3,692,994	3,490,712	3,560,526	3,631,736	3,704,371
Interest and Miscellaneous	29,783	10,350	17,906	44,500	66,135
<b>Total Revenue</b>	<b>3,722,777</b>	<b>3,501,062</b>	<b>3,578,432</b>	<b>3,676,236</b>	<b>3,770,506</b>
<b>Expenditures</b>					
Administrative					
Supplies and Miscellaneous	60	500	500	500	500
Professional Services	20,148	50,000	10,000	10,000	10,000
KEDC	220,000	197,500	200,000	200,000	200,000
Administrative Services Fee	185,000	185,000	195,000	200,000	205,000
Total Administrative	<b>425,208</b>	<b>433,000</b>	<b>405,500</b>	<b>410,500</b>	<b>415,500</b>
Debt Service					
Debt Service - Series 2019 Ref (River Trail)	253,919	251,344	251,019	250,891	251,206
Debt Service - Series 2012 (River Trail)	251,630	247,830	254,030	249,030	249,030
Debt Service - Series 2015 (KSC)	605,850	603,150	605,350	602,350	605,200
Total Debt Service	<b>1,111,399</b>	<b>1,102,324</b>	<b>1,110,399</b>	<b>1,102,271</b>	<b>1,105,436</b>
Project Contributions					
Legion Lift Station	1,000,000	-	-	-	-
Olympic Drive	894,000				
Thompson Drive Partners	283,333	283,333	-	-	-
Schreiner River Trail	750,000	-	-	-	-
KFOR - Arcadia	600,000	-	-	-	-
Airport Projects	150,000	225,000	-	-	-
Doyle School	50,000	450,000	-	-	-
Total Project Contributions	<b>3,727,333</b>	<b>958,333</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>5,263,940</b>	<b>2,493,657</b>	<b>1,515,899</b>	<b>1,512,771</b>	<b>1,520,936</b>
<b>Net Revenue (Expenditures)</b>	<b>(1,541,163)</b>	<b>1,007,405</b>	<b>2,062,533</b>	<b>2,163,466</b>	<b>2,249,569</b>
<b>Ending Cash Balance</b>	<b>\$2,380,050</b>	<b>\$3,387,455</b>	<b>\$5,449,988</b>	<b>\$7,613,453</b>	<b>\$9,863,023</b>