

AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, DECEMBER 16, 2019, 4:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION

1. VISITORS / CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meeting held on November 18, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for November 2019.

3B. Projects update:

River Trail Extension to Schreiner University
Tennis Center Improvements
Aquatics Feasibility Study
Olympic Drive Infrastructure Extension
Downtown Streetscape/Parking Garage
Legion Lift Station
Aerial Pipe Bridge
EconoLodge/Hobby Lobby
Thompson/Spur 98 Infrastructure Extension
Arcadia Theater
KERV Airport Improvements

3C. Monthly update from Kerr Economic Development Corporation.

4. EXECUTIVE SESSION:

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:

4A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act; discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s). (Section 551.087, TX Government Code):

- Workforce housing development located along Meeker Road proposed by 2J-PAGE Development, LLC (551.087)
- Hill Country Shooting Sports Grant Application (551.087)
- Doyle Community Center Grant Application (551.087)

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

6. **ITEMS FOR FUTURE AGENDAS**

7. **ANNOUNCEMENTS**

8. **ADJOURNMENT**

The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: December 13, 2019 at 3:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kayla McInturff

Kayla McInturff, Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Approval of minutes for the regular EIC meeting held on November 18, 2019.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING **NOVEMBER 18, 2019**

On Monday, November 18, 2019, 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 Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Gregory Richards offered the invocation.

Members Present:

Kenneth Early, President
Kent McKinney, Vice President
Don Barnett
Maggie Megee
Gregory Richards
Aaron Yates

Members Absent:

Danny Almond

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Amy Dozier, Finance Director
Kayla McInturff, Deputy City Secretary

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

1. **VISITORS/CITIZENS FORUM:** None

2. **APPROVAL OF MINUTES:**

2A. Approval of minutes for the regular EIC meeting held on October 28, 2019.

Kent McKinney moved to approve the minutes. Aaron Yates seconded the motion and the motion passed 6-0.

3. **MONTHLY REPORTS**

3A. Monthly Financial Report.

Amy Dozier presented the monthly financial report.

3B. Projects update:

Mr. Hoppe made the following reports:

River Trail Extension to Schreiner University:

Great progress in clearing work for the trail location. Depending on weather, open April timeframe.

Olympic Drive Extension:

Contract was awarded in City Council.

Downtown Streetscape:

Continuing to work through contract and construction documents.

Legion Lift Station:

Project is on track to be wrapped up by first quarter of 2020.

3C. Monthly update from Kerr Economic Development Corporation. (KEDC)
Gil Salinas gave end of year update. Walt Koenig presented Employer Update.

4. EXECUTIVE SESSION:

Gregory Richards moved for EIC to go into executive closed session to discuss subject matter under Section 551.087 (deliberation regarding economic development negotiations) and Section 551.071 (consultation with attorney) of Chapter 551 of the Texas Government Code. Don Barnett seconded, and the motion passed 6-0.

5A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act; discussion regarding commercial or financial information received from a business prospect(s), and/or to deliberate the offer of a financial or other incentive to a business prospect(s). (Section 551.087, TX Government Code)
At 4:32 p.m. the regular meeting recessed. EIC went to executive closed session at 4:32 p.m. At 5:46 p.m., the executive closed session recessed and EIC returned to open session at 5:46 p.m. No action was taken at executive session.

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

7. ITEMS FOR FUTURE AGENDAS:

None

8. ANNOUNCEMENTS:

None

9. ADJOURNMENT

Mr. Early adjourned the meeting at 5:46 pm.

APPROVED:

Kenneth Early, President

ATTEST:

Kayla McInturff, Deputy City Secretary

Agenda Item:

3A. Monthly financials for November 2019.



**TO BE CONSIDERED BY THE EIC BOARD
CITY OF KERRVILLE, TEXAS**

SUBJECT: Monthly Financial Report

AGENDA DATE OF: 12/16/2019 **DATE SUBMITTED:** 12/12/2019

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: November 2019 Financial Presentation

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
n/a	n/a	n/a	n/a

PAYMENT TO BE MADE TO: Click or tap here to enter text.

Kerrville 2050 Item?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
Key Priority Area	Choose an item.	
Guiding Principle	Choose an item.	
Action Item	N/A	

SUMMARY STATEMENT:

EIC received sales tax of \$301K in November 2019. This is 8.8% higher than November 2018 and very close to budget. We continue to see strong increases in our largest categories of retail and food services.

On the expense side, EIC made regular monthly payments for administrative and debt service commitments.

Following this activity, EIC ended November with a cash balance of \$3,248,897. Looking forward, we expect payments for Schreiner River Trail (\$750K), Olympic Drive (\$894K) and airport projects (\$150K) before the end of the calendar year. Projected cash balances in FY2020 continue to look healthy, with a low balance of \$1.3 million currently projected in the 2nd quarter of FY2020.

EIC's funds are invested in TexPool, a completely liquid municipal pool account that is currently earning 1.85%. The rate has stabilized and is the same as the rate reported last month.

City Council approved a parameters bond ordinance on October 22, 2019 to refund (essentially refinance) \$2.435M in debt from the City's 2011A bonds issued for the River Trail project, with debt service paid by EIC. On December 3, 2019 the City received the following pricing for the refunding:

- * Issuing \$2.285M to refund \$2.435M from Series 2011A
- * Gross Savings: \$98,187
- * Present Value of Savings: \$89,996
- * Percentage Savings: 3.6959%
- * True Interest Cost: 2.0386%

These terms are all better than the minimum parameters approved by City Council. The savings achieved fall in between the 2 scenarios presented by our financial advisor when the ordinance was approved. We anticipate closing on the refunding on December 18, 2019. The savings will directly benefit EIC by reducing the debt service paid annually through 2031.

RECOMMENDED ACTION:

Information only; no action required.



Financial update for the month ended November 30, 2019

**Economic Improvement Corporation Meeting
December 16, 2019**



**ECONOMIC IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
MONTH ENDED NOVEMBER 30, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
REVENUES					
Sales and Use Tax	\$ 3,689,250	\$ 301,001	\$ 595,753	16.1%	\$ (3,093,497)
Interest Income	33,750	4,721	11,470	34.0%	(22,280)
TOTAL REVENUES	3,723,000	305,722	607,224	16.3%	(3,115,776)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	185,000	15,417	30,833	16.7%	154,167
Kerr Economic Development Corp.	250,000	-	62,500	25.0%	187,500
Total Administrative	435,500	15,417	93,333	21.4%	342,167
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	21,646	43,293	16.7%	215,213
Debt Service - Series 2012 (River Trail)	250,330	20,969	41,938	16.8%	208,392
Debt Service - Series 2015 (KSC)	603,350	50,488	100,975	16.7%	502,375
Total Debt Service	1,112,186	93,103	186,206	16.7%	925,980
Projects					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Schreiner - River Trail	750,000	-	-	0.0%	750,000
Olympic Drive	935,000	-	-	0.0%	935,000
Thompson Drive Partners (The Landing)	566,667	-	-	0.0%	566,667
KFOR - Arcadia	600,000	-	-	0.0%	600,000
Total Projects	3,851,667	-	1,000,000	26.0%	2,851,667
TOTAL EXPENDITURES	5,399,353	108,520	1,279,539	23.7%	4,119,814
CHANGE IN NET POSITION	\$(1,676,353)	\$ 197,202	\$ (672,316)		

**ECONOMIC IMPROVEMENT CORPORATION
CASH FLOW FORECAST
AS OF NOVEMBER 30, 2019**

	FY2020 Actual	FY2020 Projected			
	Oct 2019 to Nov 2019	Dec 2019	Jan 2020 to Mar 2020	Apr 2020 to Jun 2020	Jul 2020 to Sep 2020
Beginning Cash Balance	\$3,921,213	\$3,248,897	\$1,635,718	\$1,317,422	\$1,748,583
Revenue	607,224	289,841	953,096	919,220	956,712
Expenditures					
Administrative					
Administrative Fee	30,833	15,917	46,250	46,250	46,250
KEDC	62,500	-	62,500	62,500	62,500
Total Administrative	93,333	15,917	108,750	108,750	108,750
Debt Service	186,206	93,103	279,309	279,309	279,310
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	-	150,000	-	100,000	-
Total Projects	1,000,000	1,794,000	883,333	100,000	283,333
Total Expenditures	1,279,539	1,903,020	1,271,392	488,059	671,393
Ending Cash Balance	\$3,248,897	\$1,635,718	\$1,317,422	\$1,748,583	\$2,033,902

Financial Analysis

Project Analysis as of November 30, 2019			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Thompson Drive Partners	\$ 850,000	\$ 283,333	\$ 566,667
Schreiner River Trail	1,500,000	750,000	750,000
Olympic Drive	1,050,000	156,000	894,000
KFOR - Arcadia	600,000	-	600,000
Airport Projects	375,000	-	375,000
Committed Project Total	\$ 4,375,000	\$ 1,189,333	\$ 3,185,667

Cash Analysis as of November 30, 2019		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 3,248,897
Investment	Total Cash and Investments	\$ 3,248,897

Sales Tax Revenue Analysis - FY2020						
Month	Actual FY2018	Actual FY2019	Budget FY2020	Actual FY2020	FY2018 vs. FY2019	Budget vs. Actual
October	\$ 277,430	\$ 284,752	\$ 294,123	\$ 294,752	3.51%	0.21%
November	278,698	276,717	302,630	301,001	8.78%	-0.54%
December	252,047	295,154	284,841			
January	273,590	271,314	293,053			
February	354,753	376,154	386,639			
March	242,127	266,024	267,403			
April	241,702	284,581	270,614			
May	324,560	299,073	337,884			
June	286,255	304,930	302,222			
July	306,165	315,626	300,675			
August	323,628	332,420	346,545			
September	288,215	341,470	302,620			
YTD Total	\$ 3,449,171	\$ 3,648,217	\$ 3,689,250	\$ 595,753	6.11%	-0.17%

Refunding Update

- **Series 2011A**
 - Original issuance of \$3.5M for River Trail
 - Debt Service paid by EIC
 - Par amount refunded: \$2.435M
- **Series 2019 Refunding**
 - Par amount issued: \$2.285M
 - Gross Savings: \$98,187
 - Present Value of Savings: \$89,996
 - Percentage Savings: 3.6959%
 - True Interest Cost: 2.0386%
- **Pricing occurred on December 3, 2019**
- **Closing scheduled for December 18, 2019**



Agenda Item:

3B. Projects Update:

River Trail Extension to Schreiner University

Tennis Center Improvements

Aquatics Feasibility Study

Olympic Drive Infrastructure Extension

Downtown Streetscape/Parking Garage

Legion Lift Station

Aerial Pipe Bridge

EconoLodge/Hobby Lobby

Thompson/Spur 98 Infrastructure Extension

Arcadia Theater

KERV Airport Improvements

There is no agenda bill for this item.

Agenda Item:

3C. Monthly update from Kerr Economic Development Corporation.

There is no agenda bill for this item.