

AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, JANUARY 13, 2020, 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 December 16, 2019.

3. MONTHLY REPORTS:

3A. Monthly financials for December 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

Hobby Lobby (EconoLodge demolition/remediation)

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):

- KERV Airport Improvements (551.072 and 551.087)
- Hill Country Shooting Sports 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: January 10, 2020 at 4:00 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 December 16, 2019.

CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING **DECEMBER 16, 2019**

On Monday, December 16, 2019, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Kenneth Early offered the invocation.

Members Present:

Kenneth Early, President
Kent McKinney, Vice President
Danny Almond
Don Barnett
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
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 November 18, 2019.

Gregory Richards moved to approve the minutes. Maggie Megee seconded the motion and the motion passed 7-0.

3. MONTHLY REPORTS

3A. Monthly Financial Report.

Amy Dozier presented the monthly financial report. Amy Dozier to follow up regarding refunding/coupon rate.

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.

Tennis Center Improvements:

Facility on track to be open in early springtime.

Aquatics Feasibility Study: Study wrapping up and meetings to start for interest with potential funding partners.

Olympic Drive Extension:

Preconstruction meeting with contractor has occurred and construction mobilization in January.

Downtown Streetscape:

Construction documents progressing and will start receiving bids in 4-6 weeks.

Legion Lift Station:

Testing period is currently taking place.

Aerial Pipe Bridge: Finalized application for the second additional grant for \$500,000 in TWDB disaster recovery funds.

EconoLodge/Hobby Lobby: Anticipated December/January opening.

Thompson/Spur 98 Infrastructure Extension: Continuing to make great progress on the offsite infrastructure work.

Arcadia Theater: Private construction contract has been let and is moving forward.

KERV Airport/Improvements: Developing demolition project for the horseshoe building.

3C. Monthly update from Kerr Economic Development Corporation. (KEDC)

Walt Koenig presented monthly update. Theresa Metcalf presented update regarding KEDC new website launch.

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. Kent McKinney seconded, and the motion passed 7-0.

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 5:01 p.m., the executive closed session recessed and EIC returned to open session at 5:01 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 5:02 pm.

APPROVED:

Kenneth Early, President

ATTEST:

Kayla McInturff, Deputy City Secretary

Agenda Item:

3A. Monthly financials for December 2019.



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

SUBJECT: Monthly Financial Report

AGENDA DATE OF: 1/13/2020

DATE SUBMITTED: 1/9/2020

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: December 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:

No:

Key Priority Area Choose an item.

Guiding Principle Choose an item.

Action Item N/A

SUMMARY STATEMENT:

EIC received sales tax of \$298K in December 2019. This is 0.8% higher than December 2018. December 2018 included a prepayment (for January) from one of our largest retailers. If that prepayment is removed from the December 2018 numbers, sales tax is up 6.7% compared to the prior year. This will be an issue again in January. In January, expect to see an unusually large increase.

On the expense side, EIC made regular monthly payments for administrative and debt service commitments. Additionally, EIC transferred \$750,000 for the Schreiner River Trail project and \$894,000 for the Olympic Drive project.

Following this activity, EIC ended December with a cash balance of \$1,798,906. Looking forward, we expect payments for airport projects (\$150K) and Arcadia (\$600K) by the end of March. 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 1.83%.

RECOMMENDED ACTION:

Information only; no action required.



Financial update for the month ended December 31, 2019

**Economic Improvement Corporation Meeting
January 13, 2020**



**ECONOMIC IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
MONTH ENDED DECEMBER 31, 2019**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
REVENUES					
Sales and Use Tax	\$ 3,689,250	\$ 297,620	\$ 893,373	24.2%	\$ (2,795,877)
Interest Income	33,750	4,909	16,379	48.5%	(17,371)
TOTAL REVENUES	3,723,000	302,528	909,752	24.4%	(2,813,248)
EXPENDITURES					
Administrative					
Office Supplies	500	-	-	0.0%	500
Administrative Services Fee	185,000	15,417	46,250	25.0%	138,750
Kerr Economic Development Corp.	250,000	-	62,500	25.0%	187,500
Total Administrative	435,500	15,417	108,750	25.0%	326,750
Debt Service					
Debt Service - Series 2011A (River Trail)	258,506	21,646	64,939	25.1%	193,567
Debt Service - Series 2012 (River Trail)	250,330	20,969	62,908	25.1%	187,422
Debt Service - Series 2015 (KSC)	603,350	50,488	151,463	25.1%	451,888
Total Debt Service	1,112,186	93,103	279,309	25.1%	832,877
Projects					
Legion Lift Station	1,000,000	-	1,000,000	100.0%	-
Schreiner - River Trail	750,000	750,000	750,000	100.0%	-
Olympic Drive	935,000	894,000	894,000	95.6%	41,000
Thompson Drive Partners (The Landing)	566,667	-	-	0.0%	566,667
KFOR - Arcadia	600,000	-	-	0.0%	600,000
Total Projects	3,851,667	1,644,000	2,644,000	68.6%	1,207,667
TOTAL EXPENDITURES	5,399,353	1,752,520	3,032,059	56.2%	2,367,294
CHANGE IN NET POSITION	\$(1,676,353)	\$(1,449,992)	\$(2,122,307)		

**ECONOMIC IMPROVEMENT CORPORATION
CASH FLOW FORECAST
AS OF DECEMBER 31, 2019**

	FY2020 Actual	FY2020 Projected		
	Oct 2019 to Dec 2019	Jan 2020 to Mar 2020	Apr 2020 to Jun 2020	Jul 2020 to Sep 2020
Beginning Cash Balance	\$3,921,213	\$1,798,906	\$1,330,609	\$1,761,770
Revenue	909,752	953,096	919,220	956,712
Expenditures				
Administrative				
Administrative Fee	46,250	46,250	46,250	46,250
KEDC	62,500	62,500	62,500	62,500
Total Administrative	108,750	108,750	108,750	108,750
Debt Service	279,309	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	2,644,000	1,033,333	100,000	283,333
Total Expenditures	3,032,059	1,421,392	488,059	671,393
Ending Cash Balance	\$1,798,906	\$1,330,609	\$1,761,770	\$2,047,090

Financial Analysis

Project Analysis as of December 31, 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	1,500,000	-
Olympic Drive	1,050,000	1,050,000	-
KFOR - Arcadia	600,000	-	600,000
Airport Projects	375,000	-	375,000
Committed Project Total	\$ 4,375,000	\$2,833,333	\$ 1,541,667

Cash Analysis as of December 31, 2019		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 1,798,906
Investment	Total Cash and Investments	\$ 1,798,906

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	297,620	0.84%	4.49%
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	\$ 893,373	4.29%	1.34%

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

Hobby Lobby (EconoLodge demolition/remediation)

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.