



## 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 **962 1891 6110#**

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 [shelley.mcelhannon@kerrvilletx.gov](mailto:shelley.mcelhannon@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!

**AGENDA FOR REGULAR MEETING OF THE**  
**CITY OF KERRVILLE, TEXAS**  
**ECONOMIC IMPROVEMENT CORPORATION**  
**MONDAY, JUNE 15, 2020, 4:00 P.M.**  
**KERRVILLE CITY HALL COUNCIL CHAMBERS**  
**701 MAIN STREET, KERRVILLE, TEXAS**

**CALL TO ORDER**

**INVOCATION**

**1. APPROVAL OF MINUTES:**

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

**2. MONTHLY REPORTS:**

2A. Monthly financials for May 2020.

2B. Projects update:

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

KERV Airport Improvements

Doyle School Community Center Improvements

2C. Monthly update from Kerr Economic Development Corporation.

**3. CONSIDERATION AND POSSIBLE ACTION:**

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

- Sky Master Business Development Project (551.072 and 551.087)

4B. Deliberation regarding real property (Section 551.072):

- EIC-owned property located along Peterson Farm Road with the legal description ABS A0114 CROOK, SUR 71, BLOCK LOS PREMIADOS, ACRES 86.71 (551.072)

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

6. **ITEMS FOR FUTURE AGENDAS**

7. **ANNOUNCEMENTS**

8. **ADJOURNMENT**

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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: June 12, 2020 at 3:00PM 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

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**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION  
REGULAR MEETING      MAY 18, 2020**

On Monday, May 18, 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 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  
Danny Almond  
Don Barnett  
Maggie Megee  
Gregory Richards  
Aaron Yates

**Members Absent:**

**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

**1. APPROVAL OF MINUTES:**

1A. Approval of minutes for the regular EIC meeting held on April 20, 2020.

1B. Approval of minutes for a Special-Called EIC meeting held on April 3, 2020.

Kent McKinney moved to approve the minutes, with typo correction of misspelled name for Maggie Megee on April 3, 2020 minutes. Maggie Megee seconded the motion and the motion passed 7-0.

**2. MONTHLY REPORTS:**

2A. Monthly financials for April 2020.

Amy Dozier presented monthly financials for April 2020.

## 2B. Projects update:

River Trail Extension to Schreiner University: Trail 100% cleared and 75% poured.

Tennis Center Improvements: Nearing substantial completion.

Aquatics Feasibility Study: Community presentation to EIC and Parks Board postponed due to pandemic, but will likely be rescheduled later this Summer.

Olympic Drive Infrastructure Extension: Sidewalk work completed near Singing Wind. Utility relocations are ensuing.

Legion Lift Station: Pumps being tested. Near substantial completion.

Guadalupe River Utility Crossing: City successful in receiving additional grant funds from TWDB for \$500,000 (\$1.5 million total). Plans to bid the project in late Summer.

Thompson/Spur 98 Infrastructure Extension: Project is close to completion. Liftstation work still underway.

ArcadiaLive Theater: Work is progressing and their plan is to be open in some capacity the first part of July.

KERV Airport Improvements: The Airport is working with TxDOT on the design effort for the T-Hanger project, and the subsequent Box Hanger project. The demolition of the Horseshoe building is being coordinated with the FAA.

Downtown Streetscape/Parking Garage: to be discussed later in agenda.

## 2C. Monthly update from Kerr Economic Development Corporation.

Gil Salinas presented monthly update via teleconference.

### **3. PUBLIC HEARING AND POSSIBLE ACTION:**

3A. Project Funding Agreement between the City of Kerrville, Texas, Economic Improvement Corporation and the City of Kerrville, Texas for Downtown Parking Garage Clock Tower Elevator Enclosure Improvements.

E.A. Hoppe presented the Project Funding Agreement and discussion was had.

The public hearing was opened by Mr. Early at 4:50 p.m.

There were no public speakers. The public hearing was closed by Mr. Early at 4:51 p.m.

Maggie Megee moved to terminate the Project Funding Agreement for the Downtown Parking Garage Streetscape Improvements (Item 4A) and enter into a Project Funding Agreement for the Downtown Parking Garage Clock Tower Elevator Enclosure Improvements. Kent McKinney seconded the motion and the motion passed 5-2.

### **4. CONSIDERATION AND POSSIBLE ACTION:**

4A. Discuss and consider to terminate the Project Funding Agreement between the City of Kerrville, Texas, Economic Corporation and the City of Kerrville, Texas for Downtown Parking Garage Streetscape Improvements.

4B. Review and discuss setting a date and time for the Annual meeting of the Kerrville Economic Improvement Corporation.

E.A. Hoppe presented item. Discussion on the item was pushed to the June 15, 2020 meeting for further discussion.

**5. EXECUTIVE SESSION:**

Aaron Yates moved for EIC to go into executive closed session to discuss subject matter under), 551.072 (deliberation regarding real property), 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code. Gregory Richards 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)

5B. Deliberation regarding real property (Section 551.072): • EIC-owned property located along Peterson Farm Road with the legal description ABS A0114 CROOK, SUR 71,BLOCK LOS PREMIADOS,ACRES 86.71 (551.072)

At 4:55 p.m. the regular meeting recessed. EIC went to executive closed session at 4:55 p.m. At 5:07 p.m., the executive closed session recessed and EIC returned to open session at 5:07 p.m. No action was taken at executive session.

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

None

**7. ITEMS FOR FUTURE AGENDAS:**

None

**8. ANNOUNCEMENTS:**

None

**9. ADJOURNMENT**

Mr. Early adjourned the meeting at 5:07 p.m.

APPROVED:

\_\_\_\_\_  
Kenneth Early, President

ATTEST:

\_\_\_\_\_



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

**SUBJECT:** Monthly Financial Report

**AGENDA DATE OF:**

**DATE SUBMITTED:** 6/11/2020

**SUBMITTED BY:** Amy Dozier, CFO

**EXHIBITS:** May 2020 Financial Presentation

<b>Expenditure Required:</b>	<b>Current 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:** 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 \$319K in May 2020. This payment represents tax collected on sales in March. Since we are closely watching sales tax, I have also included June sales tax collections in the Sales Tax Revenue Analysis shown on slide 4 of the attached presentation.

Sales tax in June (April sales) is significantly better than originally estimated. Because this sales tax represents sales in April, when many businesses were completely closed, we expected June sales tax to be our lowest month. Instead, June sales tax was 7% MORE than June 2019. At this point, we only have summary level information about this number. We know that it does not contain any unusual amounts related to audit adjustments or out of period payments. We have requested detail by taxpayer from the Comptroller and will have more information on what is driving the increase after that is received.

Due to continued high levels of unemployment and government stimulus money that may be ending soon, it is not safe to assume that June's 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:

- July (May sales): 10% less than budget
- August (June sales): 10% less than budget
- September (July sales): 10% less than budget
- October – March: 10% less than prior year

Using these new assumptions, sales tax revenue is expected to end the year approximately \$76K lower than budget.

On the expense side, EIC made regular monthly payments for administrative and debt service commitments and an initial payment of \$8,623 related to the Doyle School project. In addition, EIC made a quarterly payment to KEDC. The quarterly payment amount has been renegotiated from \$62.5K to \$47.5K.

Following this activity, EIC ended May with a cash balance of \$2,065,446. The cash flow forecast on slide 3 has been modified with the previously mentioned COVID-19 assumptions and actual sales tax through June. With these changes and updated project payment timing, EIC's cash balance is expected to vary between \$2.1 and \$2.3 million. 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 0.56%.

EIC's FY2021 budget will be discussed in next month's meeting.

**RECOMMENDED ACTION:**

Information only; no action required.





# **Financial update for the month ended May 31, 2020**

**Economic Improvement Corporation Meeting  
June 15, 2020**



**Economic Improvement Corporation**  
**Statement of Activities**  
**Month Ended May 31, 2020**

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Remaining Budget
<b>Revenues</b>					
Sales and Use Tax	\$ 3,689,250	\$ 318,521	\$ 2,432,028	65.9%	\$ (1,257,222)
Interest Income	33,750	1,232	26,388	78.2%	(7,362)
<b>Total Revenues</b>	<b>3,723,000</b>	<b>319,753</b>	<b>2,458,416</b>	<b>66.0%</b>	<b>(1,264,584)</b>
<b>Expenditures</b>					
Administrative					
Office Supplies	500	-	60	12.0%	440
Professional Services	-	-	8,463		(8,463)
Administrative Services Fee	185,000	15,417	123,333	66.7%	61,667
Kerr Economic Development Corp.	250,000	47,500	172,500	69.0%	77,500
<b>Total Administrative</b>	<b>435,500</b>	<b>62,917</b>	<b>304,356</b>	<b>69.9%</b>	<b>131,144</b>
Debt Service					
Debt Service - Series 2011A/2019 Ref (River Trail)	258,506	20,998	169,928	65.7%	88,578
Debt Service - Series 2012 (River Trail)	250,330	20,969	167,753	67.0%	82,577
Debt Service - Series 2015 (KSC)	603,350	50,488	403,900	66.9%	199,450
<b>Total Debt Service</b>	<b>1,112,186</b>	<b>92,455</b>	<b>741,582</b>	<b>66.7%</b>	<b>370,605</b>
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	-	-	5,622		(5,622)
Doyle School	-	8,623	8,623		(8,623)
<b>Total Projects</b>	<b>3,851,667</b>	<b>8,623</b>	<b>3,258,245</b>	<b>84.6%</b>	<b>593,422</b>
<b>Total Expenditures</b>	<b>5,399,353</b>	<b>163,994</b>	<b>4,304,182</b>	<b>79.7%</b>	<b>1,095,171</b>
<b>Change in Net Position</b>	<b>\$(1,676,353)</b>	<b>\$ 155,759</b>	<b>\$(1,845,767)</b>		

**ECONOMIC IMPROVEMENT CORPORATION**  
**CASH FLOW FORECAST (using COVID-19 assumptions)**  
**AS OF MAY 31, 2020**

	<b>FY2020 Actual</b>	<b>FY2020 Projected</b>		<b>FY2021 Projected</b>	
	Oct 2019 to May 2020	Jun 2020	Jul 2020 to Sep 2020	Oct 2020 to Dec 2020	Jan 2021 to Mar 2021
<b>Beginning Cash Balance</b>	\$ 3,921,213	\$ 2,065,446	\$ 2,267,050	\$ 2,301,752	\$ 2,089,124
<b>Revenue</b>	2,458,416	327,597	856,781	806,286	861,376
<b>Expenditures</b>					
Administrative					
Administrative Fee & Supplies	141,856	15,417	46,250	47,500	47,500
KEDC	172,500	-	47,500	62,500	62,500
Total Administrative	314,356	15,417	93,750	110,000	110,000
Debt Service	741,582	92,455	277,364	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	5,622	1,745	142,633	100,000	125,000
Doyle Center	8,623	16,377	25,000	250,000	200,000
Total Projects	3,258,245	18,122	450,966	633,333	325,000
<b>Total Expenditures</b>	4,314,182	125,993	822,080	1,018,914	710,581
<b>Ending Cash Balance</b>	<b>\$ 2,065,446</b>	<b>\$ 2,267,050</b>	<b>\$ 2,301,752</b>	<b>\$ 2,089,124</b>	<b>\$ 2,239,919</b>

**Sales Tax Assumptions:**

July (May sales)	10% less than budget
August (June sales)	10% less than budget
September (July sales)	10% less than budget
FY2021 (October - March)	10% less than prior year



# Financial Analysis

Project Analysis as of May 31, 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	5,622	369,378
Doyle Center	500,000	8,623	491,377
<b>Committed Project Total</b>	<b>\$ 1,725,000</b>	<b>\$ 297,578</b>	<b>\$ 1,427,422</b>

Cash Analysis as of May 31, 2020		
by Type - Placement - Amount		
Type	Placement	Amount
Short Term	EIC TexPool	\$ 2,065,446
Investment	<b>Total Cash and Investments</b>	<b>\$ 2,065,446</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	326,172	326,172	6.97%	7.92%
July	315,626	300,675	270,608			
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>\$ 3,613,057</b>	<b>\$ 2,758,200</b>	<b>3.74%</b>	<b>0.69%</b>

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

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**SUBJECT:** Review and discuss setting a date and time for the Annual meeting of the Kerrville Economic Improvement Corporation.

**AGENDA DATE:** June 15, 2020

**DATE SUBMITTED:** June 12, 2020

**SUBMITTED BY:** E.A. Hoppe  
Deputy City Manager

**EXHIBITS:** None

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	<b>Unencumbered</b>		
<b>Expenditure</b>	<b>Balance</b>	<b>Amount</b>	<b>Account</b>
<b>Required:</b>	<b>in Account:</b>	<b>Budgeted:</b>	<b>Number:</b>
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>PAYMENT TO BE MADE TO: N/A</b>			

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**SUMMARY STATEMENT**

Due to COVID-19 the annual meeting for the Kerrville Economic Improvement Corporation was postponed and pursuant to the request of the Economic Improvement Corporation members at the May 18, 2020, the annual meeting discussion was pushed to the June 15, 2020 meeting for further discussion.

**Article II “Directors”, Section 2.04** of the City of Kerrville, Texas Economic Improvement Corporation Bylaws state as follows:

The annual meeting of the Board shall be held at the principal office of the Corporation on the first day of June of each year, if not a legal holiday, and if a Saturday, Sunday or legal holiday, then at the next secular day following, at \_\_\_ o’clock, \_\_.m., *or at such time and place as shall be fixed by the consent in writing of all of the directors.* All other meetings may be held at the place selected by the Board within the boundaries of the City.

In addition, Officers of the Corporation will be selected at the annual meeting.

**RECOMMENDED ACTION**

Designate date and time for the Annual Meeting for the City of Kerrville, Texas, Economic Improvement Corporation.