

Buda Economic Development Corporation

Fiscal Year 2019-20 Budget

Income

Sales Tax Receipts

In prior years, the EDC has taken a very conservative stance on sales tax projections, which at year end resulted in the EDC receiving more revenue than budgeted. When utilizing a percentage increase over the previous years budget, the difference between budgeted revenue and actual revenue has widened significantly in the past few years. Therefore, the FY 19-20 Budget Revenue is based on increasing the FY 18-19 projected revenues by 5%, allowing the EDC to continue its conservative stance on sales tax projections.

Interest Income

The EDC has been fortunate to earn approximately 1.7% interest a month of our reserves that are placed in TexPool Accounts. This has significantly increased our interest income and the budget has been adjusted to reflect this increase in revenue.

Program Income

Program Income reflects any nominal admission fees for programs the EDC may offer during FY 19-20.

Contractual Payments

This Budget Category represents the sales tax rebate payments the EDC has agreed to make on certain properties. These payments are estimated based on the percentage of the rebate and the estimated revenue to be generated during FY 19-20.

This Category also includes the principal and interest payments for the EDC bond debt.

Net Income After Contractual Payouts

The Net Income after Contractual Payouts is the income from which the EDC can fund operations, programs, and incentives. Projected net income for FY 19-20 is **\$1,881,647**.

Expenses

Capital Expenditures

During FY 18-19, the EDC had set aside funding from infrastructure and CIP Projects. These funds were primarily used to complete the study/design documents for the expansion of a wastewater system to serve industrial tracts along South Loop 4 to Robert S. Light. The EDC proposed \$250,000 in the FY 18-19 Budget for the construction of these wastewater lines which has been moved into Accounts Payable. The EDC is proposing adding another \$250,000 to the CIP Project line item for FY 19-20 to fund another CIP Project as identified by the City of Buda.

As part of the maintenance and upgrade schedule of computer equipment the EDC will purchase a new computer for the Operations & Finucane Administrator as well as a new computer for the Administrative Assistant position. The EDC will also be purchasing a new Copier to replace the 8-year-

old machine that we currently have. The EDC is also moving to OneDrive for computer file storage, additional storage will need to be purchased in order to have sufficient storage capabilities of EDC Records.

Salaries/Benefits

The FY 19-20 Budget include competitive salaries for all positions. Cell phone allowances paid to employees are relocated in this section of the budget. Health insurance costs are increasing due to the addition of new employees. Health care reimbursements are an estimate and usually fall well below the budgeted amount. FICA/Medicare and Retirement amounts are percentages of salary amounts. Also included in this section is Temporary Staffing, Economic Development Consulting fees, and Executive Director Search and related expenses. These items will fund additional staff needed as well as additional Consulting fees as needed.

Insurance

The costs associated with insurance expenses reflect the new facility and the addition of employees as well as expenses related to Unemployment Insurance for all employees.

Operations

This budget section has been modified from FY 18-19. Key changes include: annual increase of City of Buda Office Rental and Maintenance/Operations line item by 2% and renegotiations for the Memorandum of Understanding to provide additional Administrative and Professional Services between the City of Buda and the EDC. The EDC made some minor adjustments to the Software Programs that we will be utilizing FY 19-20.

Marketing

This budget section has not really changed other than making some minor adjustments to the different subsection headings and clearly defining what some expenditures will be.

The EDC combined ED Summit & Business Recognition with Business Appreciation Activities as these items will likely be done in partnership with other entities. The EDC plans to do more Business and Industry Mixers in FY 2019-2020 with the addition of a new EDC Staff. The EDC plans to continue their Coffee Chats and Shop Buda Promotion during FY 19-20 as well.

Advertising line item additions include clearly defining between Print and General Media Advertising. The EDC will continue paying for the first-year membership to the Buda Chamber of companies that have entered into a Performance Agreement with the Buda EDC and will continue to host Market Trend and Education trainings for EDC staff, board, and city staff members on topics deemed valuable to community and economic development.

Professional Development

The EDC will continue providing the same amount of funding for each employee for travel and registration for professional development. Each employee has or will develop a 3-5-year professional development plan to utilize these funds. Employees that will not utilize all their professional development funds during the year may allow another employee to use these funds if this is in line with their development plan with approval from the Executive Director and/or EDC Board of Directors. Additionally, there is a line item for all employees to attend a leadership training and for EDC Staff and Board members to attend the required EDC sales tax training.

Programs/Services

The Programs/Services section of the EDC budget has a new Program addition – Main Street Historic Preservation Grant. This grant was proposed by the Main Street Manager and accepted by the Buda EDC Board of Directors as a viable program to help target Façade Improvements only in the Downtown district. The EDC will continue to fund the Main Street Grant Program and Sportsplex Maintenance.

Net Income

The net income for FY 19-20 is ~~-\$81,273.75~~ which will be funded out of reserves. This amount is negative due to previous actions prior to FY 2019-2020.

As of May 31, 2019, the EDC had \$5,786,216.11 in its bank and TexPool accounts, of which \$374,332.11 is restricted due to bond provisions and \$799,891.97 is self-restricted by the EDC for projects. Accounts payable totaled \$394,319.17, leaving the EDC with \$4,228,913.55 in available funds. The EDC also plans to self-restrict an additional \$180,000 from reserves to the TexPool Project fund during FY19-20. The EDC will be left with an unrestricted reserve of \$4,037,672.86 to fund projects, acquire land, and build infrastructure projects.