

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION
2017-2018 FY OPERATING BUDGET

ADOPTED BY CITY COUNCIL
ON
SEPTEMBER 12, 2017

Montgomery Economic Development Corporation
Statement of Income, Expenditures, and Changes in Net Assets

	2015-16	2016-17	2016-17	2017-18
	Actual	Amended Budget	Estimated	Proposed Budget
Beginning net assets (fund balance)	\$ 636,886	\$ 834,815	\$ 834,820	\$ 648,220
Income				
Sales tax (one-half of one percent)	485,651	510,000	480,000	530,000
Interest income	960	500	1,250	950
Miscellaneous	-	-	-	-
Total Income	486,611	510,500	481,250	530,950
Total Appropriate Funds	1,123,497	1,345,315	1,316,070	1,179,170
Expenditures				
Public Infrastructure (Category 1)				
Downtown development improvements	-	35,000	35,000	55,000
Utility extensions	-	330,000	310,000	180,000
Flagship development improvements	-	10,000	9,800	8,000
Transfer to debt service	117,500	127,500	127,500	160,000
Total Infrastructure	117,500	502,500	482,300	403,000
Business development and retention (Category 2)				
Sales tax reimbursement	-	-	-	35,000
Economic development grant program	-	20,000	-	20,000
Total business development	-	20,000	-	55,000
Quality of life (Category 3)				
Seasonal decorations	9,810	12,000	10,500	6,000
Christmas lighting, civic association	1,342	1,600	1,600	1,600
Walking tour	2,660	9,000	8,300	4,000
Downtown enhancement projects	3,380	25,000	-	20,000
Removal of blight	23,084	25,000	9,000	15,000
Downtown signs	-	1,000	-	1,000
Fernland Improvements	10,000	5,000	4,500	4,000
Heritage village detention pond improvements	-	10,000	10,450	-
Park Improvements	-	-	-	-
Total quality of life	50,276	88,600	45,150	51,600
Marketing and tourism (Category 4)				
Promotional video	800	1,000	1,900	1,500
Website	-	7,500	5,500	2,000
Brochures / printed literature	4,550	13,000	5,700	5,000
Christmas in Montgomery	5,000	5,000	5,000	5,000
Wine and music festival	9,500	10,000	10,000	10,000
Antique show and festival	10,000	10,000	10,000	10,000
Texian heritage festival	8,000	8,000	16,000	8,000
Total marketing and tourism	37,850	54,500	54,100	41,500
Administration (Category 5)				
Transfers to city general fund	37,500	37,500	37,500	37,500
Montgomery area chamber of commerce office	30,800	32,000	32,000	32,000
Internship program	-	10,000	1,000	10,000
Miscellaneous expense	10,336	6,000	4,000	6,000
Consulting (professional services)	2,370	33,500	9,500	10,000
Travel and training	2,050	3,500	2,300	2,800
Total administration	83,056	122,500	86,300	98,300
Total expenditures	288,682	788,100	667,850	649,400
Net income (loss)	197,929	(277,600)	(186,600)	(118,450)
Ending net assets (fund balance)	\$ 834,815	\$ 557,215	\$ 648,220	\$ 529,770

MEDC BUDGET - DETAILS

Attached is the Proposed MEDC 2017 Budget. Below is an explanation of each line item intention- I say intention because, please remember that the budget is more than just figures, it is the intended actions of the MEDC from October 1st, 2017 to September, 2018.

Not all of these intentions will happen during the upcoming year and there, almost certainly, will be new actions that you will decide to undertake during the upcoming fiscal year.

All of this is to say that the budget is as much a goals policy as a financial plan that can be amended during the year.

You may note that the budget has a planned surplus of expenditures over revenue. That will be the case if every dollar is expended during the year, which is not likely. The MEDC has a current balance of approximately \$795,000 and the projected use of \$74,950 (the amount expenditures are over revenues for next year) would come off that number..

Revenues

- Sales Tax – Sales tax for the city overall is expected to increase. I allowed \$35,000 of sales tax to be attributed to Kroger, and that figured is also in the expenditures under “Sales Tax Reimbursement”
- Interest Income – this is interest income from the balance in MEDC funds

Expenses state law states what can come from each category

Category I ---

- Downtown Improvements – The thought is that the \$35,000 will be used for some lighting and/or general improvements toward the streetscape plan. This could also be used for planning purposes also. This line item also includes Clepper

Sidewalks—This has been an often thought of idea, but never in a budget, to place sidewalks on Clepper Street to connect downtown area to the Fernland Park and to parking areas for special downtown events.

-Utility Extensions – This is proposed to be \$180,000 with nothing specific intended, but with the thought that there will probably be one or more projects in the year that the Board agrees to support.

- Flagship Boulevard improvements-this involves landscaping on the north side of Flagship Boulevard, to screen the back of the shopping center from the apartments and otherwise beautify Flagship Boulevard. This \$8,000 will complete the project Areas four and five of the overall plan.

-Transfer to debt service. Increase from \$117,500 in the past to \$160,000 due to the TWDB borrowing by the city for water and sewer needs.

Category II

- Sales Tax reimbursement – this is the reimbursement of the sales tax received from the Kroger Shopping Area included in the 380 Agreement.-Economic Development Grant Program – This is where a grant is made to a historic area business or home to make an improvement to their façade, structure or public use aspect of their building. The grant maximum is \$5,000 and are individually applied for and awarded by the MEDC Board.

Category III

-Seasonal Decorations – The thought is to add various lighting and improvements to Cedar Brake park enough to make it a destination for the area during the holiday season. City Secretary and Cheryl Fox (representing the Civic Association) will make a specific proposal to the MEDC

-Christmas Lighting – this helps the Civic Association with funding for their lighting of Cedar Brake Park and downtown during the holidays.

-Walking tour- The Distrix system may have some expense to get started, first year expenses that will be needed. Cost of Distrix markers on historical markers is estimated at approximately \$1,000 per year.

-Removal of Blight - This is for removal of old houses/structures having to do with the appearance of the city. The city is starting a process on four such structures and the \$15,000 will go toward those removal expenses.

-Downtown Signs – This is for the upkeep of the new electric sign at the corner of 149 and 105.

-Fernland Restoration – This will contribute toward the restoration of the Park’s inventory of buildings and artifacts of Fernland Park.

Category IV

-Promotional Video –This is for Shannan Reid to work with the producer of the MEDC community video to update the video.

-Brochures Printed Literature - This involves an advertisement in a Woodlands Chamber publication and other brochures and mail outs during the upcoming year.

-Christmas in Montgomery -- the MEDC for several years has contributed to this local event that brings in persons for the event that generally “sells” Montgomery to visitors and locals alike.

-Wine and Music Festival- the MEDC for several years has contributed to this local event that brings in persons for the event that generally “sells” Montgomery to visitors and locals alike.

-Antique Show and Festival-- the MEDC for several years has contributed to this local event that brings in persons for the event that generally “sells” Montgomery to visitors and locals alike.

-Texian Heritage Festival -- the MEDC for several years has contributed to this local event that brings in persons for the event that generally “sells” Montgomery to visitors and locals alike.

Category V

-Admin. Transfer to General Fund – This is what MEDC pays for City support of MEDC, meaning the financial record keeping, my time and overall city support of MEDC economic development matters.

-MACC Administration and Office – This is payment to the Montgomery Area Chamber of Commerce for Shannan's Reid's time and office spent on economic development through the Chamber.

-Internship program- a cooperative program with local businesses wherein the local business pays half the paid to the intern and MEDC matches up to \$3,000.

- Miscellaneous Expenses - Just as it reads, minor expenses of the MEDC that do not seem to fit into any specific line item budgeted. A drone purchase is proposed.

- General consulting (Accounting , Eng., Legal) – This is in case there is some specific engineering or legal work or advice needed for the MEDC due to looking at some specific issue, plus it could pay for the economic development analysis programs that MEDC has done on two recent occasions to analyze requested infrastructure contributions to a specific business.

- Travel and Training Expenses -- Travel for MEDC members or staff to various trainings, seminars, etc.