

MONTGOMERY ECONOMIC DEVELOPMENT CORPORATION

2018-2019 FY OPERATING BUDGET

10/01/18 – 09/30/19

ADOPTED BY CITY COUNCIL

ON

OCTOBER 9, 2018

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

	2016-17	2017-18	2017-18	2018-19
	Actual	Budget	Estimated	Adopted Budget
Beginning net assets (fund balance)	<u>\$ 834,815</u>	<u>\$ 648,220</u>	<u>\$ 786,030</u>	<u>\$ 748,230</u>
Income				
Sales tax (one-half of one percent)	500,557	530,000	575,000	575,000
Interest income	2,979	950	3,000	3,200
Miscellaneous	-	-	-	-
Total income	<u>503,536</u>	<u>530,950</u>	<u>578,000</u>	<u>578,200</u>
Total Appropriable Funds	<u>1,338,351</u>	<u>1,179,170</u>	<u>1,364,030</u>	<u>1,326,430</u>
Expenditures				
Public Infrastructure (Category 1)				
Downtown development improvements	83,295	55,000	66,000	60,000
Utility extensions	159,987	180,000	150,000	39,200
Flagship development improvements	9,800	8,000	4,500	-
Transfer to debt service	130,500	160,000	160,000	160,000
Total Infrastructure	<u>383,582</u>	<u>403,000</u>	<u>380,500</u>	<u>259,200</u>
Business development and retention (Category 2)				
Sales tax reimbursement	-	35,000	47,500	76,900
Economic development grant program	-	20,000	20,000	15,000
Total business development	<u>-</u>	<u>55,000</u>	<u>67,500</u>	<u>91,900</u>
Quality of life (Category 3)				
Seasonal decorations	9,940	6,000	1,300	7,600
Christmas lighting, civic association	2,543	1,600	2,500	-
Walking tour	500	4,000	6,000	6,000
Downtown enhancement projects	-	20,000	10,000	20,000
Removal of blight	10,791	15,000	12,000	15,000
Downtown signs	-	1,000	-	-
Fernland improvements	-	4,000	-	-
Heritage village detention pond improvements	10,450	-	-	-
Events	-	-	-	35,000
Total quality of life	<u>34,224</u>	<u>51,600</u>	<u>31,800</u>	<u>83,600</u>
Marketing and tourism (Category 4)				
Promotional video	1,900	1,500	3,000	-
Website	7,976	2,000	3,000	3,000
Brochures / printed literature	5,626	5,000	7,500	10,000
Events	-	-	-	-
Christmas in Montgomery	5,000	5,000	5,000	-
Wine and music festival	9,500	10,000	10,000	-
Antique show and festival	10,000	10,000	10,000	-
Texian heritage festival	16,000	8,000	-	-
Total marketing and tourism	<u>56,002</u>	<u>41,500</u>	<u>38,500</u>	<u>13,000</u>
Administration (Category 5)				
Reimbursement of General fund expenses	37,500	37,500	37,500	107,500
Montgomery area chamber of commerce office	30,800	32,000	32,000	-
Internship program	-	10,000	2,500	10,000
Miscellaneous expense	4,372	6,000	9,000	1,000
Consulting (professional services)	2,667	10,000	15,000	10,000
Travel and training	3,174	2,800	1,500	2,000
Total administration	<u>78,513</u>	<u>98,300</u>	<u>97,500</u>	<u>130,500</u>
Total expenditures	<u>552,321</u>	<u>649,400</u>	<u>615,800</u>	<u>578,200</u>
Net income (loss)	<u>(48,785)</u>	<u>(118,450)</u>	<u>(37,800)</u>	<u>-</u>
Ending net assets (fund balance)	<u>\$ 786,030</u>	<u>\$ 529,770</u>	<u>\$ 748,230</u>	<u>\$ 748,230</u>

MEDC BUDGET - DETAILS

Attached is the Proposed MEDC 2018-2019 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, 2019 to September, 2019.

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 \$748,730.

Revenues

- Sales Tax – Sales tax for the city overall is expected to increase.
- 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 \$60,000 would be for physical improvements in the downtown Historic District. No specific items are contemplated.
- Utility Extensions –This figure is the “balancing of the revenues versus expenses” for the MEDC budget – with no specific utility extensions planned.
- Transfer to debt service. \$160,00 due to another borrowing by the city for water and sewer debts- \$117,000 for 2014 debt and \$53,000 toward TWDB 2017 debt.

Category II

- Sales Tax Reimbursement – This is the refund of Kroger 380 sales tax.
- 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 – this helps the Civic Association with \$1,600 funding for their lighting of Cedar Brake Park and throughout the City during the holidays. It also allocates \$6,000 for seasonal decorations throughout the City parks.
- Walking tour-This is meant for marketing of the distrix program.
- Removal of Blight - This is for removal of old houses/structures having to do with the appearance of the city. \$15,000 will go toward those removal expenses.
- Events – This amount is meant for distribution as the MEDC Board determines for the various special events throughout the year in the City.
- Downtown Enhancement Projects—This amount is meant as planning funds for the downtown and historic district streetscape master plan program.

Category IV

- Brochures Printed Literature - This involves an advertisement and other brochures and promotional materials.
- Website – This is meant as a partial payment to the new City website that will have MEDC materials on it.

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, and is \$80,000 for the salary, materials, supplies and virtually all costs of hiring a tourism/promotions person to be hired and paid in the General Fund of the City.
- Miscellaneous Expenses - Just as it reads, minor expenses of the MEDC that do not seem to fit into any specific line item budgeted.

- 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.
- 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.