

PROPOSED BUDGET



FISCAL YEAR 2022-2023

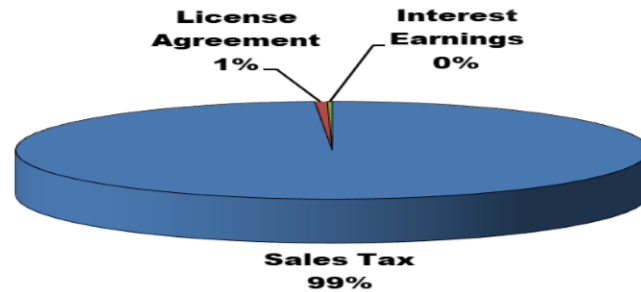
SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT CORPORATION (FORMERLY PARKS DEVELOPMENT CORPORATION)

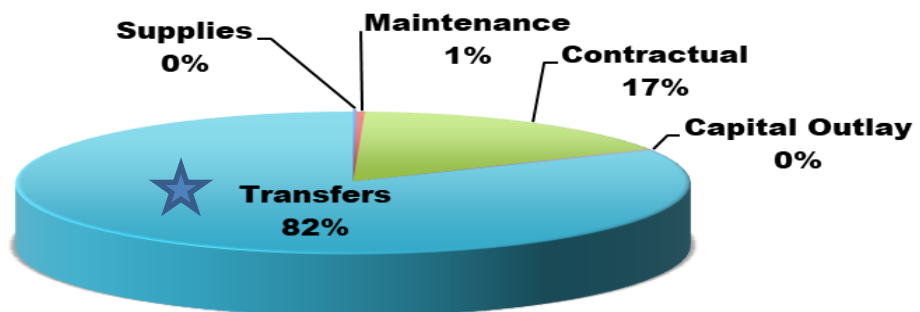
Voters established the Watauga Parks Development Corporation Sales Tax Fund to account for a ½ cent sales tax increase in May 1994 under the 4b Economic Development Legislation. The purpose of the increase in sales tax is to build city parks and improve existing parks under the supervision of the Watauga Parks Development Corporation. In May 2012, voters approved a reduction of the sales and use tax for the Watauga Parks Development Corporation to ¼ of one percent and reallocate ¼ of one percent for maintenance and repairs of municipal streets. This reduction took place on October 1, 2012. In FY2018-2019 the corporation's name was changed to Economic Development Corporation and the focus was redirected to economic development within the City. Sales tax revenues for FY2022-2023 are expected to be \$972,000.

This Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund is accounted for on the modified accrual basis of accounting. Revenues are recorded when available and measurable, and expenditures are recorded when liability is incurred.

Where Does the Money Come From?



Where Does the Money Go?



Note: Transfers to general fund cover personnel expenses and debt

SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT CORPORATION BUDGET SUMMARY - FUND 04

| | HISTORY | | PROJECTED YEAR | | BUDGET | %CHANGE |
|----------------------------------------|---------------------|---------------------|-----------------------------|------------------------|---------------------|-----------------------------|
| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Current Budget | 2021-2022 Projected | 2022-2023 Budget | FY2022-2023 vs 2021-2022 |
| Fund Balance, October 1* | \$880,886 | \$1,242,173 | \$1,538,356 | \$1,631,096 | \$2,088,418 | |
| <u>Revenues:</u> | | | | | | |
| Sales Taxes | 744,464 | 865,622 | 814,000 | 925,000 | 972,000 | 19.4% |
| License Agreement - Property | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Proceeds From Sale of Assets | 0 | 850 | 0 | 0 | 0 | 0.0% |
| Interest Earnings | 5,301 | 1,207 | 2,000 | 2,000 | 2,500 | 25.0% |
| License Agreement - Services | 0 | 0 | 5,000 | 2,000 | 5,000 | 0.0% |
| Operating Revenues | \$749,765 | \$867,679 | \$821,000 | \$929,000 | \$979,500 | 19.3% |
| Total Available Resources | \$1,630,651 | \$2,109,852 | \$2,359,356 | \$2,560,096 | \$3,067,918 | |
| <u>Expenditures:</u> | | | | | | |
| Business Retention | 7,684 | 6,437 | 21,610 | 3,500 | 8,650 | -60.0% |
| Business Attraction | 49,775 | 28,493 | 36,750 | 26,250 | 24,200 | -34.1% |
| General Administration | 36,549 | 64,042 | 89,030 | 40,050 | 56,200 | -36.9% |
| Operating Expenditures | 94,008 | 98,973 | 147,390 | 69,800 | 89,050 | -39.6% |
| <u>Operating Transfers-Out</u> | | | | | | |
| To General Fund | 194,292 | 222,281 | 254,800 | 254,800 | 262,900 | 3.2% |
| To Internal Service Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| To Capital Projects Fund | 0 | 0 | 0 | 0 | 0 | 0.0% |
| To Debt Service | 100,178 | 157,503 | 147,078 | 147,078 | 153,200 | 4.2% |
| Total Operating Transfers-Out | 294,470 | 379,784 | 401,878 | 401,878 | 416,100 | 3.5% |
| TOTAL OPERATING & TRANSFERS | \$388,478 | \$478,757 | \$549,268 | \$471,678 | \$505,150 | -8.0% |
| Fund Balance, September 30 | \$1,242,173 | \$1,631,096 | \$1,810,088 | \$2,088,418 | \$2,562,768 | |
| CHANGE IN FUND BALANCE | \$361,287 | \$388,923 | \$271,732 | \$457,323 | \$474,350 | |

*Includes debt service fund balance

SPECIAL REVENUE FUND

DEPARTMENT: ECONOMIC DEVELOPMENT

DIVISION / ACTIVITY: ECONOMIC DEVELOPMENT CORPORATION – FUND 04

LOCATION:

7105 Whitley Road
Watauga, Texas 76148
Phone Number: 817-514-5800

HOURS OF OPERATION:

Monday – Friday 8:00 A.M. – 5:00 P.M.

MISSION / PROGRAMS / SERVICES:

To advance the economic strength of Watauga through business and community support programs, public education, and strategic partnerships.

FY2021-2022 HIGHLIGHTS/ ACHIEVEMENTS:

- Elite Sponsor of Watauga Fest 2022
- Updated the online open portal business directory hosted by BluDot Technologies
- Purchased two (2) land parcels to be used for economic development opportunities
- Reorganized specific personnel to provide more focused support for the WEDC
- Completed the development and launch of the WEDC website

FY2022-2023 GOALS/ OBJECTIVES:

- Develop a Business Retention Program
- Complete a Food Business Park area included in Capp Smith Park
- Continue support of Shop Small Business programs
- Continue Business Spotlight video series
- Continue New Business Attraction through Retail Coach contract

MAJOR BUDGETARY ISSUES AND OPERATIONAL TRENDS:

The local economy began a resurgence during the fiscal year following the downturn that was a result of the COVID virus resulting in sales tax revenues that were much higher than anticipated in the adopted 2021-2022 budget, with year-end projections of +13.6%. This trend is projected to continue, with much of the economy back to “normal”, however, inflation on the national scale caused and continue to cause workforce and supply chain issues for both the public and private sectors.

SPECIAL REVENUE FUND

DEPARTMENT: ECONOMIC DEVELOPMENT
DIVISION / ACTIVITY: ECONOMIC DEVELOPMENT CORPORATION - FUND 04

| EXPENDITURES | 2019-2020 ACTUAL | 2020-2021 ACTUAL | 2021-2022 BUDGET | 2021-2022 PROJECTED | 2022-2023 PROPOSED |
|---------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-------------------------------|
| Supplies | \$606 | \$1,051 | \$1,100 | \$300 | \$900 |
| Maintenance | \$0 | \$0 | \$900 | \$0 | \$2,000 |
| Contractual/Sundry | \$93,402 | \$97,922 | \$141,690 | \$69,500 | \$84,950 |
| Capital Outlay | \$0 | \$0 | \$3,700 | \$0 | \$1,200 |
| Transfers | \$294,470 | \$379,784 | \$401,878 | \$401,878 | \$416,100 |
| TOTAL | \$388,478 | \$478,757 | \$549,268 | \$471,678 | \$505,150 |

PERFORMANCE MEASURES / SERVICE LEVELS

| Input / Demand | Actual 20-21 | Budget 21-22 | Projected 21-22 | Budget 22-23 |
|-----------------------|---------------------|---------------------|------------------------|---------------------|
| Staff Dedicated | 0.50 | 0.50 | 1.00 | 2.0 |
| Volunteers | 0 | 0 | 0 | 0 |
| Inquiries Received | N/A | 20 | 10 | 20 |

| Output/ Workload | Actual 20-21 | Budget 21-22 | Projected 21-22 | Budget 22-23 |
|---------------------------------------|---------------------|---------------------|------------------------|---------------------|
| Project Files Opened | N/A | N/A | 5 | 10 |
| Cilents Served | N/A | N/A | 10 | 15 |
| Jobs Created | N/A | N/A | 25 | 35 |
| Potential New Business Calls/Contacts | N/A | N/A | 55 | 100 |
| Responses Submitted | N/A | N/A | N/A | 155 |
| Board Meetings Held | N/A | 12 | 12 | 12 |

| Efficiency Measures / Impact | Actual 20-21 | Budget 21-22 | Projected 21-22 | Budget 22-23 |
|-------------------------------------|---------------------|---------------------|------------------------|---------------------|
| M & O percentage of City budget | 0.010 | 0.010 | 0.009 | |
| M & O budget per capita | 20.14 | 23.11 | 19.84 | 20.70 |

| Effectiveness Measures / Outcomes | Goals | Actual 20-21 | Budget 21-22 | Projected 21-22 | Budget 22-23 |
|------------------------------------------|--------------|---------------------|---------------------|------------------------|---------------------|
| Business Retention Visits | 3 | N/A | N/A | 120 | 120 |
| Small Business Development Assistance | 3, 4, 6, 7 | N/A | N/A | N/A | 5 |
| Economic Development Agreements | 3, 4, 11 | N/A | N/A | 2 | 5 |
| Redevelopment Projects | 3, 4 | N/A | 20 | 0 | 5 |
| New Development Projects | 3, 4 | N/A | 2 | 2 | 5 |



SPECIAL REVENUE FUNDS

BUDGET CHANGES

Fiscal Year 2022-2023 Compared to Fiscal Year 2021-2022 Original Budget

| DEPARTMENT: ECONOMIC DEVELOPMENT | | | | |
|-----------------------------------------------------------------|--------------------|-----------------|-------------------|----------------------------------------------|
| DIVISION / ACTIVITY: ECONOMIC DEVELOPMENT CORPORATION - FUND 04 | | | | |
| DESCRIPTION | CATEGORY | ONE-TIME | ON-GOING | CHANGE EXPLANATION |
| CHANGES: | | | | |
| Business Retention - Special Services | Contractual/Sundry | | (\$10) | minor adjustment in business anniversaries |
| Business Retention - Advertising | Contractual/Sundry | | (\$500) | advertising adjustments |
| Business Retention - Contractual Svcs | Contractual/Sundry | | (\$13,450) | Programs Adjustments |
| Business Retention - Events | Contractual/Sundry | | \$1,000 | State of the City Program |
| Business Attraction - Advertising | Contractual/Sundry | | (\$6,600) | Programs Adjustment Needs |
| Business Attraction - Contractual Svcs | Contractual/Sundry | | (\$6,000) | Program Cost Reduction |
| Business Attraction - Events | Contractual/Sundry | | \$50 | Program Cost Adjustment |
| General Administration - Office Supplies | Supplies | | (\$100) | Estimated Needs Adjustment |
| General Administration - Postage | Supplies | | (\$100) | Estimated Needs Adjustment |
| General Administration - Software Maint. | Maintenance | | \$1,100 | Software Price Increase & Addition |
| General Administration - Travel | Contractual/Sundry | | \$600 | Additional Needs for ED Coordinator Position |
| General Administration - Dues & Subsc. | Contractual/Sundry | | \$1,100 | Additional Dues for ED Coordinator Position |
| General Administration - Training | Contractual/Sundry | | (\$5,000) | Training Adjustments |
| General Administration - Printing & Binding | Contractual/Sundry | | (\$830) | Printing Needs Adjustment |
| General Administration - Attorney | Contractual/Sundry | | (\$25,000) | Estimated Legal Costs Adjustment |
| General Administration - Community Relations | Contractual/Sundry | | (\$1,200) | Community Enrichment Center Gala Deletion |
| General Administration - Contractual Svcs | Contractual/Sundry | | (\$10,000) | Gov Pilot Deletion |
| General Administration - Contractual Svcs | Contractual/Sundry | | \$1,500 | Zac Tax Sales Tax Platform Addition |
| General Administration - Contractual Svcs | Contractual/Sundry | | \$7,600 | Interactive Web Map & WEDC Website |
| General Administration - Capital Outlay | Contractual/Sundry | (\$2,500) | | Delete Financial Impact Analysis Software |
| Transfers | Transfers | \$14,223 | | |
| TOTALS: | | \$11,723 | (\$55,840) | |

(\$44,117) NET INCREASE/DECREASE

Allocations Information



**SCHEDULE A - Estimated Costs for Economic Development Corporation
2022-2023**

Salary/ Benefits Personnel

| Department | Tasks performed for the EDC | Estimated Cost |
|--------------------------------|----------------------------------------------------------------------------------------|-----------------------|
| City Secretary's Office | Records Retention/PIA/Minutes/Resolutions/Agenda Posting | \$15,500 |
| Finance | Financial Reporting, Budget, Annual Report, Audit, Purchasing, Accounts Payable | \$3,300 |
| Information Technology | Marketing /Website/Projects/Updates | \$61,200 |
| Public Works | Project Coordination/Oversight/P&Z | \$4,650 |
| City Manager - TOTAL | EDC Director, Business Retention, Economic Development | \$174,500 |
| Sub-total | | \$259,150 |
| <i>Other Items</i> | | |
| Annual Audit Allocation | 4% of Total | \$2,400 |
| Codification Fees | 15% of Total | \$1,350 |
| Sub-total | | \$3,750 |
| GRAND TOTAL | | \$262,900 |

SPECIAL REVENUE FUNDS
ECONOMIC DEVELOPMENT CORPORATION
BUDGET SUMMARY
FUND 05 - CAPITAL PROJECTS

| | HISTORY | | PROJECTED YEAR | | BUDGET |
|---------------------------------------|---------------------|---------------------|---------------------|------------------------|-----------------------|
| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Budget | 2021-2022 Projected | 2022-2023 Proposed |
| Fund Balance, October 1 | \$244,179 | \$38,835 | \$29,835 | \$38,660 | \$33,760 |
| <u>Revenues:</u> | | | | | |
| Interest Earnings | 989 | 61 | 500 | 100 | 100 |
| Proceeds from Sale of Assets | 0 | 0 | 0 | 0 | 0 |
| Transfer from PDC Sales Tax Fund | 0 | 0 | 0 | 0 | 0 |
| Other Financing Sources | 0 | 0 | 0 | 0 | 0 |
| Matching Grants | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | \$989 | \$61 | \$500 | \$100 | \$100 |
| Total Available Resources | \$245,167 | \$38,896 | \$30,335 | \$38,760 | \$33,860 |
| <u>Expenditures:*</u> | | | | | |
| Shade Structure - BISD Park | 0 | 0 | 0 | 0 | 0 |
| Foster Village Improvements | 0 | 0 | 0 | 0 | 0 |
| Shade Structure - Indian Springs | 0 | 0 | 0 | 0 | 0 |
| Park Equipment (Picnic Pads, etc.) | 0 | 0 | 0 | 0 | 0 |
| Capp Smith Park Improvements | 206,332 | 236 | 0 | 0 | 0 |
| Capp Smith Improvements EDC | 0 | 0 | 0 | 0 | 0 |
| Contingency | 0 | 0 | 10,000 | 5,000 | 10,000 |
| Total Expenditures | 206,332 | 236 | 10,000 | 5,000 | 10,000 |
| <u>Other Expenditures</u> | | | | | |
| Transfer to PDC Debt Service | 0 | 0 | 0 | 0 | 0 |
| Total Other Sources (Uses) | 0 | 0 | 0 | 0 | 0 |
| REVENUES OVER (UNDER) EXPENSES | (\$205,343) | (\$175) | (\$9,500) | (\$4,900) | (\$9,900) |
| Fund Balance, September 30 | \$38,835 | \$38,660 | \$20,335 | \$33,760 | \$23,860 |
| CHANGE IN FUND BALANCE | (\$205,343) | (\$175) | (\$9,500) | (\$4,900) | (\$9,900) |