

AGENDA FOR REGULAR MEETING

CITY OF KERRVILLE, TEXAS

ECONOMIC IMPROVEMENT CORPORATION

MONDAY, AUGUST 20, 2018 AT 4:00 P.M.

KERRVILLE CITY HALL CITY COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

AGENDA FOR REGULAR MEETING OF THE
CITY OF KERRVILLE, TEXAS
ECONOMIC IMPROVEMENT CORPORATION
MONDAY, AUGUST 20, 2018, 4:00 P.M.
KERRVILLE CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS

CALL TO ORDER

INVOCATION

1. VISITORS / CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meeting held on July 17, 2018.

3. MONTHLY REPORTS:

3A. Monthly financials for July 2018.

3B. Projects update:

River Trail

Reuse Distribution Lines

Tennis Center Improvements

Aquatics Feasibility Study

Downtown Streetscape

Legion Lift Station

3C. Grant Compliance Update:

- Fox Tank Company
- James Avery Craftsman

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 17, 2018, at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown
Deputy City Secretary, City of Kerrville, Texas

4. CONSIDERATION AND POSSIBLE ACTION:

4A. Appointment of Economic Improvement Corporation (EIC) members to an Ad Hoc subcommittee to review the EIC funding application.

5. 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:

5A. Deliberation regarding economic development negotiations in accordance with the Texas Open Meetings Act, Section 551.087, 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). (Sections 551.087, TX Government Code)

6. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION

7. ITEMS FOR FUTURE AGENDAS

8. ANNOUNCEMENTS

9. ADJOURNMENT.

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: August 17, 2018, at 4:00 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Cheryl Brown

Deputy City Secretary, City of Kerrville, Texas

Agenda Item:

2A. Approval of minutes for the regular EIC meeting held on July 17, 2018.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING**

JULY 16, 2018

On Monday, July 16, 2018, the regular meeting of the members of the City of Kerrville, Texas Economic Improvement Corporation, was called to order at 4:01 p.m. by Kenneth Early, President, in the Council Chambers at City Hall, at 701 Main Street, Kerrville, Texas. Ms. Sigerman offered the invocation.

Members Present:

Kenneth Early, President
Kent McKinney, Vice President
Don Barnett
Gary Cooper
Maggie Megee
Robert Naman
Delayne Sigerman

Members Absent: None

City Executive Staff Present:

Mark McDaniel, City Manager
E.A. Hoppe, Deputy City Manager
Mike Hayes, City Attorney
Cheryl Brown, Deputy City Secretary
Amy Dozier, Finance Director

Visitors Present: Visitor list available in the City Secretary's Office for the required retention period.

1. VISITORS/CITIZENS FORUM: No one spoke.

2. APPROVAL OF MINUTES:

2A. Approval of minutes for the regular EIC meetings held on May 21, and June 18, 2018.

Ms. Sigerman moved to approve the minutes for May 21, and June 18, 2018. Mr. McKinney seconded, and the motion passed 7-0.

3. CONSIDERATION AND POSSIBLE ACTION:

3A. Annual review and consideration of Kerrville Economic Development Corporation's (KEDC) Fiscal Year 2019 budget.

Mr. Hoppe introduced Mike Whittler, KEDC President, reviewed the recent history of KEDC, and plans for the near future. He presented the proposed Fiscal Year 2019 budget.

3B. Review and consider proposed Economic Improvement Corporation budget for Fiscal Year 2019.

Mr. Hoppe presented the proposed budget.

Mr. Barnett moved to approve the Economic Improvement Corporation budget for Fiscal Year 2019. Ms. Sigerman seconded, and the motion passed 7-0.

4. MONTHLY REPORTS:

4A. Monthly financials for June 2018.

Ms. Dozier reported that the EIC operating fund received sales tax revenue of \$286,255 for June, which was a 9.28% increase compared to the same period in the prior year. The sales tax for Fiscal Year 2018 was up 1.45% compared to Fiscal Year 2017. There was an increase in retail, wholesale, and construction in June as well. July sales tax was 8.28% higher compared to July of Fiscal Year 2017. Expenditures for June totaled \$101,743, and included budgeted transfers for debt service and the administrative service fee, in addition to small charges for supplies and a filing fee.

4B. Projects update:

Mr. Hoppe made the following reports:

River Trail:

The Trail westward from Lowry Park to the Dietert Center was still set for completion in September 2018.

Reuse Distribution Lines:

The lines were completed. Crews were working on SCADA system, which is the automated control system. Reuse water was being distributed to several users, with new users' lines and holding ponds under construction.

Tennis Center Improvements:

Design was approximately 50% finished. The bidding procedure is scheduled to begin in early fall.

Aquatics Feasibility Study:

The contract was approved by City Council at their last meeting.

Downtown Streetscape:

City staff was working with an architect to negotiate a contract for the creation of construction documents.

Legion Lift Station:

Engineering was approximately 75% finished. Work on the application process with Texas Development Water Board was being done by staff.

6. EXECUTIVE SESSION:

There was no executive session.

7. POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:

None

10. ITEMS FOR FUTURE AGENDAS: None

11. ANNOUNCEMENTS: None

12. ADJOURNMENT

Mr. Early adjourned the meeting at 4:50 p.m.

APPROVED: _____

Kenneth Early, President

ATTEST:

Cheryl Brown, Deputy City Secretary

Agenda Item:

3A. Monthly financials for July 2018.



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

SUBJECT: EIC Monthly Financial Statements for the month ended July 31, 2018

AGENDA DATE OF: 8/20/2018

DATE SUBMITTED: 8/16/2018

SUBMITTED BY: Amy Dozier, CFO

EXHIBITS: Financial Reports

Expenditure Required: n/a	Current Balance in Account: n/a	Amount Budgeted: n/a	Account Number: n/a
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PAYMENT TO BE MADE TO: Click or tap here to enter text.

Kerrville 2050 Item?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
Key Priority Area	Choose an item.	
Guiding Principle	Choose an item.	
Action Item	N/A	

SUMMARY STATEMENT:

The EIC operating fund received sales tax revenue of \$306,165 for July 2018, which is up 8.27% compared to same period in the prior year. Although sales tax is trending upward, we still anticipate that sales tax revenue will fall short of budget for the year. Interest income for the month of July was \$6,412. Rising interest rates in FY2018 have resulted in interest income that exceeds budget for the year. EIC's money is primarily invested in TexPool, which is earning 2.18% as of August 14th.

Expenditures for the month were \$164,178 which included budgeted transfers for debt service and the administrative service fee, in addition to a \$62,500 quarterly housing transfer to the EIC Project Fund.

RECOMMENDED ACTION:

Information only; no action required.

Economic Improvement Corporation
Sales Tax Improvement Fund - Revenue and Expenditure Detail
For the month ended July 31, 2018

	Annual Budget	Current Period	Y-T-D Actual	% of Budget	Budget Balance
BEGINNING CASH BALANCE	\$2,272,941	\$2,287,500	\$2,272,941		
REVENUES					
Sales and Use Tax	3,476,206	306,165	2,837,328	81.6%	638,878
Interest Income	15,000	6,412	62,615	417.4%	(47,615)
Fox Tank Agreement Reimbursement	-	-	10,000		(10,000)
TOTAL REVENUES	3,491,206	312,577	2,909,943	83.4%	581,263
EXPENDITURES					
Administrative					
Office Supplies	500		80	16.0%	420
Administrative Services Fee	100,000	8,333	83,333	83.3%	16,667
Legal Services	-	-	416		(416)
Filing Fees	-	-	25		(25)
Kerr Economic Development Corp	140,000	-	140,000	100.0%	-
Total Administrative	240,500	8,333	223,854	93.1%	16,646
Category I - Business Development					
ED Set Aside	500,000	-	-	0.0%	500,000
Total Category I	500,000	-	-	0.0%	500,000
Category II - Quality of Life					
Tennis Center	750,000		750,000	100.0%	-
Downtown Streetscape Enhancements	200,000		200,000	100.0%	-
Debt Service - Series 2011A (River Trail)	259,890	21,696	216,497	83.3%	43,393
Debt Service - Series 2012 (River Trail)	253,413	21,169	211,692	83.5%	41,721
Debt Service - Series 2015 (Sports Complex)	605,350	50,479	504,792	83.4%	100,558
Total Category II	2,068,653	93,345	1,882,980	91.0%	185,673
Category III - Public Infrastructure					
Housing	250,000	62,500	250,000	100.0%	-
Reuse Distribution Lines	1,500,000		1,500,000	100.0%	-
*Debt Service - Legion Lift Station	200,000	-	-	0.0%	200,000
Total Category III	1,950,000	62,500	1,750,000	89.7%	200,000
TOTAL EXPENDITURES	4,759,153	164,178	3,856,835	81.0%	902,318
CHANGE IN NET POSITION	\$ (1,267,946)	\$ 148,399	\$ (946,892)		
ENDING CASH BALANCE	\$ 1,004,994			\$1,326,049	

Sales Tax Revenue Analysis - FY18

Month	Actual FY2016	Actual FY2017	Budget FY2018	Actual FY2018	FY2017 vs. FY2018	Budget vs. Actual
October	\$ 227,707	\$ 264,806	\$ 274,944	\$ 277,430	4.77%	0.90%
November	277,653	278,707	289,377	278,698	0.00%	-3.69%
December	254,834	260,757	270,741	252,047	-3.34%	-6.90%
January	255,848	273,741	284,222	273,590	-0.06%	-3.74%
February	347,778	357,098	370,772	354,753	-0.66%	-4.32%
March	223,790	248,560	258,077	242,127	-2.59%	-6.18%
April	237,432	240,783	250,002	241,702	0.38%	-3.32%
May	307,046	308,696	320,513	324,560	5.14%	1.26%
June	243,070	261,944	271,971	286,255	9.28%	5.25%
July	249,278	282,792	293,618	306,165	8.27%	4.27%
August	290,011	306,807	318,553	323,628	5.48%	1.59%
September	301,250	275,901				
YTD Total	\$ 3,215,695	\$ 3,360,592	\$ 3,202,788	\$ 3,160,956	26.69%	-1.31%

Cash and Investment Balances by Fund			
Fund	Fund Name	Balance	Period Ending
40	Sales Tax Improvement Fund (operating fund)	\$ 1,326,049	7/31/2018
75	EIC Projects Fund (capital projects fund)	2,350,000	7/31/2018
Total Cash and Investments		\$ 3,676,049	7/31/2018

Cash and Investments by Type - Placement - Amount			
Type	Investment Placement	Amount	Period Ending
Cash	Wells Fargo Checking	\$ 10,000	7/31/2018
Short Term Investment	EIC TexPool	3,666,049	7/31/2018
Total Cash and Investments		\$ 3,676,049	7/31/2018

Committed Project Funding Status Summary

Project Inception	Project Description	Budgeted Commitment	Transferred From EIC Operating Fund	Funding Transferred to Project	Funding Transferred to EIC Project Fund
2012-13	Downtown Streetscape	\$ 765,100	\$ 765,100	\$ 765,100	\$ -
2014-15	ED Set Aside	1,500,000	1,500,000	-	1,500,000
2015-16	Olympic Pool	100,000	100,000	100,000	-
2015-16	Housing	850,000	850,000	-	850,000
2016-17	Tennis Center	1,500,000	1,500,000	1,500,000	-
2016-17	Distribution Lines	3,000,000	3,000,000	3,000,000	-
TOTALS		\$ 7,265,100	\$ 7,715,100	\$ 5,365,100	\$ 2,350,000

Capital Improvement Projects In Progress - including EIC support

Project	Project Budget	EIC Portion Agreement Commitment	General Fund	Water and Sewer Fund	Other Funds/Loans/Grants	Bond Proceeds	Project Expense To Date	Project Balance
River Trail	6,525,000	6,000,000	-	-	-	525,000	6,103,646	421,354
Louise Hays Park	2,677,382	2,600,000	18,785	-	58,597	-	2,641,207	36,175
Downtown Streetscape	765,100	765,100	-	-	-	-	47,968	717,132
Kerrville Sports Complex	10,500,000	9,000,000	-	-	1,590,000	8,910,000	10,470,264	29,736
Olympic Pool	100,000	100,000	-	-	-	-	95	99,906
Reuse System	23,003,000	3,000,000	-	4,235,421	7,731,625	8,035,954	19,805,379	3,197,621
Tennis Center	1,500,000	1,500,000	-	-	-	-	39,638	1,460,362

Agenda Item:

3B. Projects update:

River Trail

Reuse Distribution Lines

Tennis Center Improvements

Aquatics Feasibility Study

Downtown Streetscape

Legion Lift Station

Agenda Item:

3C. Grant Compliance Update:

- Fox Tank Company
- James Avery Craftsman



EOM Report to KEDC July 2018

Affidavit

I hereby certify, under penalty of perjury, the business statements presented to the City of Kerrville, for the month of July 2018, to the best of my knowledge, are true, accurate and complete statements.

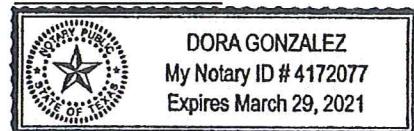
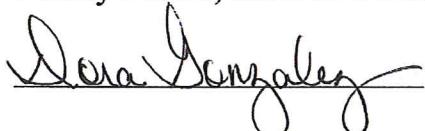

R. Nathan Fox

State of Texas
County of Kerr

SWORN to and SUBSCRIBED before me, the undersigned authority, on the

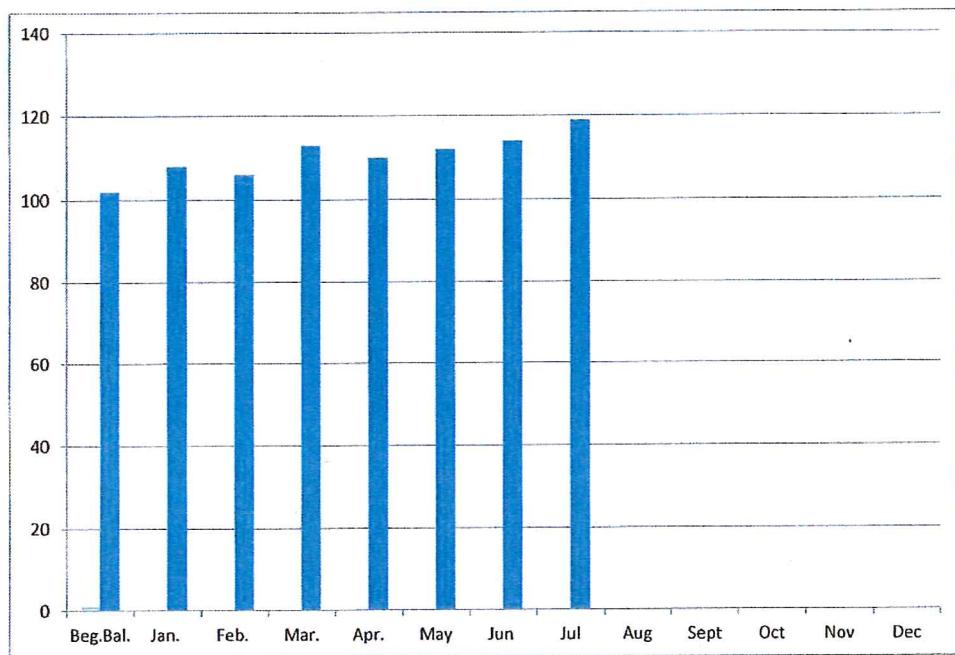
1st day of August, 2018, by R. Nathan Fox.

Notary Public, State of Texas

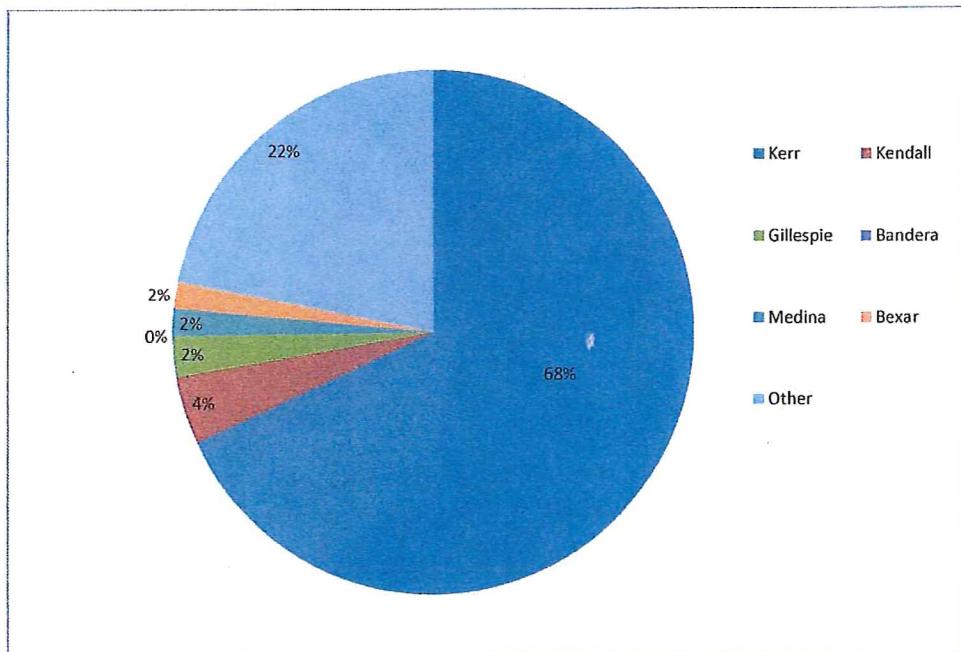


Seal

Fox Tank Company 2018 Employee Chart



Fox Tank Company 2018 Employee by County



Kerr	Kendall	Gillespie	Bandera	Medina	Bexar	Other	Total
81	5	3	0	2	2	26	119



July 26, 2018

HAND DELIVERED WITH RECEIPT

MARK McDANIEL, CITY MANAGER
CITY OF KERRVILLE, TEXAS
701 MAIN STREET
KERRVILLE, TEXAS 78028

Re: Reporting under the Economic Development Incentive Agreement ("Agreement") (Section 380)

Dear Mr. McDaniel:

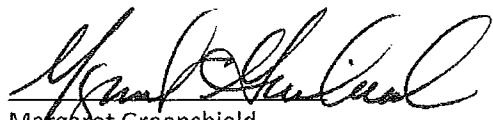
This letter and its enclosure are being filed with the City of Kerrville ("City") by James Avery Craftsman, Inc. ("James Avery") pursuant to the Section 4.7 Employment Positions in the above-referenced Agreement, which Agreement has an effective date of January 14, 2015 (its "Effective Date").

Section 4.7(a) of the Agreement requires that James Avery create and fill New Full-Time Positions within the City, beginning January 14, 2015, and maintain the contractual Minimum Number Total New Full-Time Positions by the End of Subject Calendar Years (2017-2021). James Avery has created and filled New Full-Time Positions, as defined in the Agreement: (1) by more than the 2016 Minimum Number of 72; and (2) by more than the 2017 Minimum Number of 62 and the 2017 Total Minimum Number of 134 (72 + 62). James Avery has met this requirement, as shown on the attached Weekly Kerr County Employment Headcount report ("Report").

Section 4.7(a) of the Agreement also requires that James Avery report to the City on a quarterly basis the cumulative number of New Full-Time Positions in weekly increments. The attached Report constitutes James Avery's 2nd Quarter report and confirms James Avery's compliance. See the last row on the Report which shows the cumulative number of Full-Time Positions within the City in weekly increments beginning with the first full Work Week in the 2nd Quarter of 2018. To determine the number of New Full-Time Positions (since 1/14/15) to the beginning of a particular work week, subtract 388 from the Total Full-Time Positions on the Report for the beginning date of that week. The Report documents to the City the exact number of Full Time Positions that are new to James Avery's business locations within the City of Kerrville to the first day of the Work Week beginning on June 30, 2018, which number of positions is greater than the 2017 Total Minimum Number of 134 [664 – 388 (1/14/15 headcount) = 276].

As required by the Agreement, James Avery will continue to provide (1) the subsequent reports quarterly; and (2) the subsequent annual sworn statements by February 1st of each year confirming compliance.

JAMES AVERY CRAFTSMAN, INC.



Margaret Greenshield
Executive Vice President Human Resources

Enclosure: 2018 2nd Quarter Report

cc: Mike Hayes, City Attorney
City of Kerrville, Texas
701 Main Street
Kerrville, Texas 78028

James Avery Craftsman, Inc. Weekly Kerr County Employment Headcount 2018

Work Week Beginning	1/17/2018	1/14/2018	1/21/2018	1/28/2018	2/3/2018	2/10/2018	2/17/2018	2/24/2018	3/3/2018	3/10/2018	3/17/2018	3/24/2018	3/31/2018
Corporate	236	235	237	236	237	236	237	237	238	239	238	237	238
Manufacturing	354	351	351	350	350	352	357	364	364	364	371	375	376
Retail	4	4	4	4	4	4	4	4	4	5	5	5	5
Grand Total	594	591	592	590	591	595	598	606	606	608	613	617	608
<i>Source: Kerr County Workforce Development Board, Kerr County Employment Headcount 2018</i>													

Work Week Beginning	4/7/2018	4/14/2018	4/21/2018	4/28/2018	5/5/2018	5/12/2018	5/19/2018	5/26/2018	6/2/2018	6/9/2018	6/16/2018	6/23/2018	6/30/2018
Corporate	237	262	263	262	266	267	268	268	265	265	265	265	267
Manufacturing	377	381	385	382	396	396	396	397	395	395	395	395	392
Retail	5	5	5	5	5	5	5	5	5	5	5	5	5
Grand Total	619	618	653	653	667	668	670	666	659	666	665	664	664
<i>Source: Kerr County Workforce Development Board, Kerr County Employment Headcount 2018</i>													

Work Week Beginning	7/7/2018	7/14/2018	7/21/2018	7/28/2018	8/4/2018	8/11/2018	8/18/2018	8/25/2018	9/1/2018	9/8/2018	9/15/2018	9/22/2018	9/29/2018
Corporate													
Manufacturing													
Retail													
Grand Total	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Source: Kerr County Workforce Development Board, Kerr County Employment Headcount 2018</i>													

Work Week Beginning	10/6/2018	10/13/2018	10/20/2018	10/27/2018	11/3/2018	11/10/2018	11/17/2018	11/24/2018	12/1/2018	12/7/2018	12/14/2018	12/21/2018	12/28/2018
Corporate													
Manufacturing													
Retail													
Grand Total	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Source: Kerr County Workforce Development Board, Kerr County Employment Headcount 2018</i>													

Agenda Item:

4A. Appointment of Economic Improvement Corporation (EIC) members to an Ad Hoc subcommittee to review the EIC funding application.

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

SUBJECT: Appointment of Economic Improvement Corporation (EIC) members to an Ad Hoc subcommittee to review the EIC funding application.

AGENDA DATE: August 20, 2018 **DATE SUBMITTED:** August 17, 2018

SUBMITTED BY: E.A. Hoppe
Deputy City Manager

EXHIBITS: N/A

APPROVED FOR SUBMITTAL BY CITY MANAGER:

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

REVIEWED BY THE FINANCE DIRECTOR: N/A

SUMMARY STATEMENT

In February the EIC began a discussion regarding potential revisions to the EIC Funding Application and application process. Ultimately, the EIC decided to appoint several EIC members to an ad hoc subcommittee to further review the EIC application and provide direction to staff on potential revisions. Since that time, two members of the ad hoc subcommittee have transitioned off of the EIC.

RECOMMENDED ACTION

Appoint of EIC members to an Ad Hoc subcommittee to review the EIC funding application.