

**VICTORIA SALES TAX DEVELOPMENT CORPORATION
COMBINED FUND
AS OF JULY 31, 2010**

	<u>Fiscal Year 2009-2010 Original Budget</u>	<u>Fiscal Year 2009-2010 Projected Actual</u>	<u>Fiscal Year 2010-2011 Proposed Budget</u>
BEGINNING FUND BALANCE			
Undesignated Operating Fund Balance	\$ 2,876,495	\$ 2,626,543	\$ 5,128,973
Designated Operating Fund Balance	-	-	-
Reserved for Construction Fund Balance	110,805	363,160	168,491
Reserved for Debt Service Fund Balance	-	-	-
TOTAL BEGINNING FUND BALANCE, OCTOBER 1	\$ <u>2,987,300</u>	\$ <u>2,989,703</u>	\$ <u>5,297,464</u>
REVENUES			
Sales Tax Rebate Revenue	\$ 6,731,628	\$ 5,879,610	\$ 5,967,804
Sales Tax Bond Proceeds	-	-	-
Transfer from Construction Fund	-	-	-
Deallocated Projects from Prior Years	4,279,815	4,046,235	-
General Fund Proceeds	-	-	500,000
Water/Wastewater Fund Proceeds	-	-	500,000
Interest Revenue-Operating	75,000	24,584	25,000
Interest Revenue-Construction	-	-	-
Miscellaneous Revenue	<u>11,200</u>	<u>14,822</u>	<u>-</u>
TOTAL REVENUES	\$ <u>11,097,643</u>	\$ <u>9,965,251</u>	\$ <u>6,992,804</u>
TOTAL FUNDS AVAILABLE FOR PROJECTS	\$ <u>14,084,943</u>	\$ <u>12,954,954</u>	\$ <u>12,290,268</u>
PROJECT ALLOCATIONS:			
Administrative Fees	\$ 300,000	\$ 300,074	\$ 300,000
Industrial Park Maintenance & Operation	28,000	28,000	20,000
VEDC Fees	285,000	285,000	350,000
Youth Sports Complex Construction	110,805	194,669	-
Youth Sports Complex Maintenance & Operation	49,000	30,000	-
TxDOT Overpass Project	2,666,535	2,753,073	-
Downtown Utility-Ph II Project 1 & 2 Engineering Project	399,047	297,650	-
Downtown Utility-Ph II Project 3 & 4 Engineering Project	452,621	452,621	-
Main St / DeLeon Plaza Improvement Project	2,149,365	2,149,365	-
Sam Houston Reconstruction-Alternative Project	3,512,173	-	-
Radio Replacement Project	1,401,739	-	-
Traffic Control Replacement-Delmar & Lone Tree Rd	250,000	-	-
John Stockbauer Hike & Bike Trail Crossing	-	97,175	-
Downtown Utility-Ph II Project 3 & 4 Construction	-	-	3,017,477
Downtown Overlay Project	-	-	250,000
Economic Development Project	-	-	2,480,000
Transfer to Operating Fund	-	-	-
Debt Service Payments	1,067,813	1,067,813	1,070,300
Paying Agent Fees	2,050	2,050	2,050
TOTAL EXPENDITURES	\$ <u>12,674,148</u>	\$ <u>7,657,490</u>	\$ <u>7,489,827</u>
Undesignated Operating Fund Balance	\$ 1,410,796	\$ 5,128,973	\$ 3,800,441
Reserved for Operating Fund Balance	-	-	1,000,000
Reserved for Construction Fund Balance	0	168,491	-
Reserved for Debt Service Fund Balance	-	-	-
ENDING FUND BALANCE, SEPTEMBER 30	\$ <u>1,410,796</u>	\$ <u>5,297,464</u>	\$ <u>4,800,441</u>

**BOARD OF DIRECTORS MINUTES
SALES TAX DEVELOPMENT
September 21, 2010**

public.

RESOLUTION 2010-2011TX – ADOPTING FISCAL YEAR 2010-2011 BUDGET

A public hearing was held on the proposed VSTDC budget for Fiscal Year 2010-2011 and the resolution adopts findings concerning the projects contained in said budget, and adopts said budget. The following list of projects is declared to constitute publication of notice of specific projects for every asterisked project shown below for purposes of TEXAS LOCAL GOVERNMENT CODE §505.160:

Street, Sidewalk, Drainage and Other Infrastructure Projects

***Downtown Overlay Project** – construction costs of adding HMAC overlay to existing roadway surfaces, adding, modifying and upgrading ADA compliant ramps and crosswalks at all intersection corners and adjusting utilities as needed on parts of Commercial, Glass, Santa Rosa, Constitution, Goodwin, Forrest and William Street – Lynn Short \$250,000

Utilities Projects

***Downtown Utility Replacement Phase II Projects 3 and 4 - Construction** – construction services for replacing water mains and replacing or rehabilitating sewer mains in portions of Bridge Street, Main Street, William Street, Liberty Street, River Street, Murray Street and Convent Street – Lynn Short \$3,017,477

Economic Development Projects

* **Lone Tree Business Park Project** – includes costs related to construction of a one-million gallon water tank and includes costs for job creation incentives to Caterpillar at the Lone Tree Business Park– Thomas Gwosdz \$2,000,000

* **Lone Tree Business Park Project** – includes payments made pursuant to the commission agreement with CB Richard Ellis, Inc. – Thomas Gwosdz \$480,000

Administrative and Maintenance Costs

***Debt Service Costs attributable to Youth Sports Complex Project** – including principal and interest payments payable on debt issued to finance the Youth Sports Complex Project (year three of ten year amortization) – Andrew K. Jacob \$1,072,350

* **Administrative and engineering fees**—payable to City of Victoria pursuant to Interlocal Agreement at time projects expenses are incurred, including fees for engineering and contract administration for all projects as well as services provided by Finance, Legal and City Secretary for daily administration of the VSTDC operations – Andrew K. Jacob \$300,000

* **VEDC (Victoria Economic Development Corporation) Programs** - including maintenance costs, operating costs, administration, research and development, determination of feasibility and practicability, and other expenses incident to other projects listed in VSTDC budget – Dale Fowler \$350,000

* **Maintenance and Operating Costs of the Loop 463 Business and Industrial Park Project** – maintenance and operating costs of business park at intersection of Loop 463 and Lone Tree Road in Victoria, Texas – Doug Cochran \$20,000

Total Allocated Expenditures \$7,489,827

Planned, but Unallocated Expenditures

(These expenditures will NOT be made UNLESS the VSTDC takes further action on them)

Future Capital Improvements Programs (will be determined during City Council CIP work session to be held on October 19, 2010)	\$4,757,441
Business Incentive Project(s)	\$0
Designated Operating Fund Balance	\$43,000

**BOARD OF DIRECTORS MINUTES
SALES TAX DEVELOPMENT
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Proposed Total Expenditures (includes allocated and planned expenditures)	\$12,290,268
Estimated Unallocated Oct. 1, 2010 Fund Balance	\$5,297,464
De-allocated Funds:	\$0
Anticipated Miscellaneous Revenue (industrial park land rental)	\$0
Anticipated Transfer from General Fund	\$500,000
Anticipated Transfer from Water Wastewater Fund	\$500,000
Anticipated Interest Income	\$25,000
Anticipated Sales Tax Income	\$5,967,804
Total Anticipated Funds Available for Expenditure	\$12,290,268
Budget Surplus (Deficit)	= \$0

Bob Martin expressed reservations about how long the increased amount proposed for VEDC Programs would be there. Mr. Fowler responded that it was not the mission to add to the fund, but wanted to keep the prospect development funds stable. They wanted to be prepared for any type of marketing activity, or impact analysis for companies looking at Victoria in order to make good recommendations to VSTDC. Mr. Fowler advised that he believed that over the next two to five years there would be some unique opportunities with industries related to Caterpillar that will be looking at the community because Caterpillar is here.

President Lewis Neitsch commented that he would like the Board to earmark \$1 million for the Operating Fund Balance. He stated that if we had not set that amount aside before, we would not have been able to move on the Caterpillar Project. There was consensus from the Board to keep \$1 million in reserve as recommended by President Neitsch; however, the line item would not be changed in the budget as presented.

Jan Scott stated for the record that she also serves on the VEDC Board, with Mayor Will Armstrong stating the same.

Cm. Gabriel Soliz moved that the resolution be adopted, with Louise Hull Patillo seconding the motion. The resolution was adopted by the following vote:

AYES: Will Armstrong, Bob Martin, Lewis Neitsch, Louise Hull Patillo, Jan Scott, and Gabriel Soliz
NAYS: None

ITEMS FROM BOARD MEMBERS

President Neitsch commented that Andrew Jacob presented a sales tax program to the Kiwanis Club, which explained the expenses that VSTDC has spent over the years in helping the City with its street and drainage projects.

Dale Fowler commented that the VEDC staff and Board of Directors appreciate the faith and support that VSTDC has shown in them to bring in these projects. He stated that VEDC would never bring them a bad deal.

Mayor Armstrong commented that they were out of land and VSTDC did not own any land anymore. He suggested that it was their challenge to find some land, because land with infrastructure was the key to success in bringing in other companies.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:17 p.m.

APPROVED:


LEWIS NEITSCH, President of the Board of
Directors, Victoria Sales Tax Development Corporation