

**NOTICE OF SPECIAL JOINT CITY COUNCIL AND TOMBALL EDC
MEETING
CITY OF TOMBALL, TEXAS**



**Monday, July 22, 2024
4:00 PM**

Notice is hereby given of a Special meeting of the Tomball City Council and Tomball EDC, to be held on Monday, July 22, 2024 at 4:00 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball City Council reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 829 1130 8818 Passcode: 180698. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

- A. Call to Order
- B. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*
- C. New Business
 - 1. The Tomball City Council and the Tomball Economic Development Corporation Board of Directors will enter into a Workshop Session to discuss the Fiscal Year 2024-2025 City of Tomball and Tomball Economic Development Corporation Budget.
- D. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 18th day of July 2024 by 5:00 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Tracylynn Garcia, TRMC, CMC, CPM
City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1019 for further information.

Special Joint Agenda Item Data Sheet

Meeting Date: July 22, 2024

Topic:

The Tomball City Council and the Tomball Economic Development Corporation Board of Directors will enter into a Workshop Session to discuss the Fiscal Year 2024-2025 City of Tomball and Tomball Economic Development Corporation Budget.

Background:

City Council will enter into a workshop to discuss the Fiscal Year 2024-2025 City Proposed Budget.

To streamline the budget process, the TEDC Board of Directors and City Council will convene to review and discuss proposed changes, programs and city funding requests. Attached are the current Adopted FY 2024 TEDC Budget and Account Descriptions and City of Tomball Budget Request Letters. The workshop will feature presentations from the City Manager’s Office and TEDC staff.

Origination: David Esquivel, City Manager and Kelly Violette, Executive Director

Recommendation:

Workshop and presentation item only; no action is required.

Party(ies) responsible for placing this item on agenda: David Esquivel and Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date

Tomball Economic Development Corporation
FY 2024 Adopted Budget
October 1, 2023 to September 30, 2024

	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Adopted Budget	FY 2023 Year End Projections	FY 2024 Adopted Budget
Beginning Fund Balance	\$ 21,763,096	\$ 18,767,675	\$ 20,005,941	\$ 19,860,898	\$ 24,755,922	\$ 24,665,816
REVENUE						
Sales Tax	\$ 4,064,895	\$ 4,408,484	\$ 5,386,245	\$ 5,100,000	\$ 5,400,000	\$ 5,000,000
Interest	426,876	352,381	446,297	450,000	950,000	850,000
Grants	-	16,000	8,000	-	-	-
Other - Land Sales and Lease Payments	491,055	913,855	2,004,772	-	3,714,079	-
Total Revenue	\$ 4,982,826	\$ 5,690,719	\$ 7,845,315	\$ 5,550,000	\$ 10,064,079	\$ 5,850,000
Total Available Resources	\$ 26,745,922	\$ 24,458,394	\$ 27,851,256	\$ 25,410,898	\$ 34,820,001	\$ 30,515,816
EXPENDITURES						
Administrative						
Salaries - Administrative	\$ 213,843	\$ 215,952	\$ 286,262	\$ 367,036	\$ 367,036	\$ 396,590
Benefits	114,950	129,174	144,759	162,249	157,830	184,808
Wages - Full-Time	42,333	45,246	28,036	55,000	45,000	48,087
Wages - Other	-	-	21	8,300	150	3,000
Total Salaries and Benefits	\$ 371,126	\$ 390,372	\$ 459,077	\$ 592,585	\$ 570,016	\$ 632,485
Other Personnel Expenditures						
Auto Allowances	\$ 8,400	\$ 8,400	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800
Phone Allowance - Executive Director	900	900	900	900	900	900
Phone Allowance - Assistant Director	900	900	900	900	900	900
Phone Allowance - Coordinator	-	-	-	900	900	900
Local Travel Expense	135	236	90	500	400	500
Dues and Subscriptions	9,482	7,681	11,492	13,100	11,000	13,100
Seminar/Conference Registrations	2,928	10,396	10,349	18,000	11,000	18,000
Travel and Training	11,727	3,440	17,655	30,000	11,000	30,000
Total Other Personnel Expense	\$ 34,472	\$ 31,953	\$ 58,185	\$ 81,100	\$ 52,900	\$ 81,100
Service and Supply Expenditures						
Contracted Administrative Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bank Charges & Postage	1,920	3,017	2,197.75	3,500.00	1,500.00	3,500.00
Insurance	3,144	8,399	17,952.76	18,000.00	18,000.00	30,000.00
Computer Equipment & Maintenance	4,249	5,823	4,296.53	10,000.00	10,000.00	10,000.00
Communications Services	3,639	3,976	4,267.91	5,200.00	4,600.00	5,200.00
Legal Fees	31,915	31,996	4,690.53	40,000.00	15,000.00	40,000.00
Lease Expense-GTACC	25,629	24,574	25,055.65	25,000.00	25,000.00	26,500.00
Office Equipment & Supplies	3,557	(2,321)	4,259.31	10,000.00	5,500.00	10,000.00
Total Service and Supply Expense	\$ 99,053	\$ 100,463	\$ 87,720	\$ 136,700	\$ 104,600	\$ 150,200
Total Administrative Expenditures	\$ 504,651	\$ 522,788	\$ 604,982	\$ 810,385	\$ 727,516	\$ 863,785
Indirect Economic Development Exp.						
Chamber Guide	\$ 8,354	\$ 8,354	\$ 8,354	\$ 8,400	\$ 8,354	\$ 8,400
Area Street Maps	-	3,875	-	4,000	3,875	-
Marketing	90,768	76,150	83,115	105,000	105,000	175,000
Economic Impact Model License	4,299	4,428	4,561	4,565	4,565	4,698
Event Sponsorships	6,000	24,028	8,038	29,000	20,000	29,000
Promotional Items	6,515	1,160	4,715	6,500	6,500	10,000
Printing	6,915	5,404	1,122	6,500	6,500	6,500
Website and GIS	31,899	36,299	12,100	25,000	24,000	25,000
Professional Services	207,560	191,747	306,423	500,000	350,000	750,000
Grow Tomball Initiative	-	-	-	20,000	8,300	20,000
Miscellaneous	70,834	78,182	44,914	15,000	7,000	15,000
Total Indirect Expenditures	\$ 433,144	\$ 429,626	\$ 473,342	\$ 723,965	\$ 544,094	\$ 1,043,598
City Debt Service						
Utilities Expansion (2002 CO-2/15/2022)	370,000	370,000	370,000	-	-	-

Business Park Infrastructure (Series 2013)	533,462	535,663	537,663	539,463	539,463	546,013
Medical Complex/Persimmon (Series 2016)	222,222	222,222	222,222	222,222	222,222	222,222
Total Debt Service	\$ 1,125,684	\$ 1,127,885	\$ 1,129,885	\$ 761,685	\$ 761,685	\$ 768,235

Grants, Loans & Other Expenditures

Project Grants	\$ 219,848	\$ 210,108	\$ 620,825	\$ 2,500,000	\$ 1,800,000	\$ 3,500,000
Sales Tax Reimbursement Grants (380)	50,139	50,139	66,823	70,000	70,130	11,400
Property Acquisition	5,062,631	2,043,540	-	5,000,000	4,635,760	3,000,000
Business Improvement Grants- Current Year	130,891	62,078	121,344	350,000	302,000	350,000
Business Improvement Grants- Prior Year	139,082	67,000	197,302	250,000	288,000	250,000
Old Town Façade Grants- Current Year	54,269	-	-	250,000	70,000	250,000
Old Town Façade Grants- Prior Year	-	38,783	125,560	100,000	105,000	100,000
Old Town Projects	-	-	-	600,000	600,000	1,500,000
South Live Oak Redevelopment	-	71,341	76,553	5,000,000	30,000	5,000,000
Business Park Expenses	248,644	77,781	133,985	300,000	200,000	350,000
Total Grants/Loans/Other	\$ 5,905,504	\$ 2,620,770	\$ 1,342,394	\$ 14,420,000	\$ 8,100,890	\$ 14,311,400
Total All Expenditures	\$ 7,968,983	\$ 4,701,069	\$ 3,550,602	\$ 16,716,035	\$ 10,134,185	\$ 16,987,018
Revenues Over (Under) Expenditures	\$ (2,986,157)	\$ 989,650	\$ 4,294,712	\$ (11,166,035)	\$ (70,106)	\$ (11,137,018)
Other Income/Losses on Investments	\$ 9,264	\$ (248,616)	\$ (455,268)	\$ -	\$ 20,000	\$ -
Ending Fund Balance	\$ 18,767,675	\$ 20,005,941	\$ 24,755,922	\$ 8,694,863	\$ 24,665,816	\$ 13,528,798

TEDC Debt Service Schedule

	Series 1999	Series 2002	Series 2013	Series 2016	Annual Payments
2016	\$ 188,148	\$ 370,000	\$ 528,012.50		\$ 1,086,160.50
2017	\$ 188,148	\$ 370,000	\$ 530,912.50		\$ 1,089,060.50
2018	\$ 188,148	\$ 370,000	\$ 533,612.50		\$ 1,091,760.50
2019	\$ 188,148	\$ 370,000	\$ 536,112.50		\$ 1,094,260.50
2020		\$ 370,000	\$ 533,462.50	\$ 222,222	\$ 1,125,684.50
2021		\$ 370,000	\$ 535,662.50	\$ 222,222	\$ 1,127,884.50
2022		\$ 370,000	\$ 537,662.50	\$ 222,222	\$ 1,129,884.50
2023			\$ 539,462.50	\$ 222,222	\$ 761,684.50
2024			\$ 546,012.50	\$ 222,222	\$ 768,234.50
2025			\$ 547,312.50	\$ 222,222	\$ 769,534.50
2026			\$ 548,412.50	\$ 222,222	\$ 770,634.50
2027			\$ 548,737.50	\$ 222,222	\$ 770,959.50
2028			\$ 548,275.00	\$ 222,222	\$ 770,497.00
2029			\$ 551,925.00	\$ 222,222	\$ 774,147.00
2030			\$ 549,056.25	\$ 222,222	\$ 771,278.25
2031			\$ 549,600.00	\$ 222,222	\$ 771,822.00
2032			\$ 549,075.00	\$ 222,222	\$ 771,297.00
2033			\$ 548,100.00	\$ 222,222	\$ 770,322.00
2034				\$ 222,222	\$ 222,222.00
2035				\$ 222,222	\$ 222,222.00
2036				\$ 222,222	\$ 222,222.00
2037				\$ 222,226	\$ 222,226.00
Total	\$ 752,592	\$ 2,590,000	\$ 9,761,406.25	\$ 4,000,000	\$ 17,103,998.25

2017-2019:

Southside Sewer Plant (1999 CO-2/15/2019)
 Utilities Expansion (2002 CO- 2/15/2022)
 Business Park Infrastructure (Series 2013)

2020-2022:

Utilities Expansion (2002 CO- 2/15/2022)
 Business Park Infrastructure (Series 2013)
 Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

2023-2033:

Business Park Infrastructure (Series 2013)
 Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

2034-2037:

Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

Tomball Economic Development Corporation
FY 2022-2023 Budget
Account Descriptions

REVENUE

- Sales Tax: Those revenues received from the State of Texas and through the City of Tomball for the \$0.005 portion of the \$0.020 sales tax revenues collected within the City limits of Tomball.
- Interest: Those revenues received from financial institutions for balances on hand and from funds that have been invested.
- Grants: Those revenues received from additional sources such as CenterPoint Energy for support of the Corporation's activities, including the Annual Economic Outlook Event, marketing collateral, and continuing education.
- Other: Those revenues received from the sale or lease of TEDC-owned property.

EXPENDITURES

Administrative:

- Salaries - Administrative: The amount reimbursed to the City of Tomball for the salary paid to the Executive Director, Assistant Director, and Coordinator of the Tomball Economic Development Corporation. This amount includes holiday, vacation, sick, and longevity pay.
- Benefits: The amount reimbursed to the City of Tomball for the benefits paid to, or on behalf of, TEDC staff. This amount includes social security taxes, medicare taxes, employer matched funds to the Texas Municipal Retirement System, health insurance premiums, and worker compensation insurance.
- Wages: Wages for non-exempt (hourly) TEDC employees. Also includes overtime for hours worked during any FLSA-defined workweek, which exceeds 40 hours and are approved in advance by the Executive Director.

Other Personnel Expenditures:

- Auto Allowances: Monthly stipends for the Executive Director and Assistant Director allocated to cover business travel expenses and mileage within a 50-mile radius of Tomball.
- Phone Allowances: Monthly stipends allocated to cover business-related cell phone expenses for eligible TEDC staff.

- Local Travel Expenses: The amount allocated to cover business travel expenses and mileage within a 50-mile radius of Tomball for non-exempt TEDC staff.
- Dues and Subscriptions: Fees charged for memberships and related expenses to professional organizations, subscriptions and software.
- Seminar/Conference Registrations: Fees for the Tomball Economic Development Corporation staff and board members to attend conferences, events, and professional training seminars.
- Travel and Training: The costs associated with attending classes, seminars, events, trade shows and for related travel expenses. This includes hotel rooms where overnight stay is reasonable, the cost of related meals, airfare, and car rental where reasonable, parking and toll fees, and for mileage. Reimbursable mileage for exempt staff is limited to a destination that exceeds a 50-mile radius of the City of Tomball.

Service and Supply Expenditures

- Contracted Administrative Services: The cost of administrative services provided to the Tomball Economic Development Corporation by City of Tomball personnel as indicated in the Administrative Services Agreement entered into between the Tomball Economic Development Corporation and the City of Tomball.
- Bank Charges: The various service charges for maintaining a bank account, including wire transfer fees, safekeeping fees for investments, and actual operating account fees based on the account analysis.
- Insurance: The cost of surety bonding fees and insurance premiums including General Liability, Errors and Omissions, and Property.
- Computer Equipment and Maintenance: The cost of computer equipment and related expenses.
- Communication Services: The cost of telephone service, including land line phone base rate charges, DSL service, and long-distance charges.
- Legal Fees: Expenses incurred for legal services related to document and agreement preparation and obtaining advice and opinions from legal counsel related to Tomball Economic Development Corporation business activities.
- Lease Expense-GTACC: Payment to the Greater Tomball Area Chamber of Commerce for leased office space at 29201 Quinn Road, Suite B, Tomball, Texas.
- Office Equipment & Supplies: The cost of various office supplies, postage, and equipment.

Indirect Economic Development Expenditures:

Item 1.

- Chamber Guide: Expenses related to the TEDC advertisement and publication of a map of the Tomball area in the annual Greater Tomball Area Chamber of Commerce magazine.
- Area Street Maps: The expenses incurred for the production and publication of maps of Tomball and the surrounding area that are issued free of charge to individuals and businesses to promote travel, tourism, and the commercial industry in Tomball.
- Marketing: Expenses related to marketing Tomball to attract business, industry, and visitors, including advertisements in printed and digital publications, information packages, brochures, and related marketing collateral material.
- Economic Impact Model License: The annual licensing fee for the economic impact analysis model utilized by the TEDC to calculate the economic impact of a prospect firm/project and related costs and benefits to the City of Tomball.
- Event Sponsorships: Costs to sponsor/co-sponsor events that foster relationships with businesses, site location consultants, brokers, real estate professionals, regional allies, and others influencing business location and capital investment decisions.
- Promotional Items: The costs associated with TEDC promotional products, giveaways, and event favors.
- Printing: The cost of printing various items including, but not limited to, Notice of Project/Public Hearing, brochures, presentation boards, community profiles, business resource guides, stationary, etc.
- Website and GIS: Costs to maintain the Tomball Economic Development Corporation's website, including web hosting, property database services, analytics platforms, and online GIS software.
- Professional Services: Consulting fees, engineering fees, photography, graphics and design services, and other professional services incurred in expanding the economic base of Tomball.
- Grow Tomball Initiative: Expenses related to developing a Grow Tomball initiative to highlight and promote local businesses, entrepreneurs, and products.
- Miscellaneous: Other expenses including, but not limited to, meals with potential business developers, name plates for Board meetings, post office box fees, etc.

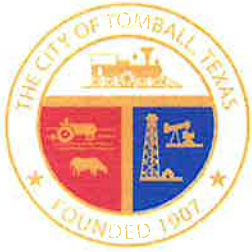
City Debt Service

- Southside Sewer Plant (1999 CO-2/15/2019): Contributions to debt repayment for the wastewater treatment plant built on the south side of Tomball to accommodate expanded industry in the City. Final debt payment was made in 2019.

- Utilities Expansion (2002 CO-2/15/2022): Contributions to debt repayment for the extension of utilities from FM 2920 south on Hufsmith-Kohrville Road to Holderrieth Road, west to SH 249 and north to Theiss Road. Final debt payment was made in 2022.
- Business Park (Series 2013): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the Tomball Business and Technology Park Project located at the northwest corner of Hufsmith-Kohrville and Holderrieth Roads.
- Medical Complex/Persimmon (Series 2016): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the extension of Medical Complex Drive Segment 4B and South Persimmon Street from Agg Road/Medical Complex Drive south to the Tomball Business & Technology Park.

Grants, Loans & Other Expenditures

- Project Grants: Grant funds designated by the Tomball Economic Development Corporation's Board of Directors and approved by the Tomball City Council waiting for contract fulfillment in order to be disbursed.
- Sales Tax Reimbursement Grants (380): Sales tax reimbursements made in accordance with economic development incentive agreements approved by the Tomball Economic Development Corporation's Board of Directors and the Tomball City Council.
- Property Acquisition: Costs associated with the acquisition of land for economic development projects.
- Business Improvement Grants- Current Year: Funds allocated to enhance the economic development of the City of Tomball through matching grants for façade or exterior improvements to buildings, sign improvements, landscaping, or other exterior property improvements.
- Business Improvement Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Façade Grants: Funds allocated to enhance the economic development of the City of Tomball through grants to property and business owners seeking to rehabilitate commercial buildings located in the Old Town Tomball area.
- Old Town Façade Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Revitalization Projects: Targeted infrastructure improvements in Old Town Tomball including alleyways, parking, wayfinding, etc.
- South Live Oak Redevelopment: The costs associated with the redevelopment of the South Live Oak Business Park.
- Business Park Expenses: Expenses related to the development and maintenance of the Tomball Business & Technology Park.



City of Tomball

Item 1.

Lori Klein Quinn
Mayor

David Esquivel, PE
City Manager

July 2, 2024

Tomball Economic Development Corporation
Attn: Kelly Violette, Executive Director
29201 Quinn Road, Suite B
Tomball, Texas 77377

RE: FY 2024-25 Administrative Services agreement adjustment

Dear Kelly,

As we discussed in our budget meeting Tuesday June 11, the compensation to the City for services provided to the TEDC (admin costs of finance, human resources, and audit) has been reviewed and estimated based on an allocation model (see attached). The model considers a proportionate amount of the personnel and services comparing TEDC and City activities. We have done a similar cost allocation model for the administrative services that support the ESD #15 contract.

Please consider incorporating and presenting this adjustment to your Board for the FY 2024-25 budget.

Sincerely,

David Esquivel, PE
City Manager

TEDC Cost Allocation Model

Proportional Costs			
	FY 2024-2025 Budget		
	Percent	Total Cost	Total TEDC
Human Resources	2%	\$ 568,500	\$ 9,320
Finance			
Personnel			
Finance Director	5%	\$ 196,660	\$ 9,833
Finance Manager	5%	\$ 127,650	\$ 6,383
Accountant	10%	\$ 100,355	\$ 10,036
Accounts Payable Specialist	10%	\$ 87,995	\$ 8,800
Payroll Specialist	2%	\$ 83,875	\$ 1,375
Non-Personnel			
Annual Financial Audit	10%	\$ 96,000	\$ 9,600
Total Proportional Costs			\$ 55,345



City of Tomball

Item 1.

Lori Klein Quinn
Mayor

David Esquivel, PE
City Manager

June 24, 2024

Tomball Economic Development Corporation
Attn: Kelly Violette, Executive Director

RE: FY 2024-25 Funding request

Dear Kelly,

As we discussed in our budget meeting Tuesday June 11, here are the areas and projects that the City is recommending to budget and funded by the TEDC. There are ongoing projects that are requested to be funded such as the alley improvement project and Main Street rebuild project and new one-time park improvements and participation in large infrastructure projects by contributing to the debt service. These are one-time funded projects and will not be requested to be continually funded after the project is complete. However, the debt service contribution would be a reoccurring cost. The funding of debt service contributions will directly help with the impact to the overall ad valorem tax rate.

	Project	Description	Type	Cost
1	Alley Improvements	Amenity package & design (300 Blks, N & S)	One time	~\$1 million
2	Main St. Rebuild*	Utility relocations (2025 - 2027)	One time	~\$4 million
3	Main St. Rebuild	Upsizing of trees – entire corridor	One time	~\$500,000
4	Park Improvements	Shade structures – Matheson Park	One time	\$200,000
5	Debt service contributions	Assist with large infrastructure	Reoccurring (1 st yr)	\$1 million

* The Main Street rebuild utility relocations could be much less depending on the conflicts with the design and condition assessment of the utilities and the projection is that the entire expenditure will happen over a couple of years.

Regarding personnel salaries, we are including in the City proposed budget a 3% cost of living adjustment and the funding of our performance-based merit program. Let me know if you have any questions.

Sincerely,

David Esquivel, PE
City Manager