

Waxahachie Community Development Corporation  
August 4, 2015

A special meeting of the Waxahachie Community Development Corporation was held on Tuesday, August 4, 2015 at 3:00 p.m. in the Council Conference Room, 401 S. Rogers, Waxahachie, Texas.

Members Present:     John Sanders, III, President  
                              Mike Ramsey, Vice President  
                              Kevin Strength, Mayor  
                              Paul Stevens, City Manager  
                              Bob Lynn  
                              Daniel Morton  
                              Joe Jenkins

Ex-Officio               Charles Harris, Director of Finance  
Member Present:       Lori Saunders, City Secretary

Ex-Officio  
Member Absent:        Debra Wakeland, President, Chamber of Commerce

Others Absent:        Steve Chapman, City Attorney

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President John Sanders called the meeting to order.

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The Corporation considered the proposed Budget for fiscal year 2015-2016.

Mr. Paul Stevens, City Manager, reported approximately two years ago, the Corporation put a plan together for capital replacement items and some items are a continuation of that plan. He stated one item that moved up on the list was the field renovations at the Sports Complex. The items for the Civic Center within this budget include: walk-in cooler; range; refrigerator, wallpaper, and other building renovations. Salary increase for all employees is recommended at 3%. In addition there will be a salary market increase for long-term employees to get them caught up on the pay scale. Mr. Stevens reported it's a base budget plus the capital items, being the path the corporation has been on.

Mr. Charles Harris, Director of Finance reviewed the Convention and Visitor's Bureau proposed budget for fiscal year 2015-2016. He noted there is not a lot of detail for this fund. Most is hotel/motel tax. The expenditures are for salaries and benefits, supplies and operating expense. He explained the original budget projected there would be approximately \$175,000.00 fund balance in this fund at the end of the year and it's actually going to be more prosperous than that. The projections indicate it to be a little over \$240,000.00.

President Sanders referenced the Arts Council with concern the Convention and Visitors Bureau has no direct contact with them.

Mr. Stevens stated Ms. Laurie Mosley works closely with the Arts Council. He explained the contract is with the City and the City Council approves it and the Arts Council controls the funds. Mr. Stevens noted a lot of the Art Council's events bring tourist to Waxahachie and Ms. Mosley works with all of them.

**After further discussion, Mr. Mike Ramsey moved to approve the Convention and Visitor's Bureau proposed budget for fiscal year 2015-2016 as presented.** Mr. Dan Morton seconded, **All Ayes.**

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Mr. Harris reviewed the WCDC revenues and reported sales tax represents approximately 85% of the revenue. He stated sales tax is booked to this fund on the basis of when it is remitted to the state with the city receiving it 60 days later; therefore, August – November will be booked backed to this fiscal year and it's estimated the fund will begin fiscal year 2015-2016 with \$525,000.00.

Mr. Harris reviewed the expenditures for Civic Center, Sports Complex and Community Beautification noting it has some substantial debt service which extends quite a ways out into the future. He reported the expenses for fiscal year 2014-2015 stayed on track.

President Sanders stated when we break out items estimated, and take them into actual maintenance expenditures or capital improvement expenditures, is there a way to reflect how much is coming out of the capital reserve.

Mr. Harris stated he can create something just for Board review but it won't reflect on the general financial statement due to certain criteria for such statement.

President Sanders stated one of the largest expenses is utility cost and asked if the city is buying electric power as a whole. Mr. Stevens stated the city does buy power because we use so much, we shop rates in order to receive the best rates.

Mr., Thanasis Kombos, Budget Analyst, reviewed a snapshot of the WCDC fund noting it goes back 6 years and also includes the current fiscal year and next fiscal year. It examines the adopted budget and the correspondence fund balance for the year-end period of each fiscal year. He reported there has been an increase accumulatively in the past 8 years and explained the year ending fund balance does not capture the capital replacement program. In fiscal year 2008-2009 the fund balance at the end of the year totaled \$317,842.36. That amount has grown to the end of fiscal year 2013-2014 with a fund balance of \$1,580,426.72. Estimated fund balance for the end of fiscal year 2014-2015 is anticipated to be \$2,105,151.72. Based upon estimates for fiscal year 2015-2016 the end fund balance will be \$2,520,531.72. He explained the increase year- to- year to the fund balance is a much higher than what the budget has been. Mr. Kombos stated the 1 day of operation numbers are driven from what the adopted budget is.

Mr. Kombos reported next year the fund balance, as days of operation, will be 226 which is about 7.5 months. Mr. Kombos stated the fund balance for this Board is robust and the opportunity to utilize the fund, in many ways, is available.

Mr. Stevens stated the general fund has 90 days of operation.

Mr. Harris stated with the general fund having 90 days of operation, it will be hard to justify a rainy day fund for unforeseen issues larger than the general fund that has police and fire in it. He noted 30-60 days of operation is a more reasonable amount and explained leisure services can gracefully be scaled back versus laying off police and fire.

President Sanders stated things are starting to happen with this Board that have not historically happened noting the Board oversaw two projects and that was it. He explained this past year the Board started to broaden its horizons and look at other avenues to utilize the sales tax revenue overseeing the helping aide to other parts of the city and projects with that revenue. He stated as sales tax increases the expenses will also start to mirror that as we look at other projects outside the Sports Complex and Civic Center which are then going to draw that fund balance back down.

Mr. James Villarreal, Recreational Superintendent, noted the Board needs to keep in mind that the voters did vote for the Civic Center and Sports Complex.

President Saunders stated the Civic Center and Sports Complex will always be budgeted entities, but legally WCDC has the ability to do other things for the city, so that was the whole purpose of the capital reserves making sure the needs for the Sports Complex and Civic Center are met first and explained a lot of funds were earmarked for their needs before the Board looked at other projects.

Mayor Strength stated the WCDC wasn't created just for the Sports Complex and Civic Center. Those were the first projects. He stated that might have been what was voted for in a bond. Mayor Strength stated the spirit of the election was to have another vehicle to have a quality of life not just a Sports Complex and Civic Center.

Mr. Stevens stated with the growth and good times, as we look at other things, the Civic Center and Sports Complex still need to be a part of that process.

Mr. Stevens stated if we set a goal of a 60 day fund balance that will still be way above 60 days for a while. He noted the Board is now in a position to do the "quality of life" projects.

President Sanders asked if the Board can determine the days of operation fund balance at the December Board meeting. Mr. Harris noted by that time he will have more sales tax figures in.

Discussion was held on future bonds for future projects such as park trails and connecting them making them a part of the quality of life. Mayor Strength encouraged the Board to consider the opportunity to connecting park trails within our community.

*{Mayor Strength left the meeting at 4:05}*

President Sanders asked about allocating funds in the Sports Complex and Civic Center for beautification. He would like to have funds in their budgets for this.

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Mr. Villarreal opposed and recommended to have all beautification in the Community Beautification budget, because he doesn't know how much will actually be used. He envisioned it more practical to have beautification to the Sports Complex and Civic Center in the Community Beautification budget.

Mr. Harris stated more numbers will come in before the budget is adopted and the general fund sales tax will be adjusted. He recommended the WCDC Board have one more meeting to approve the budget.

President Sanders asked the salary to the Horticulturist be separate as to what WCDC pays and what the TIRZ's pays.

After further discussion it was determined to consider the budget at a meeting in September after the sales tax report has been received and adjustments to the proposed budget.

**There being no further business, Mr. Mike Ramsey moved the meeting adjourn at 4:23 p.m.**

Mr. Dan Morton seconded, **All Ayes.**

Respectfully submitted,

Lori Saunders  
City Secretary