



**REGULAR MEETING OF THE  
CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
WEDNESDAY, FEBRUARY 18, 2015 AT 1:00 P.M.**

**AGENDA**

The City of Helotes Economic Development Corporation (EDC) Board of Directors will meet for a regular meeting on Wednesday, February 18, 2015 at 1:00 p.m. in the City Hall Council Chambers, 12951 Bandera Road, Helotes, Texas 78023. This is an open meeting, subject to the open meeting laws of the State of Texas.

1. Call Regular Meeting to Order at 1:00 p.m.

**OPEN SESSION:**

2. Public comment.

The EDC cannot discuss any presented issue, nor may any action be taken on any issue at this time (Attorney General Opinion JC-0169). Comments are limited to three (3) minutes, and this time is not transferable. Discussion by the EDC of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to any inquiry, and / or a proposal to place the item on a future EDC agenda.

**CONSENT AGENDA (ITEM NOS. 3 - 5):**

3. Approval of the meeting minutes dated January 21, 2015. (Staff)
4. Approval of the monthly FYE 2015 Revenue and Expenditure Report dated February 15, 2015. (Staff)
5. Approval of the Quarterly Investment Report dated December 31, 2014. (Staff)

**ITEMS FOR INDIVIDUAL CONSIDERATION:**

6. Presentation by Armstong, Vaughan, & Associates, P.C. regarding the Fiscal Year Ending ("FYE") 2014 Audit for the City of Helotes Economic Development Corporation (the "EDC"), including the following:
  - Discussion of and action on the aforementioned FYE 2014 Audit by the Board of Directors.(Staff)
7. Discussion, direction, and / or appropriate action on the design, construction, and funding of water and sewer utilities along State Highway 16 between, generally, Scenic Loop Road and Circle A Trail. (Staff) [*Goal 1 – Capital Improvements*]
8. Discussion on the status of engineering and design services for the Helotes Creek Linear Park Transportation Enhancement Project. (Staff) [*Goal 1 – Capital Improvements*]
9. Discussion on the status of EDC marketing materials. (Staff) [*Goal 4 – Effective Communication*]

**NOTICE OF ASSISTANCE AT THE PUBLIC MEETING**

The City of Helotes City Hall is wheelchair accessible, and accessible parking spaces are available. In compliance with the Americans with Disabilities Act, the City of Helotes will provide reasonable accommodations for persons attending the meeting. To better serve you, requests should be received forty-eight (48) hours prior to the meeting. Please contact the City Secretary's Office at 210.695.5911 or by facsimile at 210.695.2123.

10. EDC Specialist Report:

- a. Update on current commercial developments; and
- b. TxDOT Superstreet.

11. Discussion, direction, and / or appropriate action regarding an Employee Evaluation for the Helotes EDC Economic Development Specialist. (Staff)


*Adjourn.*

The EDC Board of Directors reserves the right to discuss and appropriately act upon any item listed on the agenda in open session. In addition, the EDC Board of Directors reserves the right to adjourn into Closed Session at any time during the course of this meeting to discuss any of the abovementioned or following matters, as authorized by the Texas Local Government Code:

Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development)

No action may be taken in Closed Session. A quorum of the City Council and/or other City Boards, Committees, or Commissions may be present at this meeting. The City Council and/or other City Boards, Committees, or Commissions may not take action regarding public business or policy.

I certify that this Agenda was posted on February 13, 2015 at 4:00 p.m.

  
\_\_\_\_\_  
Glenn Goolsby  
EDC Specialist

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

**Agenda Placement:**  **CONSENT**  
 **INDIVIDUAL**  
 **PRESENTATION**  
 **CLOSED**

**CAPTION:**

3. Approval of the meeting minutes dated January 21, 2015. (Staff)

**BACKGROUND:**

**FINANCIAL:**

**RECOMMENDATION:**

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:** Approval of meeting minutes as presented.

**DISPOSITION:**



**CITY OF HELOTES  
ECONOMIC DEVELOPMENT CORPORATION  
MEETING MINUTES**

The City of Helotes Economic Development Corporation (EDC) Board of Directors met for a Regular Meeting on Wednesday, January 21, 2015 at 1:00 p.m. in the City Hall Council Chambers, 12951 Bandera Road, Helotes, Texas 78023. This was an open meeting, subject to the open meeting laws of the State of Texas.

**Present:**

**Board Members:**       Ardith Garner, President  
                                  Drue Helms, Vice President  
                                  Cynthia Massey  
                                  Caleb Rackley  
                                  Pat Wootton  
                                  Bert Buys

**Staff:**                     Rick Schroder, Executive Director  
                                  Glenn Goolsby, EDC Specialist  
                                  Steven Pena, Attorney

**Absent:**

**Board Members:**       Keith Muhlestein, Secretary

**1. Call Special Meeting to Order at 1:00 p.m.**

**OPEN SESSION:**

**2. Public comment.**

The EDC cannot discuss any presented issue, nor may any action be taken on any issue at this time (Attorney General Opinion JC-0169). Comments are limited to three (3) minutes, and this time is not transferable. Discussion by the EDC of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to any inquiry, and / or a proposal to place the item on a future EDC agenda.

No public comment.

**CONSENT AGENDA (ITEM NOS. 3 - 5):**

All items marked with an asterisk (\*) on the consent agenda were voted on as a group at the beginning of the meeting. Motion was made by Bert Buys, second by Drue Helms to approve items 3 and 4 as presented. Motion carried unanimously.

**3. \*Approval of the meeting minutes dated December 3, 2014. (Staff)**

**4. \*Approval of the monthly FYE 2015 Revenue and Expenditure Report dated January 15, 2015. (Staff)**

**5. Approval of the Quarterly Investment Report dated December 31, 2014. (Staff)**

**ITEMS FOR INDIVIDUAL CONSIDERATION:**

**6. Discussion, direction, and / or appropriate action on the design, construction, and funding of water and sewer utilities along State Highway 16 between, generally, Scenic Loop Road and Circle A Trail. (Staff)  
[Goal 1 – Capital Improvements]**

Glenn Goolsby discussed the status of the project and that staff had received the final Utility Service Agreement from San Antonio Water Systems. Cynthia Massey stated she would work with the City Administrator on final construction cost and loan repayment terms.

**7. Discussion, direction, and / or appropriate action on engineering and design services for the Helotes Creek Linear Park Transportation Enhancement Project. (Staff) [Goal 1 – Capital Improvements]**

Ardith Garner reported that contract terms have been negotiated and will be contingent upon Bond Approval.

**8. Discussion on the status of selecting a firm(s) to produce EDC marketing materials. (Staff) [Goal 4 – Effective Communication]**

Mr. Goolsby outlined the estimated cost to complete the services requested in the RFP. He also stated President Garner and staff would meet to select the firm(s) and begin negotiating a final agreement.

**9. EDC Specialist Report:**

- a. Update on current commercial developments;
- b. Update on shophelotes.com; [Goal 2 – Business Development]
- c. TxDOT Superstreet;
- d. Participation in Helotes Area Chamber of Commerce; [Goal 2 – Business Development]
- e. Participation in Helotes Area Merchant and Business Association; and [Goal 2 – Business Development]
- f. Winterfest.

Mr. Goolsby reported on Item 9(a), that AutoZone was moving forward, Edward Jones was pending a final Certificate of Occupancy, and Walgreens had requested an incentive which would be discussed at the City Council meeting on January 22, 2015; Item 9(b), thirty local businesses had registered with the new shophelotes.com website; Item 9(c), presented proposed layout of TxDOT's superstreet concept for Bandera Road; Item 9(d), provide list of upcoming event for the Chamber; Item 9(e), provided list of upcoming HAMBA events; Item 9(f), informed the Board he and City staff were meeting with WinterFest organizers to offer planning assistance.

Ardith Garner, after reading the following section, adjourned into closed session at 1:50 p.m.

**CLOSED SESSION:**

**10. Closed Session in accordance with Texas Government Code §551.074 *Personnel Matters*. In addition to the matters listed below, any matter scheduled for open session may be discussed in Closed Session, as appropriate and authorized by law.**

- a. **Personnel Matters – Employee Evaluation for the Helotes EDC Economic Development Specialist Glenn Goolsby. (Texas Govt. Code Ann. Sec. 551.074)**

Ardith Garner reconvened the meeting at 3:10 p.m. and stated no action had been taken during the Closed Session.

**ITEMS FOR INDIVIDUAL CONSIDERATION:**

**11. Discussion, direction, and / or appropriate action regarding an Employee Evaluation for the Helotes EDC Economic Development Specialist Glenn Goolsby (Staff)**

Motion was made by Caleb Rackley, second by Drue Helms to postpone discussion until the next scheduled meeting. Motion carried unanimously.

**Adjourn the special meeting of the EDC Board of Directors.**  
President Garner adjourned the meeting at 3:13 p.m.

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Ardith Garner, President

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

**Agenda Placement:**  **CONSENT**  
 **INDIVIDUAL**  
 **PRESENTATION**  
 **CLOSED**

**CAPTION:**

4. Approval of the monthly FYE 2015 Revenue and Expenditure Report dated February 13, 2015. (Staff)

**BACKGROUND:**

Revenues to date are 10% higher than anticipated.

**FINANCIAL:**

**RECOMMENDATION:**

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:** Approval of Monthly Revenue and Expenditure Report dated February 13, 2015 as presented.

**DISPOSITION:**

**Monthly EDC Sales Tax**

	<b>Actual 2014</b>		<b>Projected 2015</b>		<b>Actual 2015</b>	<b>Mixed Beverage</b>
Oct	\$42,595.21 *		\$43,960.00 *		\$47,087.63	\$1,710.20
Nov	\$46,593.51 *		\$47,725.00 *		\$47,082.51	
Dec	\$39,968.81 *		\$41,491.00 *		\$45,161.11	
Jan	\$38,308.19 *		\$40,687.00 *		\$47,046.93	\$2,248.60
Feb	\$53,741.39 *		\$54,704.00 *		\$62,323.65	
Mar	\$41,059.61		\$42,529.00			
Apr	\$41,400.14		\$43,066.00			
May	\$44,915.64		\$46,749.00			
Jun	\$44,290.24		\$47,339.00			
Jul	\$46,941.01		\$49,057.00			
Aug	\$47,334.24		\$50,498.00			
Sep	\$44,881.97		\$51,058.00			
<b>*Total</b>	\$221,207.11		\$228,567.00		\$252,660.63	
<b>Budget</b>	\$580,000.00	38.14%	\$558,863.00	40.90%	\$558,863.00	45.21%
<b>Actual</b>	\$532,029.96	(\$47,970.04)				

\*Based on same period calculations



CITY OF HELOTES  
 REVENUE & EXPENSE REPORT - UNAUDITED  
 AS OF: FEBRUARY 13TH, 2015

13 - CAPITAL REPLACEMENT  
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
MISCELLANEOUS REVENUE	34,579.00	0.00	315.84	34,263.16	0.91
TOTAL REVENUES	34,579.00	0.00	315.84	34,263.16	0.91
=====					
<u>EXPENDITURE SUMMARY</u>					
BUILDING & GROUNDS	221,311.00	0.00	40,104.25	181,206.75	18.12
TOTAL EXPENDITURES	221,311.00	0.00	40,104.25	181,206.75	18.12
=====					
EVENUES OVER/(UNDER) EXPENDITURES	( 186,732.00)	0.00	( 39,788.41)	( 146,943.59)	21.31

CITY OF HELOTES  
 REVENUE & EXPENSE REPORT - UNAUDITED  
 AS OF: FEBRUARY 13TH, 2015

03 -CAPITAL REPLACEMENT  
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>MISCELLANEOUS REVENUE</u>					
406-1010 INTEREST EARNED	179.00	0.00	15.84	163.16	8.85
406-1016 EDC CAPITAL - TRANSFER IN	30,000.00	0.00	0.00	30,000.00	0.00
406-1017 ADMIN MISC REVENUES	0.00	0.00	0.00	0.00	0.00
406-1018 PD MISC REVENUES	1,500.00	0.00	300.00	1,200.00	20.00
406-1019 FD MISC REVENUES	2,900.00	0.00	0.00	2,900.00	0.00
406-1021 TRANSFERS IN/OUT- OTHER FUND	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS REVENUE	34,579.00	0.00	315.84	34,263.16	0.91
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TOTAL REVENUES	34,579.00	0.00	315.84	34,263.16	0.91
	=====	=====	=====	=====	=====

CITY OF HELOTES  
 REVENUE & EXPENSE REPORT - UNAUDITED  
 AS OF: FEBRUARY 13TH, 2015

13 -CAPITAL REPLACEMENT  
 BUILDING & GROUNDS  
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>CAPITAL OUTLAY</u>					
50-5501 FIRE DEPT PURCHASES	8,588.00	0.00	0.00	8,588.00	0.00
50-5509 EDC CAPITAL EXPENDITURES	205,800.00	0.00	40,104.25	165,695.75	19.49
50-5510 POLICE DEPT PURCHASES	6,923.00	0.00	0.00	6,923.00	0.00
50-5511 ADMINISTRATION PURCHASES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL CAPITAL OUTLAY	221,311.00	0.00	40,104.25	181,206.75	18.12
<hr/>					
TOTAL BUILDING & GROUNDS	221,311.00	0.00	40,104.25	181,206.75	18.12
<hr/>					
TOTAL EXPENDITURES	<u>221,311.00</u>	<u>0.00</u>	<u>40,104.25</u>	<u>181,206.75</u>	<u>18.12</u>
=====					
REVENUES OVER/(UNDER) EXPENDITURES	( 186,732.00)	0.00	( 39,788.41)	( 146,943.59)	21.31
=====					

\*\*\* END OF REPORT \*\*\*

CITY OF HELOTES  
 REVENUE & EXPENSE REPORT - UNAUDITED  
 AS OF: FEBRUARY 13TH, 2015

05 -ECONOMIC DEVELOPMENT CORP  
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
NON-PROPERTY TAXES	558,863.00	0.00	191,535.03	367,327.97	34.27
MISCELLANEOUS REVENUE	<u>2,000.00</u>	<u>0.00</u>	<u>813.01</u>	<u>1,186.99</u>	<u>40.65</u>
TOTAL REVENUES	560,863.00	0.00	192,348.04	368,514.96	34.30
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
ADMINISTRATION	<u>533,363.00</u>	<u>297,111.73</u>	<u>338,537.51</u>	<u>194,825.49</u>	<u>63.47</u>
TOTAL EXPENDITURES	533,363.00	297,111.73	338,537.51	194,825.49	63.47
	=====	=====	=====	=====	=====
REVENUES OVER/(UNDER) EXPENDITURES	27,500.00	( 297,111.73)	( 146,189.47)	173,689.47	531.60-

CITY OF HELOTES  
REVENUE & EXPENSE REPORT - UNAUDITED  
AS OF: FEBRUARY 13TH, 2015

05 -ECONOMIC DEVELOPMENT CORP

REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>NON-PROPERTY TAXES</u>					
101-3140 SALES TAX REVENUE	558,863.00	0.00	186,191.80	372,671.20	33.32
101-3150 MIXED BEVERAGES	0.00	0.00	5,343.23	( 5,343.23)	0.00
TOTAL NON-PROPERTY TAXES	558,863.00	0.00	191,535.03	367,327.97	34.27
<u>MISCELLANEOUS REVENUE</u>					
106-1010 INTEREST EARNED	2,000.00	0.00	813.01	1,186.99	40.65
106-1011 MISCELLANEOUS/GRANT/TRANSFERS	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS REVENUE	2,000.00	0.00	813.01	1,186.99	40.65
TOTAL REVENUES	560,863.00	0.00	192,348.04	368,514.96	34.30
	=====	=====	=====	=====	=====

CITY OF HELOTES  
 REVENUE & EXPENSE REPORT - UNAUDITED  
 AS OF: FEBRUARY 13TH, 2015

05 -ECONOMIC DEVELOPMENT CORP  
 ADMINISTRATION  
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>PERSONNEL</u>					
510-5103 SOCIAL SECURITY	0.00	0.00	0.00	0.00	0.00
TOTAL PERSONNEL	0.00	0.00	0.00	0.00	0.00
<u>CONTRACTUAL SERVICES</u>					
510-5201 MEMBERSHIP, DUES & LICENSES	6,800.00	0.00	1,396.81	5,403.19	20.54
510-5202 AUDIT FEES	2,800.00	0.00	1,400.00	1,400.00	50.00
510-5203 SCHOOLS, SEMINARS, CONFERENCES	2,100.00	0.00	0.00	2,100.00	0.00
510-5204 ICSC CONF TEXAS & RECON LV	8,200.00	0.00	4,791.57	3,408.43	58.43
510-5206 LEGAL FEES	3,000.00	0.00	450.00	2,550.00	15.00
510-5207 FACADE/TENANT IMPROVEMENT	30,000.00	0.00	6,175.00	23,825.00	20.58
510-5208 CONCEPTUAL DESIGN/USE	10,000.00	0.00	0.00	10,000.00	0.00
510-5209 380 AGREEMENT REIMBURSEMENT	3,800.00	0.00	0.00	3,800.00	0.00
510-5210 WORKSHOPS & PROMOTION	1,500.00	0.00	175.00	1,325.00	11.67
510-5211 MARKETING	50,000.00	0.00	3,000.00	47,000.00	6.00
510-5212 WEBSITE DEV. & MAINTENANCE	1,500.00	0.00	0.00	1,500.00	0.00
510-5214 REIMBURSE CITY - OPERATING EXP	12,000.00	0.00	0.00	12,000.00	0.00
510-5215 REIMBURSE CITY -DEBT PRINCIPAL	180,000.00	180,000.00	180,000.00	0.00	100.00
510-5216 REIMBURSE CITY -DEBT INTEREST	114,953.00	114,953.00	114,953.00	0.00	100.00
510-5219 REIMBURSE CITY-SALARY	55,954.00	1,892.73	20,403.13	35,550.87	36.46
510-5220 REIMBURSE CITY - BENEFITS	14,000.00	266.00	4,572.78	9,427.22	32.66
TOTAL CONTRACTUAL SERVICES	496,607.00	297,111.73	337,317.29	159,289.71	67.92
<u>COMMODITIES</u>					
510-5301 OFFICE SUPPLIES	2,000.00	0.00	259.80	1,740.20	12.99
510-5302 OPERATIONAL EXPENSES	1,200.00	0.00	608.48	591.52	50.71
510-5304 WEBSITE - BUSINESS DIRECTORY	2,000.00	0.00	176.00	1,824.00	8.80
510-5305 COMMUNICATION EQUIP ALLOWANCE	1,306.00	0.00	175.94	1,130.06	13.47
510-5326 EXPENSE REIMBURSEMENT -MILEAGE	250.00	0.00	0.00	250.00	0.00
TOTAL COMMODITIES	6,756.00	0.00	1,220.22	5,535.78	18.06
<u>CAPITAL OUTLAY</u>					
510-5503 TRANSFER TO CAPITAL	30,000.00	0.00	0.00	30,000.00	0.00
TOTAL CAPITAL OUTLAY	30,000.00	0.00	0.00	30,000.00	0.00
<hr/>					
TOTAL ADMINISTRATION	533,363.00	297,111.73	338,537.51	194,825.49	63.47
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TOTAL EXPENDITURES	533,363.00	297,111.73	338,537.51	194,825.49	63.47
=====					
REVENUES OVER/(UNDER) EXPENDITURES	27,500.00	( 297,111.73)	( 146,189.47)	173,689.47	531.60-
=====					

\*\*\* END OF REPORT \*\*\*

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

**Agenda Placement:**  **CONSENT**  
 **INDIVIDUAL**  
 **PRESENTATION**  
 **CLOSED**

**CAPTION:**

5. Approval of the Quarterly Investment Report dated December 31, 2014.  
(Staff)

**BACKGROUND:**

**FINANCIAL:**

**RECOMMENDATION:**

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:** Approval of Quarterly Investment Report dated December 31, 2014 as presented.

**DISPOSITION:**

**CITY OF HELOTES, TX  
ECONOMIC DEVELOPMENT CORPORATION  
Quarterly Report**

**Period Ending 12/31/14**

<b>Beginning Book Value</b>	<b>660,862</b>
<b>Beginning Market Value</b>	<b>660,862</b>
<b>Beginning Weighted Average Maturity</b>	<b>0 days</b>
<b>Beginning Yield</b>	<b>0.4515 %</b>
<b>Ending Book Value</b>	<b>745,129</b>
<b>Ending Market Value</b>	<b>745,129</b>
<b>Ending Weighted Average Maturity</b>	<b>0 days</b>
<b>Ending Yield</b>	<b>0.4258 %</b>
<b>Unrealized Gain/(Loss)</b>	<b>0</b>
<b>Change in Market Value</b>	<b>84,267</b>
<b>Benchmark Yield (12-Month Treasury Bill)</b>	<b>0.2100 %</b>

**This report has been prepared in compliance with the Investment Policy of the City of Helotes and the Public Funds Investment Act.**



**Susan Wootton, CPA- City Treasurer  
Investment Officer**



**Rick Schroder, City Administrator  
Investment Officer**



City of Helotes, TX - Economic Development Corporation

Quarterly Inventory Report  
Period Ending 12/31/2014

Purchase Date	Security	Internal Fund	Coupon or Avg Rate	Maturity Date	Yield	Par	Beginning Book	Beginning Market	Ending Book	Ending Market	Change in Market	Period Earnings	Days to Maturity
<b>Bank Money Market Accounts</b>													
N/A	Money Mkt	EDC Capital		N/A	0.100%	N/A	74,612	74,612	31,859	31,859	-42,753	14	0
N/A	Money Mkt	EDC		N/A	0.100%	N/A	125,664	125,664	252,066	252,066	126,402	0	0
N/A	Money Mkt	Austin Capital Bank		N/A	0.600%	N/A	146,786	146,786	147,008	147,008	222	222	0
N/A	Money Mkt	Crockett Bank		N/A	0.550%	N/A	245,541	245,541	245,922	245,922	381	381	0
<b>Bank Certificates of Deposit</b>													
N/A	CD	None		N/A	0.000%	N/A	0	0	0	0	0	0	0
<b>Pools</b>													
N/A	Tempool	EDC		N/A	0.033%	N/A	1,108	1,108	1,108	1,108	0	0	0
N/A	Pool	Logic		N/A	0.974%	N/A	67,151	67,151	67,166	67,166	15	15	0
<b>TOTALS</b>							<u>660,862</u>	<u>660,862</u>	<u>745,129</u>	<u>745,129</u>	<u>84,267</u>	<u>632</u>	<u>0</u>

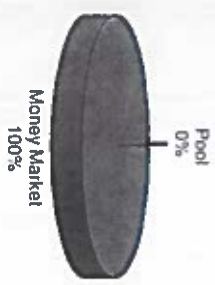
Average Maturity	30 days
Average Yield	0.4258 %
Average Benchmark	0.2100 %

1 yr TBILL

Allocation by Fund



Allocation by Investment Type



**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

6. Presentation by Armstong, Vaughan, & Associates, P.C. regarding the Fiscal Year Ending ("FYE") 2014 Audit for the City of Helotes Economic Development Corporation (the "EDC"), including the following:
- Discussion of and action on the aforementioned FYE 2014 Audit by the Board of Directors.(Staff)

**BACKGROUND:**

See attached FYE 2014 Audit.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

**CITY OF HELOTES ECONOMIC  
DEVELOPMENT CORPORATION**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2014 AND 2013**



**CULTIVATING COUNTRY**

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

PRINCIPAL OFFICERS

PRESIDENT ..... Ardith Garner  
VICE PRESIDENT .....Drue Helms  
SECRETARY ..... Keith Muhlestein  
BOARD MEMBER ..... Cynthia Massey  
BOARD MEMBER ..... Pat Wootton  
BOARD MEMBER .....Caleb Rackley  
BOARD MEMBER ..... Bert Buys

SHAREHOLDERS:  
Nancy L. Vaughan, CPA  
Deborah F. Fraser, CPA  
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
City of Helotes Economic Development Corporation  
City of Helotes, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Helotes Economic Development Corporation (a component unit of the City of Helotes) as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements which collectively comprise the City of Helotes Economic Development Corporation's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

City of Helotes Economic Development Corporation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.


*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of City of Helotes Economic Development Corporation, as of September 30, 2014 and 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Other Matters*

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Armstrong, Vaughan & Associates, P.C.

January 30, 2015

**CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the City of Helotes Economic Development Corporation, a component unit of the City of Helotes, financial performance provides an overview of the Corporation's financial activity for the fiscal year ended September 30, 2014. It should be read in conjunction with the financial statements.

**Financial Highlights**

- The Corporation's net position was \$728,731 at September 30, 2014.
- The Corporation's total revenues were \$539,195, while total expenses were \$162,238.
- The Corporation's net position increased by \$120,890 after the transfer of pledged revenue to the primary government (City of Helotes).

**Corporation Highlights**

City of Helotes Economic Development Corporation was formed in February 6, 2003 under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4B. It receives all its proceeds from the 1/2 cent sales tax adopted in 2003 for economic development in the City of Helotes.

**Using this Annual Report**

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Required Supplementary Information. The Statement of Net Position and Activities provides information on the Corporation as a whole. The Corporation's net position—the difference between assets and liabilities—provides one way to measure financial health or financial position.

**Statement of Net Position**

Table 1 shows all of the assets and liabilities of the Corporation and is presented on the accrual basis. The total net position is \$728,731.

**Table 1  
City of Helotes Economic Development Corporation  
Net Position**

	<u>2014</u>	<u>2013</u>
Cash and Investments	\$ 586,250	\$ 544,321
Accounts Receivable	108,210	89,189
Prepaid Items	440	440
Land	48,140	48,140
<b>Total Assets</b>	<u>743,040</u>	<u>682,090</u>
Liabilities	14,309	74,249
<b>Total Liabilities</b>	<u>14,309</u>	<u>74,249</u>
Net Investment in Capital Assets	48,140	48,140
Unrestricted	680,591	559,701
<b>Total Net Position</b>	<u>\$ 728,731</u>	<u>\$ 607,841</u>



## Statement of Activities

Table 2 shows all of the expenses and revenues of the Corporation and is also presented on the accrual basis. General Revenues consist of the ½ cent sales tax the Corporation receives for economic development.

**Table 2**  
**City of Helotes Economic Development Corporation**  
**Statement of Activities and Changes in Net Position**

	<u>2014</u>	<u>2013</u>
Program Revenues	\$ -	\$ -
General Revenues	<u>539,195</u>	<u>467,328</u>
<b>Total Revenues</b>	<b><u>539,195</u></b>	<b><u>467,328</u></b>
Total Expenses	<u>(162,238)</u>	<u>(101,457)</u>
Transfers In (Out) from Primary Government	<u>(256,067)</u>	<u>(328,413)</u>
<b>Total Expenditures</b>	<b><u>(418,305)</u></b>	<b><u>(429,870)</u></b>
<b>Change in Net Position</b>	<b><u>\$ 120,890</u></b>	<b><u>\$ 37,458</u></b>

## Balance Sheet

The Balance Sheet shows the assets, liabilities, and fund balances of the Corporation.

## Statement of Revenues, Expenditures, and Changes in Fund Balance

This Statement shows the revenues and expenditures for the Corporation. The largest income is from the 1/2 cent sales tax adopted in 2003 for economic development.

## Budget to Actual

The Corporation's total actual expenditures were less than budgeted amounts.

## Description of Current and Expected Conditions

The City of Helotes Economic Development Corporation initiated several projects during the fiscal year, as well as various new projects. The following list highlights some of those projects funded:

- Contracted with Terra Design Group to provide design services for the Helotes Creek Linear Park Transportation Enhancement Project;
- LNV Engineering is designing a water and sewer line located along Bandera Road from Circle A Trail to Scenic Loop Road that will be presented in March of 2015;
- Selected Giles-Parscale to provide a print and digital marketing collateral.

As sales tax revenues within the City continue to rise, the number of projects funded by the Corporation to promote new and expanding business opportunities continues to rise. Overall, the EDC continues to ensure their expected and real revenues are in line with expected and real expenditures.

## **Contacting the Corporation's Financial Management**

This financial report is designed to provide a general overview of the Corporation's finances and show the Corporation's accountability to its taxpayers. If you have any questions about this report or need additional financial information, contact the City of Helotes Economic Development Corporation at P.O. Box 507, Helotes, Texas 78023 or at (210) 695-8877.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 COMPARATIVE STATEMENTS OF NET POSITION  
 SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 586,250	\$ 544,321
Accounts Receivable - State	94,170	89,189
Due from Primary Government	14,040	-
Prepaid Items	440	440
Capital Assets:		
Land	48,140	48,140
<b>TOTAL ASSETS</b>	<b>743,040</b>	<b>682,090</b>
 <b>LIABILITIES</b>		
<i>Liabilities:</i>		
Accounts Payable	118	4,964
Accrued Liabilities	9,972	6,011
Accrued Compensated Absences	4,219	3,855
Due to Primary Government	-	59,419
<b>TOTAL LIABILITIES</b>	<b>14,309</b>	<b>74,249</b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	48,140	48,140
Unrestricted	680,591	559,701
<b>TOTAL NET POSITION</b>	<b>\$ 728,731</b>	<b>\$ 607,841</b>

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 COMPARATIVE STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>EXPENSES</b>		
Personnel	\$ 62,730	\$ 58,652
Professional Services	81,943	27,464
City Administration Cost Reimbursement	8,000	8,000
Training and Seminars	7,619	4,637
Office Supplies and Expenses	1,946	2,539
Other Expenses	-	165
<b>TOTAL EXPENSES</b>	<b>162,238</b>	<b>101,457</b>
 <b>REVENUES</b>		
<i>Program Revenues:</i>		
Charges for Services	-	-
<i>Total Program Revenues</i>	-	-
 <i>Net Governmental Activities</i>	<b>(162,238)</b>	<b>(101,457)</b>
 <i>General Revenues:</i>		
Sales Tax	537,011	465,886
Interest	2,184	1,442
<i>Total General Revenues</i>	<b>539,195</b>	<b>467,328</b>
 <i>Transfers From (To) Primary Government</i>	<b>(256,067)</b>	<b>(328,413)</b>
 <i>Change in Net Position</i>	<b>120,890</b>	<b>37,458</b>
 <b>BEGINNING NET POSITION</b>	<b>607,841</b>	<b>570,383</b>
 <b>ENDING NET POSITION</b>	<b>\$ 728,731</b>	<b>\$ 607,841</b>

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
COMPARATIVE BALANCE SHEETS  
SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>ASSETS</b>		
Cash and Investments	\$ 586,250	\$ 544,321
Accounts Receivable - State	94,170	89,189
Due from Primary Government	14,040	-
Prepaid Items	440	440
<b>TOTAL ASSETS</b>	<b>\$ 694,900</b>	<b>\$ 633,950</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 118	\$ 4,964
Accrued Liabilities	9,972	6,011
Due to Primary Government	-	59,419
<i>Total Liabilities</i>	<b>10,090</b>	<b>70,394</b>
 <i>Fund Balance:</i>		
<i>Nonspendable:</i>		
Prepaid Items	440	440
<i>Committed:</i>		
Capital Replacement	171,999	171,999
Unassigned	512,371	391,117
<i>Unassigned Fund Balance</i>	<b>684,810</b>	<b>563,556</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 694,900</b>	<b>\$ 633,950</b>
 <b>RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF NET POSITION:</b>		
<b>TOTAL FUND BALANCES</b>	<b>\$ 684,810</b>	<b>\$ 563,556</b>
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements	48,140	48,140
Accrued compensated absences are not due and payable from current financial resources and, therefore, are not reported in the governmental funds	(4,219)	(3,855)
<b>TOTAL NET POSITION</b>	<b>\$ 728,731</b>	<b>\$ 607,841</b>

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>REVENUES</b>		
Sales Tax	\$ 537,011	\$ 465,886
Interest	2,184	1,442
<b>TOTAL REVENUES</b>	<b>539,195</b>	<b>467,328</b>
 <b>EXPENDITURES</b>		
Personnel	62,366	57,466
Professional Services	81,943	27,464
City Administration Cost Reimbursement	8,000	8,000
Training and Seminars	7,619	4,637
Office Supplies and Expenses	1,946	2,539
Other Expenses	-	165
<b>TOTAL EXPENDITURES</b>	<b>161,874</b>	<b>100,271</b>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>377,321</b>	<b>367,057</b>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfer In (Out) to Primary Government	(256,067)	(328,413)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(256,067)</b>	<b>(328,413)</b>
 <b>Net Change in Fund Balance</b>	<b>121,254</b>	<b>38,644</b>
 <b>BEGINNING FUND BALANCE</b>	<b>563,556</b>	<b>524,912</b>
 <b>ENDING FUND BALANCE</b>	<b>\$ 684,810</b>	<b>\$ 563,556</b>

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE TO STATEMENTS OF NET POSITION:**

<b>NET CHANGE IN FUND BALANCE</b>	\$ 121,254	\$ 38,644
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund financial statements	(364)	(1,186)
 <b>CHANGE IN NET POSITION</b>	<b>\$ 120,890</b>	<b>\$ 37,458</b>

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014 AND 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

City of Helotes Economic Development Corporation is a nonprofit industrial corporation, with powers of taxation, created pursuant to Section 4B Article 5190.6 of Vernons Texas Civil Statutes (V.T.C.S.), as amended. City of Helotes Economic Development Corporation (hereafter referred to as the Corporation) was created February 6, 2003 to act on behalf of the City for promotion, development, and enhancement of economic development within the City of Helotes. The Corporation is a component unit of the City of Helotes. A component unit is a legally separate corporation for which the elected officials of the governmental unit are financially accountable. The Corporation is presented in the City's financial statements as a blended component unit.

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements present the financial position and results of operations of the Corporation only.

2. Basis of Presentation

The government-wide financial statements are presented in accordance with GASB 34, which mandates government-wide financial statements of net position and activities, and are presented on the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. It also requires that capital assets be recorded at cost less accumulated depreciation.

Governmental funds use the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

3. Budgets

The Corporation adopts annual operating (and if necessary capital) budget which is approved by the City Council. Formal budgetary accounting is employed as a management control. The budgets can be amended by the Board of Directors, subject to City Council approval. Actual expenditures cannot legally exceed budgeted appropriations at the fund level. All budgeted appropriations lapse at the end of each fiscal year. The budget is presented on the modified accrual basis of accounting.

4. Cash

Cash includes cash deposits and investments with maturity dates within three (3) months of the date acquired by the Development Corporation.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014 AND 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Related Party Transactions

During the course of operations, numerous transactions occur between the Corporation and the City. These receivables and payables are classified as “due from primary government” or “due to primary government” on the Balance Sheet and Statement of Net Position. The Corporation reimburses the City for its share of personnel costs and paid an agreed upon rate of \$8,000 for general administrative overhead. The Corporation has also pledged revenue to cover a portion of the City’s debt service (see note E).

During the normal course of operations, payables and receivables occur between the Corporation and City based on the timing of transactions between the two entities. These balances are expected to be paid/received in the next fiscal year.

6. Capital Assets

Capital assets, which include land, are capitalized at total acquisition cost or fair market value at the time of donation if donated. Depreciation (where applicable) is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives. Land held for future development is not depreciated.

7. Sales Tax Revenue

The citizens of the City of Helotes voted to adopt an additional one-half of one percent (1/2 cent or \$0.0050) local sales and use tax to be used by the Corporation for the promotion and development of new and expanded business enterprises and any other purposes authorized by Section 4B, Article 5190.6, V.T.C.S., as amended (the Development Corporation Act of 1979).

8. Fund Balance

Fund Balance is classified as follows:

**Nonspendable** – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

**Restricted** – Represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

**Committed** – Represents amounts that can be used only for the specific purposes determined by a formal action of the government’s highest decision-making authority. The governing board is the highest level of decision-making authority for the corporation that can commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.



CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2014 AND 2013

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Fund Balance (Continued)

Assigned – Represents amounts which the Corporation intends to use for a specific purpose but does not meet the criteria of restricted or committed. The Board of Directors may make assignments and has chosen not to delegate that authority to any other individuals.

Unassigned - Represents the residual balance that may be spent on any other purpose for the Corporation.

When an expenditure is incurred for a purpose in which multiple classifications are available, the Corporation considers restricted balances spent first, committed second, and assigned third.

9. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any loans used to purchase, construct, or improve those assets.

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- DEPOSITS AND INVESTMENTS

I. Deposits

At September 30, 2014 and 2013, the carrying amount of the Corporation's deposits was \$517,991 and \$544,321, respectively, and the bank balance was \$518,132 and \$544,321, respectively. All cash deposits were federally insured up to \$250,000 at each financial institution and are also covered by the City of Helotes' collateral support.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2014 AND 2013

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments

As of September 30, 2014, the Corporation had the following investments:

	Reported Value	Fair Value
<i>Investment Pools:</i>		
TexPool	\$ 1,108	\$ 1,108
LOGIC	67,151	67,151
	\$ 68,259	\$ 68,259

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At September 30, 2014 and 2013, the City of Helotes Economic Development Corporation was not significantly exposed to credit risk.

*Custodial Credit Risk*

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City of Helotes Economic Development Corporation's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City of Helotes Economic Development Corporation's name.

At September 30, 2014 and 2013, the City of Helotes Economic Development Corporation was not exposed to custodial credit risk.

*Concentration of Credit Risk*

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of September 30, 2014 and 2013, the City of Helotes Economic Development Corporation had no exposure to concentration of credit risk.

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2014 AND 2013

NOTE C -- CAPITAL ASSETS

Activity for assets capitalized by the Corporation is summarized below:

	Balance 10/1/2013	Additions	Deletions	Balance 9/30/2014
Land	\$ 48,140	\$ -	\$ -	\$ 48,140
	<u>\$ 48,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,140</u>

Land is not depreciated.

NOTE D -- TRANSFERS

Transfers during the year ended September 30, 2014, were as follows:

Transfer Out	Transfer In	Amount	Purpose
Economic Development Corporation	Primary Government - Debt Service	\$ 291,830	<i>pledged revenue</i>
Primary Government - Capital Projects	Economic Development Corporation	(35,763)	<i>supplement funding</i>
		<u>\$ 256,067</u>	

NOTE E -- COMMITMENTS AND CONTINGENCIES

*Litigation*

Management is not aware of any pending or threatened litigation that may have a material impact on the Corporation's financial statements.

*380 Development Agreement*

The City of Helotes and the Economic Development Corporation have entered into 380 Development agreements to encourage growth within the City. The agreements involve the City and Corporation reimbursing the project costs through refunding a portion of the sales and use taxes generated by the projects up to a maximum amount. No reimbursements have been made as of the date of this report, but the City and Corporation are recording estimated rebate amounts. The terms of the agreements are as follows:

Development	Sales Tax Refund Agreement		Maximum Grant Amount	Term
	City	EDC		
Bandera Helotes Plaza	50%	50%	\$ 300,000	10 years
Old Town Helotes Special District	50%	50%	\$ 2,000,000	N/A

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2014 AND 2013

NOTE E -- COMMITMENTS AND CONTINGENCIES (Continued)

*Pledged Revenue*

Through an Interlocal Agreement with the City of Helotes, the Economic Development Corporation has pledged a portion of its revenue over the next 20 years to reimburse the City for debt service on \$4,000,000 for the Certificates of Obligation Series 2007 issued by the City. This portion of the debt issuance was used by the Corporation for implementation of The Old Town Helotes Improvements. The Corporation transferred \$291,830 and \$293,413 during the years ended September 30, 2014 and 2013, respectively, for the debt service requirements and is up to date on payments required by the agreement. The Economic Development Corporation's future pledged revenues are as follows:

Fiscal Year Ending September 30,	Pledged Revenue
2015	\$ 294,953
2016	292,780
2017	295,313
2018	292,552
2019	294,495
2020 - 2024	1,487,872
2025 - 2027	895,795
	<u>\$ 3,853,760</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013)

	Budgeted Amounts		Actual 2014	Variance Favorable (Unfavorable)	Actual 2013
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 580,000	\$ 580,000	\$ 537,011	\$ (42,989)	\$ 465,886
Interest	2,200	2,200	2,184	(16)	1,442
<b>TOTAL REVENUES</b>	<b>582,200</b>	<b>582,200</b>	<b>539,195</b>	<b>(43,005)</b>	<b>467,328</b>
<b>EXPENDITURES</b>					
Personnel	55,954	55,954	62,366	(6,412)	57,466
Professional Services	57,796	97,796	81,943	15,853	27,464
Reimbursement to City Administration	8,000	8,000	8,000	-	8,000
Schools and Seminars	7,750	7,750	7,619	131	4,637
Office Supplies and Expenses	2,250	2,250	1,946	304	2,539
Other Expenses	18,950	18,950	-	18,950	165
<b>TOTAL EXPENDITURES</b>	<b>150,700</b>	<b>190,700</b>	<b>161,874</b>	<b>28,826</b>	<b>100,271</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>431,500</b>	<b>391,500</b>	<b>377,321</b>	<b>(14,179)</b>	<b>367,057</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) to Primary Government	(455,679)	(455,679)	(256,067)	199,612	(328,413)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(455,679)</b>	<b>(455,679)</b>	<b>(256,067)</b>	<b>199,612</b>	<b>(328,413)</b>
<b>Net Change in Fund Balance</b>	<b>(24,179)</b>	<b>(64,179)</b>	<b>121,254</b>	<b>185,433</b>	<b>38,644</b>
<b>Fund Balance - October 1</b>	<b>563,556</b>	<b>563,556</b>	<b>563,556</b>	<b>-</b>	<b>524,912</b>
<b>Fund Balance - September 30</b>	<b>\$ 539,377</b>	<b>\$ 499,377</b>	<b>\$ 684,810</b>	<b>\$ 185,433</b>	<b>\$ 563,556</b>

CITY OF HELOTES ECONOMIC DEVELOPMENT CORPORATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2014  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2013)

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Corporation maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.



CULTIVATING COUNTRY



**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

7. Discussion, direction, and / or appropriate action on the design, construction, and funding of water and sewer utilities along State Highway 16 between, generally, Scenic Loop Road and Circle A Trail. (Staff) [*Goal 1 – Capital Improvements*]

**BACKGROUND:**

LNV will submit 95% plans and revised cost estimate to the City on February 19, 2015 for review, and plan to submit to SAWS shortly after.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

8. Discussion on the status of engineering and design services for the Helotes Creek Linear Park Transportation Enhancement Project. (Staff) [*Goal 1 – Capital Improvements*]

**BACKGROUND:**

Staff met with Terra Design Group on November 31, 2014 to discuss project goals.

December 3, 2014, HEDC received a fee proposal from Terra Design Group after staff review. Comments were sent back to Terra on December 18<sup>th</sup>.

January 14, 2015, HEDC and Terra Design Group meet to discuss and finalize the contract. President Garner was able to negotiate a savings of \$20,090 from the initial fee proposal.

January 30, 2015, the final agreement was reviewed with only minor changes.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

9. Discussion on the status of EDC marketing materials. (Staff) [*Goal 4 – Effective Communication*]

**BACKGROUND:**

On January 26, 2015; President Garner and staff met to discuss firm(s) proposal and selected Giles-Parscale to design print and digital marketing material.

On February 6, 2015; President Garner and staff met with Giles-Parscale to finalize deliverables and requested a revised estimate.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

10. EDC Specialist Report:

- a. Update on current commercial developments; and
- b. TxDOT Superstreet.

**BACKGROUND:**

- a. See attached document.
- b. TxDOT has proposed a superstreet concept through Helotes from Loop 1604 to Triana Parkway. The design eliminates left hand turns onto Bandera Road from cross streets and requires traffic to turn right then make a U-turn.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

## Development Updates

Business	Location	Status	Completion
Pete's Place	14743 Old Bandera Road	Signage approved	
Shops at Old Town	14743 Old Bandera Rd.	First 4 buildings under construction	1Q - 2015
Compass Bank	12590 Bandera Rd.	Demolition under way.	2Q - 2015
Shell Gas Station	13041 Bandera Road	Site plan and signage approved	2015
Benevolent Hospice	12740 Bandera Road	Looking for residential home to house inpatient care.	2015
Walgreens	12590 Bandera Rd.	Denied incentive by City Council	2015
Auto Zone	Near Bill Miller BBQ	Site work	2015
Locascio Property	11978 Leslie Rd.	Delayed due to expansion of another project.	2015
First Choice Emergency Room	Bandera Rd. & Cedar Trail	Pending Civil Review	2015

### Prospects

AdvanceAuto	12929 Bandera Road	Inquired about signage regulations.
Murphy Oil	Bandera Road	Evaluating sites
Sign Manufacturer		Evaluating sites
Limousine Company	Bandera Road	Looking for lease space
Salon & Barber Shop	14743 Old Bandera Road	Negotiating lease
UT Health Childrens Clinic	9708 Business Pkwy	Requires off-premise signage
Driftwood Media	Old Town Helotes	Looking for lease space
Marvelously Made	14837 Old Bandera Road	Feasability review

### Utility Improvements

LNV	Water and Sewer service along Bandera Road between Circle A Trail and Scenic Loop Road.	Finalizing construction plans	Dec. 2014
TxDot	Hausman Road widening to 4 lanes	Funding 2015	2016
TxDot	FM 1560 & Bandera Road realignment	Funding 2015	2016

### Businesses Closed

Mekong Gardens	12916 Bandera Road
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**City of Helotes EDC  
AGENDA ITEM REQUEST FORM**

Agenda Placement:  CONSENT  
 INDIVIDUAL  
 PRESENTATION  
 CLOSED

**CAPTION:**

11. Discussion, direction, and / or appropriate action regarding an Employee Evaluation for the Helotes EDC Economic Development Specialist. (Staff)

**BACKGROUND:**

On December 3, 2014; HEDC Board of Directors approved a one-time bonus for the EDC Specialist with further evaluation and consideration to be addressed at the next scheduled EDC meeting.

On January 21, 2015; HEDC Board of Directors approved postponing further discussion until the next scheduled meeting.

**FINANCIAL:**

**RECOMMENDATION:** N/A

**SUBMITTED BY:**

**DATE SUBMITTED:**

**SUGGESTED MOTION:**

**DISPOSITION:**

**Glenn Goolsby**

**EDC Specialist**

**\*Searched under job title "Economic Development Director"**

<b>Brief Job Description:</b>	Plans, directs, manages and coordinates activities of staff involved in economic development initiatives. Negotiates with industry representatives to encourage location in area. Directs activities such as research, analysis and evaluation of technical information to determine the feasibility and economic impact of proposed expansions. Education: Bachelor's Degree; Experience: 5 years.								
Municipality	Population	Region	# of Emp.	Municipality's Job Title	Job Reports To	Range Min	Range Max	Actual Average	Date
Kyle	26,103	Alamo Region-San Antonio Area	1	Director of Economic Development	Director of Community Development	\$69,869.00	\$89,268.00	\$81,058.00	04/10/2013
Seguin	26,394	Alamo Region-San Antonio Area	1	Economic Development Director	City Manager	\$73,787.00	\$106,725.00	\$90,529.00	05/01/2013

**\*Searched under job title "Mainstreet Manager"**

<b>Brief Job Description:</b>	Coordinates the downtown revitalization plan and programs with an effort to encourage the beautification of the downtown area and development of the public educational and cultural entities located in the district. Education: Bachelor's Degree; Experience: 2 years.								
Municipality	Population	Region	# of Emp.	Municipality's Job Title	Job Reports To	Range Min	Range Max	Actual Average	Date
San Marcos	52,927	Alamo Region-San Antonio Area	1	Main Street Program Manager	Asst Director of Community Services	\$47,112.00	\$70,678.00	\$69,909.00	05/02/2013
Seguin	26,394	Alamo Region-San Antonio Area	1	Mainstreet Director	Asst. City Manager	\$49,515.00	\$71,611.00	\$68,127.00	05/01/2013

**\*Searched under job title "Executive Secretary"**

<b>Brief Job Description:</b>	Advanced secretarial work in support of a Department Director. Compose, prepare and review a variety of memorandums, correspondence, reports, affidavits, statements, public notices and documents. Handle confidential information. Participate in								
Municipality	Population	Region	# of Emp.	Municipality's Job Title	Job Reports To	Range Min	Range Max	Actual Average	Date
San Marcos	52,927	Alamo Region-San Antonio Area	5	Administrative Coordinator		\$36,920.00	\$55,390.00	\$48,485.00	05/02/2013
Seguin	26,394	Alamo Region-San Antonio Area	2	Main Street Assistant	Main Street Director	\$30,081.00	\$43,487.00	\$43,055.00	05/01/2013

Average of above positions = **\$66,860.50**

### Grade and Step Breakdown Chart 2013

Each Step = \$1,348.55

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10
<b>GRADE 1</b>	\$22,240	\$23,588	\$24,937	\$26,285	\$27,634	\$28,983	\$30,331	\$31,680	\$33,028	\$34,377
26 Pay Periods	\$ 855.38	\$ 907.24	\$ 959.11	\$ 1,010.98	\$ 1,062.84	\$ 1,114.71	\$ 1,166.58	\$ 1,218.45	\$ 1,270.31	\$ 1,322.18
2080 Hours	\$ 10.692	\$ 11.341	\$ 11.989	\$ 12.637	\$ 13.286	\$ 13.934	\$ 14.582	\$ 15.231	\$ 15.879	\$ 16.527
2756 Hours	\$ 8.070	\$ 8.559	\$ 9.048	\$ 9.538	\$ 10.027	\$ 10.516	\$ 11.005	\$ 11.495	\$ 11.984	\$ 12.473
<b>GRADE 2</b>	\$35,725	\$37,074	\$38,422	\$39,771	\$41,119	\$42,468	\$43,817	\$45,165	\$46,514	\$47,862
26 Pay Periods	\$ 1,374.05	\$ 1,425.92	\$ 1,477.78	\$ 1,529.65	\$ 1,581.52	\$ 1,633.38	\$ 1,685.25	\$ 1,737.12	\$ 1,788.99	\$ 1,840.85
2080 Hours	\$ 17.176	\$ 17.824	\$ 18.472	\$ 19.121	\$ 19.769	\$ 20.417	\$ 21.066	\$ 21.714	\$ 22.362	\$ 23.011
2756 Hours	\$ 12.963	\$ 13.452	\$ 13.941	\$ 14.431	\$ 14.920	\$ 15.409	\$ 15.899	\$ 16.388	\$ 16.877	\$ 17.367
<b>GRADE 3</b>	\$49,211	\$50,559	\$51,908	\$53,256	\$54,605	\$55,954	\$57,302	\$58,651	\$59,999	\$61,348
26 Pay Periods	\$ 1,892.72	\$ 1,944.59	\$ 1,996.46	\$ 2,048.32	\$ 2,100.19	\$ 2,152.06	\$ 2,203.93	\$ 2,255.79	\$ 2,307.66	\$ 2,359.53
2080 Hours	\$ 23.659	\$ 24.307	\$ 24.956	\$ 25.604	\$ 26.252	\$ 26.901	\$ 27.549	\$ 28.197	\$ 28.846	\$ 29.494
2756 Hours	\$ 17.856	\$ 18.345	\$ 18.834	\$ 19.324	\$ 19.813	\$ 20.302	\$ 20.792	\$ 21.281	\$ 21.770	\$ 22.260
<b>GRADE 4</b>	\$62,696	\$64,045	\$65,393	\$66,742	\$68,090	\$69,439	\$70,788	\$72,136	\$73,485	\$74,833
26 Pay Periods	\$ 2,411.39	\$ 2,463.26	\$ 2,515.13	\$ 2,567.00	\$ 2,618.86	\$ 2,670.73	\$ 2,722.60	\$ 2,774.47	\$ 2,826.33	\$ 2,878.20
2080 Hours	\$ 30.142	\$ 30.791	\$ 31.439	\$ 32.087	\$ 32.736	\$ 33.384	\$ 34.032	\$ 34.681	\$ 35.329	\$ 35.978
2756 Hours	\$ 22.749	\$ 23.238	\$ 23.728	\$ 24.217	\$ 24.706	\$ 25.196	\$ 25.685	\$ 26.174	\$ 26.664	\$ 27.153
<b>GRADE 5</b>	\$76,182	\$77,530	\$78,879	\$80,227	\$81,576	\$82,925	\$84,273	\$85,622	\$86,970	\$88,319
26 Pay Periods	\$ 2,930.07	\$ 2,981.94	\$ 3,033.80	\$ 3,085.67	\$ 3,137.54	\$ 3,189.40	\$ 3,241.27	\$ 3,293.14	\$ 3,345.01	\$ 3,396.87
2080 Hours	\$ 36.626	\$ 37.274	\$ 37.923	\$ 38.571	\$ 39.219	\$ 39.868	\$ 40.516	\$ 41.164	\$ 41.813	\$ 42.461
2756 Hours	\$ 27.642	\$ 28.131	\$ 28.621	\$ 29.110	\$ 29.599	\$ 30.089	\$ 30.578	\$ 31.067	\$ 31.557	\$ 32.046
<b>GRADE 6</b>	\$89,667	\$91,016	\$92,364	\$93,713	\$95,061	\$96,410	\$97,759	\$99,107	\$100,456	\$101,804
26 Pay Periods	\$ 3,448.74	\$ 3,500.61	\$ 3,552.48	\$ 3,604.34	\$ 3,656.21	\$ 3,708.08	\$ 3,759.95	\$ 3,811.81	\$ 3,863.68	\$ 3,915.55
2080 Hours	\$ 43.109	\$ 43.758	\$ 44.406	\$ 45.054	\$ 45.703	\$ 46.351	\$ 46.999	\$ 47.648	\$ 48.296	\$ 48.944
2756 Hours	\$ 32.535	\$ 33.025	\$ 33.514	\$ 34.003	\$ 34.493	\$ 34.982	\$ 35.471	\$ 35.960	\$ 36.450	\$ 36.939



**Grade and Step Breakdown Chart 2013**

Each Step = \$1,348.55

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7	STEP 8	STEP 9	STEP 10
<b>GRADE 7</b>	\$103,153	\$104,501	\$105,850	\$107,198	\$108,547	\$109,896	\$111,244	\$112,593	\$113,941	\$115,290
26 Pay Periods	\$ 3,967.41	\$ 4,019.28	\$ 4,071.15	\$ 4,123.02	\$ 4,174.88	\$ 4,226.75	\$ 4,278.62	\$ 4,330.49	\$ 4,382.35	\$ 4,434.22
2080 Hours	\$ 49.593	\$ 50.241	\$ 50.889	\$ 51.538	\$ 52.186	\$ 52.834	\$ 53.483	\$ 54.131	\$ 54.779	\$ 55.428
2756 Hours	\$ 37.428	\$ 37.918	\$ 38.407	\$ 38.896	\$ 39.386	\$ 39.875	\$ 40.364	\$ 40.854	\$ 41.343	\$ 41.832
<b>GRADE 8</b>	\$116,638	\$117,987	\$119,335	\$120,684	\$122,032	\$123,381	\$124,730	\$126,078	\$127,427	\$128,775
26 Pay Periods	\$ 4,486.09	\$ 4,537.96	\$ 4,589.82	\$ 4,641.69	\$ 4,693.56	\$ 4,745.42	\$ 4,797.29	\$ 4,849.16	\$ 4,901.03	\$ 4,952.89
2080 Hours	\$ 56.076	\$ 56.724	\$ 57.373	\$ 58.021	\$ 58.669	\$ 59.318	\$ 59.966	\$ 60.614	\$ 61.263	\$ 61.911
2756 Hours	\$ 42.322	\$ 42.811	\$ 43.300	\$ 43.790	\$ 44.279	\$ 44.768	\$ 45.257	\$ 45.747	\$ 46.236	\$ 46.725
<b>GRADE 9</b>	\$130,124	\$131,472	\$132,821	\$134,169	\$135,518	\$136,867	\$138,215	\$139,564	\$140,912	\$142,261
26 Pay Periods	\$ 5,004.76	\$ 5,056.63	\$ 5,108.50	\$ 5,160.36	\$ 5,212.23	\$ 5,264.10	\$ 5,315.97	\$ 5,367.83	\$ 5,419.70	\$ 5,471.57
2080 Hours	\$ 62.560	\$ 63.208	\$ 63.856	\$ 64.505	\$ 65.153	\$ 65.801	\$ 66.450	\$ 67.098	\$ 67.746	\$ 68.395
2756 Hours	\$ 47.215	\$ 47.704	\$ 48.193	\$ 48.683	\$ 49.172	\$ 49.661	\$ 50.151	\$ 50.640	\$ 51.129	\$ 51.619
<b>GRADE 10</b>	\$143,609	\$144,958	\$146,306	\$147,655	\$149,003	\$150,352	\$151,701	\$153,049	\$154,398	\$155,746
26 Pay Periods	\$ 5,523.43	\$ 5,575.30	\$ 5,627.17	\$ 5,679.04	\$ 5,730.90	\$ 5,782.77	\$ 5,834.64	\$ 5,886.51	\$ 5,938.37	\$ 5,990.24
2080 Hours	\$ 69.043	\$ 69.691	\$ 70.340	\$ 70.988	\$ 71.636	\$ 72.285	\$ 72.933	\$ 73.581	\$ 74.230	\$ 74.878
2756 Hours	\$ 52.108	\$ 52.597	\$ 53.087	\$ 53.576	\$ 54.065	\$ 54.554	\$ 55.044	\$ 55.533	\$ 56.022	\$ 56.512