

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
Fiscal Year 2017 - 2018**

Prepared for the City Council of the City of
Nassau Bay, Texas

November 2018

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
For Fiscal Year 2017 – 2018**

Prepared for the City Council of the City of Nassau Bay, Texas

In accordance with the by-laws of the Nassau Bay Economic Development Corporation, this annual report covering the period October 1, 2017 - September 30, 2018, is submitted as required by paragraph 5.(b). The following items summarize major EDC activities and decisions for Fiscal Year 2017 - 2018:

1. Annual Election of Officers – those being Mark Denman as President, Jonathan Amdur as Vice President, Cindy Harreld-DeWease as Secretary, and Bryce Klug as Treasurer (10/30/2017 meeting).
2. Approved draft of EDC Annual Report for Fiscal Year 2016-2017 as prepared by Staff and to be presented to Council (10/30/2017 meeting).
3. Approved orders for payment, totaling \$31,610.47, to reimburse the City for invoices paid on behalf of the EDC (10/30/2017 meeting).
4. Designated two representatives, President Mark Denman and Secretary Cindy Harreld-DeWease, to serve on the Economic Development and Tourism Plan Steering Committee (10/30/2017 meeting).
5. Approved orders for payment, totaling \$48,014.38, to reimburse the City for invoices paid on behalf of the EDC (01/29/2018 meeting).
6. Approved the January 2018 financial statements (01/29/18 meeting).
7. Received an update on the Fire Station / EMS Facility (01/29/2018 meeting).
8. Receive an update on the Economic Development and Tourism Plan (01/29/2018 meeting).
9. Approved orders for payment, totaling \$14,213.50, to reimburse the City for invoices paid on behalf of EDC (04/30/2018 meeting).
10. Accepted audited financial statements for Fiscal Year ending September 30, 2017 (04/30/2018 meeting).

11. Approved draft of EDC's Mid-Year Report to Council as prepared by Staff (04/30/2018 meeting).
12. Received an update on the Branding Projects for the City of Nassau Bay (04/30/2018 meeting).
13. Receive an update on the Economic Development and Tourism Plan (04/30/2018 meeting).
14. Received an update on the Fire Station / EMS Facility (04/30/2018 meeting).
15. Authorized the City Manager to purchase storm water drainage equipment (08/06/2018 meeting).
16. Approved orders for payments, totaling \$85,921.11, to reimburse the City for invoices paid on behalf of EDC (08/06/2018 meeting).
17. Approved the June 2018 financial statements (08/06/2018 meeting).
18. Approved Budget for Fiscal Year 2019 (08/06/2018 meeting).

Nassau Bay Economic Development Corporation

Un-audited Financial Statements

For Fiscal Year Ending

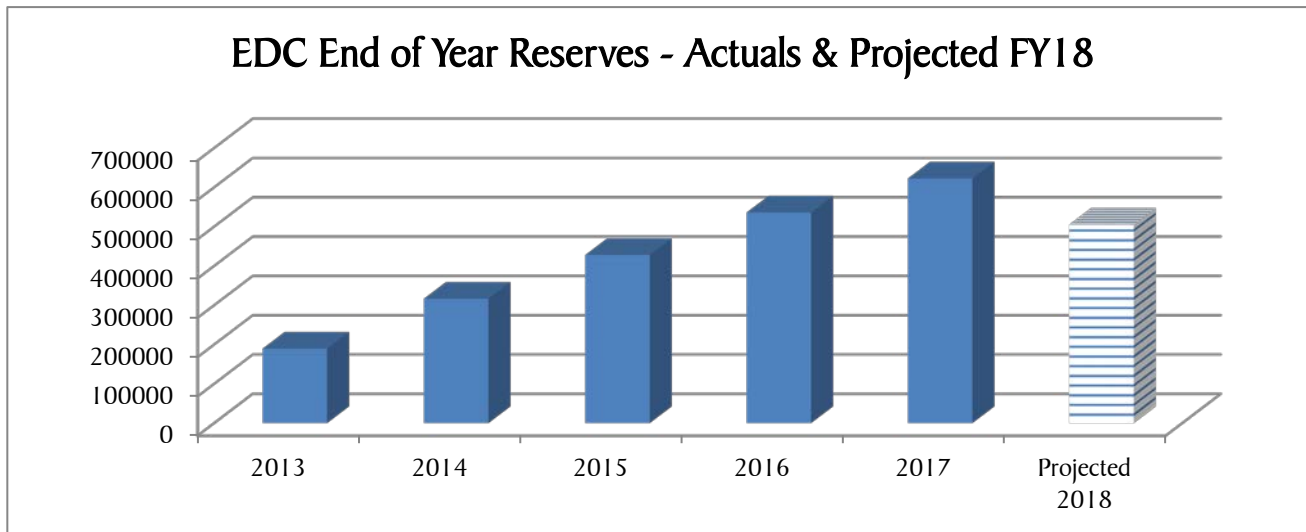
September 30, 2018

Nassau Bay Economic Development Corporation
 EDC Expense Register for FY2018
 October 1, 2017 through September 30, 2018

Date	Description	Check No. or Journal Entry	Account Number	FY18 Budget Amount	Year to Date FY18
	FY2017 Carry Forward		51-9520-99-00	\$ 622,378.00	\$ 617,958.00
	Sales Tax Revenue		51-3110-01-00	\$ 285,900.00	\$ 301,436.00
	Interest on Investments		51-3020-01-00	\$ 1,000.00	\$ 9,155.26
	End of Year Reserve		51-9525-99-00	\$ (254,828.00)	\$ (254,828.00)
				\$ 654,450.00	
Check Register				FY18 Budget Amount	Year to Date FY18
Administrative Expenses			51-5000-01-00	\$ 12,000.00	
	Quarterly Installments (1st Q)				\$ 3,000.00
	Wire Transfer Fee				\$ 5.00
	Quarterly Installments (2nd Q)				\$ 3,000.00
	Wire Transfer Fees				\$ 10.00
	Quarterly Installments (3rd & 4th Q)				\$ 6,000.00
Audit			51-5001-01-00	\$ 7,730.00	
	Belt Harris Pechacek LLLP				\$ 7,730.00
Promotion/Consulting			51-5002-01-00	\$ 12,000.00	
	BAHEP - Texas Conference & Deal Making				\$ 238.00
	Clear Lake Area Chamber of Commerce				\$ 10,000.00
Training			51-5004-01-00	\$ 5,000.00	
Legal			51-5005-01-00	\$ 2,000.00	
	Gregg & Gregg				\$ 1,962.50
Memberships-BAHEP/TEDC			51-5006-01-00	\$ 23,000.00	
	Bay Area Houston Economic Partnership				\$ 20,000.00
	BAHEP - 2018 ACC Billing				\$ 420.00
	Bay Area Transportation				\$ 2,500.00
Holiday Decorations			51-5008-01-00	\$ 30,000.00	
	Sherrariums Plantscaping Co - Christmas Decorations Labor & Storage				\$ 11,050.00
	Downtown Decorations Inc - Tree & Lighting Decorations				\$ 14,814.38
Undesignated Projects			51-5100-01-00	\$ 10,000.00	
	BAHEP - 2018 Annual Banquet				\$ 1,300.00
	Clear Lake Area Chamber of Commerce - Epicurean				\$ 1,500.00
Development Services			51-5109-01-00	\$ 65,000.00	
Fire Station			51-5114-01-00	\$ 487,720.00	
	Quarterly Debt Service Transfer (1st Q)				\$ 14,055.00
	The HJK Group, Inc. - Construction Phase, Fee Adjustment				\$ 20,430.00
	Quarterly Debt Service Transfer (2nd Q)				\$ 14,055.00
	MetalTech Service - WTC Steel				\$ 1,536.00
	Accuvent - Vent hood				\$ 3,447.50
	Quarterly Debt Service Transfer (3rd Q)				\$ 14,055.00
	Fire Station FFE Items (approved in July)				\$ 78,589.79
	Quarterly Debt Service Transfer (4th Q)				\$ 14,055.00
	Fire Station FFE Items				\$ 81,384.81
Economic Development Tax Incentive			51-5115-01-00		
	Economic Development Incentive (3rd Q)				\$ 3,009.65
				Budgeted	YTD FY18
Total Budget				\$ 654,450.00	\$ 328,147.63
FY18 TOTAL Orders for Payment at 09/30/18					\$ 84,394.46

Nassau Bay Economic Development Corporation
 Projected EDC YE Cash Position at 09/30/2018

75-1013-51-00	EDC EQUITY - Texas Citizens BizReward Checking	20,124
75-1034-51-00	EDC EQUITY - Texas Citizens BizReward Savings	15,229
75-1032-51-00	EDC EQUITY - Texpool	614,331
EDC Cash Balance as of 09/30/2018		649,684
<i>Projected Revenue from October to November</i>		<i>55,160</i>
<i>Projected Expenditures through September 30, 2018</i>		<i>(200,000)</i>
<i>Anticipated Year End Cash Position</i>		<i>504,844</i>
Budgeted Anticipated Year End Cash Position		254,828



CITY OF NASSAU BAY INVESTMENT PORTFOLIO
September 30, 2018

Economic Development Corporation

	Investments 9/1/2018	Additions	Interest	Withdrawals	Investments 9/30/2018
Texpool - EDC - Int. Rate 1.9953%	\$ 601,788.01	\$ 25,598.41	\$ 999.97	\$ 14,055.00	\$ 614,331.39
TCB - EDC BizReward Checking	\$ 20,123.85	\$ -	\$ -	\$ -	\$ 20,123.85
TCB - EDC BizReward Savings - Int. Rate .32%	\$ 15,224.50	\$ -	\$ 4.09	\$ -	\$ 15,228.59
Total EDC Investments	\$ 637,136.36	\$ 25,598.41	\$ 1,004.06	\$ 14,055.00	\$ 649,683.83

Nassau Bay Economic Development Corporation
FY18 Sales Tax Revenue - As of October 2018
September 30, 2018

% of the Sales Tax Revenue Accrual Year Complete:	91.7%
% of Budgeted Revenue Received:	105.4%

Month	EDC	EDC	EDC	EDC	EDC	EDC	EDC
	Year-Ended 9/30/2012	Year-Ended 9/30/2013	Year-Ended 9/30/2014	Year-Ended 9/30/2015	Year-Ended 9/30/2016	Year-Ended 9/30/2017	Year-Ended 9/30/2018
	FY12	FY13	FY14	FY15	FY16	FY17	FY18
December	\$ 16,878	\$ 18,947	\$ 25,286	\$ 20,578	\$ 24,093	\$ 21,076	\$ 34,755
January	\$ 21,408	\$ 20,835	\$ 24,465	\$ 18,190	\$ 21,360	\$ 22,706	\$ 26,179
February	\$ 18,985	\$ 23,862	\$ 29,858	\$ 28,836	\$ 28,645	\$ 27,051	\$ 27,147
March	\$ 17,259	\$ 14,036	\$ 23,521	\$ 23,468	\$ 24,101	\$ 23,952	\$ 23,514
April	\$ 17,392	\$ 15,838	\$ 14,866	\$ 20,168	\$ 20,715	\$ 22,218	\$ 22,291
May	\$ 20,367	\$ 22,801	\$ 20,998	\$ 27,701	\$ 23,351	\$ 28,086	\$ 31,554
June	\$ 18,204	\$ 24,799	\$ 18,332	\$ 24,546	\$ 22,430	\$ 20,108	\$ 23,618
July	\$ 18,540	\$ 20,842	\$ 18,257	\$ 20,548	\$ 32,286	\$ 21,891	\$ 27,227
August	\$ 20,672	\$ 22,309	\$ 23,076	\$ 26,045	\$ 29,000	\$ 27,157	\$ 27,310
September	\$ 19,925	\$ 20,081	\$ 20,437	\$ 23,347	\$ 25,951	\$ 20,158	\$ 25,598
October	\$ 27,317	\$ 18,864	\$ 20,785	\$ 23,264	\$ 26,209	\$ 18,429	\$ 32,243
November	\$ 27,490	\$ 22,984	\$ 21,949	\$ 25,809	\$ 27,825	\$ 22,684	\$ 22,917
Total Projected	\$ 244,436	\$ 246,198	\$ 261,830	\$ 282,500	\$ 305,965	\$ 275,516	\$ 324,353
					YTD Actual (included Oct.)		\$ 301,436
Budget	\$ 205,200	\$ 213,000	\$ 238,000	\$ 260,000	\$ 276,200	\$ 285,900	\$ 285,900
Over/(Under) Budget	\$ 39,236	\$ 33,198	\$ 23,830	\$ 22,500	\$ 29,765	\$ (10,384)	\$ 15,536
% Over/(Under) Budget	19%	16%	10%	9%	11%	-3.6%	5.4%
Received YTD	\$ 91,922	\$ 93,519	\$ 117,996	\$ 111,240	\$ 118,914	\$ 117,003	\$ 301,436
% of Budget	44.8%	43.9%	49.6%	42.8%	43.1%	40.9%	105.4%

**Italics are projected amounts*

October 2018 Total Sales Tax Report

92% Sales Tax Year Complete

Historical October Sales Tax

FY 2013	\$ 66,024
FY 2014	\$ 72,746
FY 2015	\$ 81,424
FY 2016	\$ 91,732
FY 2017	\$ 64,503

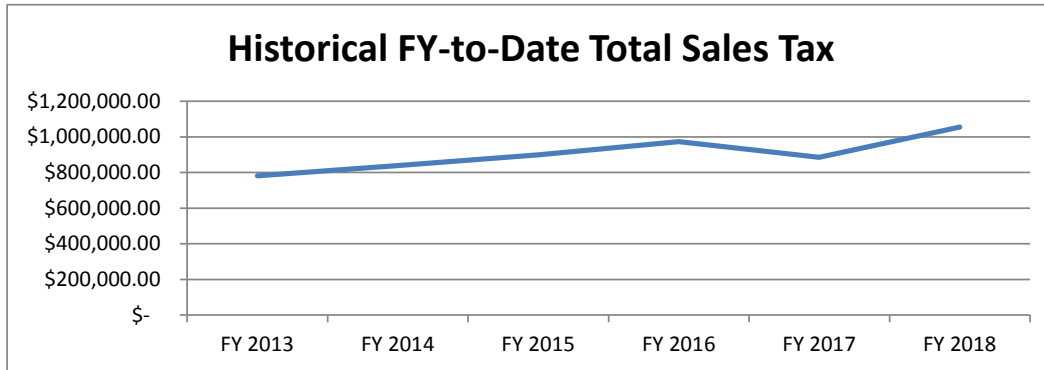
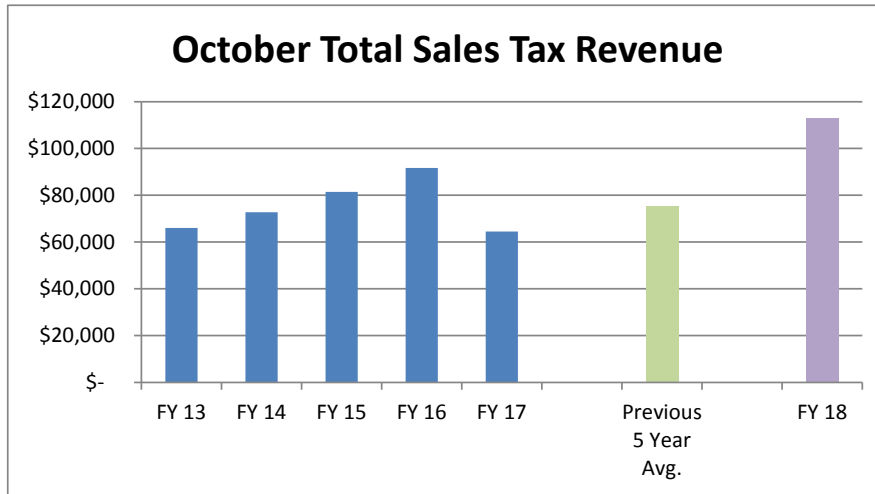
Previous 5 Year Avg. | \$ 75,286

Historical FY-to-Date Total Sales Tax

FY 2013	\$ 781,251
FY 2014	\$ 839,584
FY 2015	\$ 898,418
FY 2016	\$ 973,490
FY 2017	\$ 884,915

Previous 5 Year Avg. | \$ 875,532

<u>October 2018</u>	<u>Year-to-Date FY2018</u>
FY 2018 \$ 112,852	FY 2018 \$ 1,055,025
50% increase from 5 year average	21% increase from 5 year average
75% increase from October 2017	19% increase from October 2017
	105% % of Total Budgets (\$1,000,650)



Sales Tax Revenue Allocations

October Total Sales Tax Revenue	\$	112,852
General Fund	\$	64,487
Economic Development	\$	32,243
Street Sales Tax	\$	16,122

Year-to-Date Total Sales Tax Revenue	\$	1,055,025
General Fund	\$	602,871
Economic Development	\$	301,436
Street Sales Tax	\$	150,718

City of Nassau Bay
Balance Sheet
Period Ending: 9/2018

Fund: 51 ECONOMIC DEVELOPMENT FUND

Account Number	Description	Debit	Credit
51-1013-01-00	CASH-EDC	20,123.85	
51-1032-01-00	INVESTMENTS	614,331.38	
51-1034-01-00	EDC MMA SAVINGS	15,228.59	
51-1135-01-00	SALES TAX RECEIVABLE	.01	
51-2520-01-00	FUND BALANCE		-617,958.23
Current Year Revenue/Expense			-31,725.60
Fund totals:		649,683.83	-649,683.83
***** End of Report *****			

Fund: 51 ECONOMIC DEVELOPMENT FUND

Period Ending: 9/2018

Account Number	Description	Period Begin Balance	Period Debits	Period Credits	FYear Begin Balance	FYear Debits	FYear Credits	Ending Balance
51-1013-01-00	CASH-EDC	20,123.85	.00	.00	20,138.85	179,759.46	179,774.46	20,123.85
51-1032-01-00	INVESTMENTS	601,788.00	26,598.38	14,055.00	511,285.08	250,744.44	147,698.14	614,331.38
51-1034-01-00	EDC MMA SAVINGS	15,224.50	4.09	.00	46,793.48	45.58	31,610.47	15,228.59
51-1135-01-00	SALES TAX RECEIVABLE	.01	25,598.41	25,598.41	41,113.29	310,305.61	351,418.89	.01
51-2005-01-00	Accounts Payable	.00	.00	.00	.00	179,759.46	179,759.46	.00
51-2053-01-00	Due To Primary Government	.00	.00	.00	1,372.47-	1,372.47	.00	.00
51-2520-01-00	FUND BALANCE	617,958.23-	.00	.00	617,958.23-	.00	.00	617,958.23-
51-3020-01-00	Interest on Investments	8,151.20-	.00	1,004.06	.00	.00	9,155.26	9,155.26-
51-3110-01-00	Sales Tax Revenue	243,593.92-	.00	25,598.41	.00	41,113.28	310,305.61	269,192.33-
51-5000-01-00	Administrative Expense	12,015.00	.00	.00	.00	12,015.00	.00	12,015.00
51-5001-01-00	Audit	7,730.00	.00	.00	.00	7,730.00	.00	7,730.00
51-5002-01-00	Promotion/Consulting	10,238.00	.00	.00	.00	10,238.00	.00	10,238.00
51-5005-01-00	Legal	1,962.50	.00	.00	.00	1,962.50	.00	1,962.50
51-5006-01-00	Memberships-BAHEP/TEDC	22,920.00	.00	.00	.00	22,920.00	.00	22,920.00
51-5008-01-00	HOLIDAY DECORATIONS	25,864.38	.00	.00	.00	25,864.38	.00	25,864.38
51-5100-01-00	Economic Dev Proj-Undesignated	2,800.00	.00	.00	.00	2,800.00	.00	2,800.00
51-5114-01-00	FIRE DEPARTMENT	146,168.29	14,055.00	.00	.00	160,223.29	.00	160,223.29
51-5115-01-00	TAX INCENTIVE	2,868.82	.00	.00	.00	2,868.82	.00	2,868.82
Grand totals		.00	66,255.88	66,255.88	.00	1,209,722.29	1,209,722.29	.00

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 1 Economic Development

Program:

Period Ending: 9/2018

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-3020-01-00	Interest on Investments	1,000.00-	1,004.06-	9,155.26-		8,155.26	915.526
51-3110-01-00	Sales Tax Revenue	285,900.00-	25,598.41-	269,192.33-		16,707.67-	94.156
Subtotal:		286,900.00-	26,602.47-	278,347.59-		8,552.41-	97.019
Program number:		286,900.00-	26,602.47-	278,347.59-		8,552.41-	97.019
Department number: Economic Development		286,900.00-	26,602.47-	278,347.59-		8,552.41-	97.019

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 99 FUND RESERVE

Program:

Period Ending: 9/2018

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-9520-99-00	Prior Year Balance	622,378.00-				622,378.00-	
51-9525-99-00	End of Year Reserve	254,828.00				254,828.00	
Subtotal:		367,550.00-				367,550.00-	
Program number:		367,550.00-				367,550.00-	
Department number: FUND RESERVE		367,550.00-				367,550.00-	
Revenue	Subtotal -----	654,450.00-	26,602.47-	278,347.59-		376,102.41-	42.532

Fund: 51 ECONOMIC DEVELOPMENT FUND

Department: 1 Economic Development

Program:

Period Ending: 9/2018

Account	Description	Year Budget	Month Actual	Year To Date Actual	Encumbrce	Budget Balance	Percent Received Spent
51-5000-01-00	Administrative Expense	12,000.00		12,015.00		15.00-	100.125
51-5001-01-00	Audit	7,730.00		7,730.00			100.000
51-5002-01-00	Promotion/Consulting	12,000.00		10,238.00		1,762.00	85.317
51-5004-01-00	Training	5,000.00				5,000.00	
51-5005-01-00	Legal	2,000.00		1,962.50		37.50	98.125
51-5006-01-00	Memberships-BAHEP/TEDC	23,000.00		22,920.00		80.00	99.652
51-5008-01-00	HOLIDAY DECORATIONS	30,000.00		25,864.38		4,135.62	86.215
51-5100-01-00	Economic Dev Proj-Undesignated	10,000.00		2,800.00		7,200.00	28.000
51-5109-01-00	Development Services	65,000.00				65,000.00	
51-5114-01-00	FIRE DEPARTMENT	487,720.00	14,055.00	160,223.29		327,496.71	32.851
51-5115-01-00	TAX INCENTIVE			2,868.82		2,868.82-	
Subtotal:		654,450.00	14,055.00	246,621.99		407,828.01	37.684
Program number:		654,450.00	14,055.00	246,621.99		407,828.01	37.684
Department number: Economic Development		654,450.00	14,055.00	246,621.99		407,828.01	37.684
Expenditure Subtotal -----		654,450.00	14,055.00	246,621.99		407,828.01	37.684
Fund number: 51 ECONOMIC DEVELOPMENT FUND			12,547.47-	31,725.60-		31,725.60-	

***** End of Report *****

OFFICER INFORMATION ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 2017

Officers are re-elected as follows:

President	Mark Denman
Vice President	Jonathan Amdur
Secretary	Cindy Harreld-DeWease
Treasurer	Bryce Klug
Directors	John Mahon Matt Prior Bill Quinn

JUNE 2018

The departure of Matt Prior from the EDC left a vacancy in EDC Director slate. An appointment was needed to keep the EDC Director slate current. Director Tony Quezada was appointed to fill the unexpired term of Matt Prior.

Additionally, Council ratified by resolution the following members of the EDC by virtue of their service on Council or as appointments as directors:

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Mark A. Denman	May 31, 2020
Councilmember	John Mahon	May 31, 2019
Councilmember	Bryce Klug	May 31, 2020
Councilmember	Jonathan Amdur	May 31, 2019
Director	Cindy Harreld-DeWease	May 31, 2019
Director	Bill Quinn	May 31, 2020
Director	Tony Quezada	May 31, 2019