



Fate Development Corporation Staff Summary

To: President & Fate Development Corporation Board Members

From: Justin Weiss, Assistant City Manager; Michael Kovacs, City Manager

Date: July 31, 2019

Agenda Item & Caption: Discuss and consider approving the proposed FY 2019-2020 budget.

Action Requested: Approve the attached budget for FY 2019-2020

Overview and Background: Per the bylaws of the Fate Development Corporation, "At least 60 days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. A copy of the proposed budget shall be delivered to the City at least thirty (30) days prior to its adoption. A copy of the budget as finally adopted shall be delivered to the City."

In 2015, the Fate Development Corporation entered into an agreement with the City of Fate to provide administrative services to the FDC. It is proposed that the FDC funds 75% of the Assistant City Manager (Economic/Community Development), 10% (a decrease from 25% in previous years) of the City Manager (FDC Executive Director), and shares in approximately 10% of the cost for administrative support positions such as: City Secretary (FDC Secretary), Finance Director (FDC Treasurer), Assistant to the City Manager / Deputy City Secretary, Public Works Director, Director of Community Services and Building Safety, Planning & Development Director, Engineering, and Legal Services. Estimated total cost for the administrative services provided, not including overhead, amounts to approximately \$250,186. However, the proposed payment and transfer to the general fund in this budget is \$220,000.00.

Sales tax revenues have outpaced forecasts over the past few years and while factoring the growth in revenue, this budget still represents a modestly conservative approach in forecasted revenues at \$338,051. The beginning fund balance of \$240,572 for FY 2019-2020 is from the proposed ending fund balance of the projected FY 2018-2019 budget. Notable items in this budget are: \$250,000 for the continuation of the downtown revitalization project (contingency); \$25,000 for the façade grant program, and \$40,000 to share in the cost of relocating grocery store utilities – a carryover from previous budgets.

The proposed ending fund balance for FY 2019-2020 is \$7,623.

Supporting Documents:

- Proposed Budget for FY 2019-2020

EXHIBIT A: PROPOSED BUDGET FY 19-20

Fate Development Corporation		
	FY 18-19 Projected Budget	FY 19-20 Proposed Budget
Beginning Fund Balance	215,854	240,572
Sales Tax Revenues	322,685	338,051
Investment / Other Income	4,033	1,000
Expenditures		
Supplies	3,000	3,000
Contractual		
Support of Community Events	12,000	12,000
Public Communications (Promos/Marketing)	12,000	12,000
Consulting Services	15,000	10,000
Façade Grant Program	50,000	25,000
Downtown / Contingency (Park, FY19 Rollover)	-	250,000
Incentive to Developer (Grocery Store Utilities)	-	40,000
FDC Administrative Expense	210,000	220,000
Ending Fund Balance	240,572	7,623

**PASSED AND APPROVED BY THE FATE DEVELOPMENT CORPORATION ON THIS ____
DAY OF _____, 2019.**

APPROVED:

David Billings, President

ATTEST:

Victoria Raduechel, TRMC
City Secretary