

Angleton Better Living Corporation

The Angleton Better Living Corporation (ABLC) is funded by a 0.50% sales tax and is restricted for use on parks, recreation, and drainage-related projects.

The annual revenue collected is approximately \$2,400,000.

Currently, ABLC funds are allocated to support the following:

- The Rec Center, (\$385,508)
- The Activity Center (\$647,726)
- Paying 30% of the Total Parks Personnel department (\$382,338)
- Debt Service (\$697,248)

Additionally, ABLC funds are used for park grant match requirements and contingency repairs at the Recreation Center.

This alone takes most of the revenue that is collected on an annual basis.

- Debt Service Total is \$8,083,631.25
- Bond Payments next year, \$546,572 were higher this year but paid off 2016 bond.
- It does have the payment for the playground that was added to next year's budget for an additional payment of \$91,326.95 for 5 years
- The capacity of another bond would depend on the structure payments of the bond.
- The transfers to the Rec and Activity center depend on the revenues they bring in themselves. The transfer amount is only fully utilized if needed. They are to only keep \$100,000 in their own fund balance and the rest goes back to ABLC.
- Any other expenses to this fund or bond payment would not be advisable to exceed \$300,000 per year, there will not be any room to exceed the assistance already committed until the year 2034 when the bond payments drop.
- Things are based on current Sales Tax but with any increase so will the revenue distribution.

Current Fund Balance \$875,430,25

Additional Considerations – Impact of Reallocating ABLC Funds

Reallocating ABLC funds to support street rehabilitation would reduce available funding for these services and may result in:

- Reduced service levels
- Staffing adjustments

- Potential increases in user/program fees to offset operational costs (Cost Recovery was already adjusted for FY25-26)
- Delay or eliminate future park capital projects
- Limit the City's ability to pursue grant opportunities requiring matching funds
- Reduced park maintenance and improvements
- Delays in facility repairs and upgrades
- Reduced ability to fund future park development projects
- Increased reliance on the General Fund to support Parks & Recreation services

Bond Consideration Opportunity

There may be an opportunity to support street projects through bond funding; however, this must be balanced against existing financial commitments and overall debt capacity.

Staff previously met with Joe Morrow of Hilltop Securities Inc. to review ABLC's financial position, including current budget, fund balances, and projected sales tax revenues.

Based on this analysis:

- Funding capacity for new Certificates of Obligation (COs) in FY25-26 is very limited, with an estimated maximum borrowing capacity of approximately \$1 million
- Re-evaluation is recommended in Spring 2026 for potential issuance in FY26-27
- Current financial conditions do not support additional debt at this time
- It is recommended to structure debt service at approximately 125% of current levels to strengthen fund balance and provide a buffer against potential revenue fluctuations
- Existing debt service is scheduled to decrease beginning in 2027, which will improve future bonding capacity