

HUTCHINS EDC
September 16, 2024

Hutchins Economic Development Corporation
PROPOSED Budget Summary
FY 2024-2025

The Hutchins Economic Development Corporation (HEDC) anticipates conventional sales tax proceeds of \$1,500,000 and interest income of \$100,000 for the next fiscal year. The HEDC forecasts the HEDC will have approximately \$4,532,500 in its accounts on October 1, 2024. Therefore, the Hutchins Economic Development Corporation anticipates \$ 6,132,500, in available funds for fiscal year 2024-2025.

Contained in this packet is a line-item budget of general and capital expenditures for the Hutchins Economic Development Corporation. In the next fiscal year, the proposed budget will assign \$4,254,159. If all budgeted monies are expended, the Hutchins Economic Development Corporation will hold \$1,878,342 in available funds at the end of the 2024-2025 fiscal year.

The following is a brief explanation for each line item contained in the Hutchins Economic Development Corporation budget.

REVENUES

Beginning Balance - This represents the amount of unencumbered funds the HEDC is expected to have on October 1, 2024. It serves as the starting point for financial planning and provides a baseline for assessing the HEDC's financial position.

Sales Tax - The HEDC receives half a cent or 0.5% of the local sales tax rate. This revenue source is important for the HEDC's operations as it contributes to funding economic development initiatives and programs aimed at promoting business growth within the community.

Interest Income - This is the interest earned on HEDC assets. By generating interest income, the HEDC can augment its financial resources and allocate the additional funds towards supporting various economic development projects and activities.

EXPENSES

Advertising - Expenditures for marketing purposes or items that promote the HEDC to external markets. Advertising efforts play a crucial role in attracting businesses, investors, and developers to the area, fostering economic growth and enhancing the visibility of the City of Hutchins.

Administrative Costs - These costs are a reimbursement for essential administrative services provided by the City of Hutchins to support the HEDC. They include functions such as Human Resources Management, City Secretary, Finance, and Management, which are necessary for the smooth operation of the HEDC.

Annual Audit and Accounting - The annual audit and accounting service ensures transparency and accountability in the HEDC's financial operations. It provides an independent assessment of the HEDC's financial statements and helps maintain compliance with legal and regulatory requirements.

Automobile - The cost of automobile expenses related to HEDC business, including gas and routine maintenance. These expenses are necessary for Staff and Board Members to travel to meetings, site visits, and other business-related activities, enabling effective communication and engagement with stakeholders.

Business Retention Efforts - Expenditures for activities aimed at promoting the retention and expansion of existing businesses. These efforts help create a supportive environment for local businesses, encouraging their growth and sustainability, which in turn contributes to the economic vitality of the community.

Causality and Liability Insurance - Liability insurance provides protection for the HEDC and the City of Hutchins against potential legal liabilities. It safeguards the organization's interests and mitigates financial risks associated with potential lawsuits or claims.

Community Events - Expenditures to promote and support community activities that encourage visitors to Hutchins. These events enhance community engagement, boost tourism, and contribute to the local economy by attracting visitors and promoting a positive image of the area.

Computer and Office Supplies - These expenditures cover the procurement of general consumable office supplies required for the day-to-day business functions of the HEDC.

Lease Agreements/Computer Expenses - Expenses related to the maintenance of the HEDC computer system, lease of software, and services provided by Baxter IT. These costs are necessary to maintain a reliable and secure technology infrastructure, enabling efficient operations and data management.

Dues and Subscriptions - Dues to organizations and subscriptions for publications relevant to the HEDC's mission, such as TML, NCTCOG, Texas Economic Development Council, International Economic Development Council, and Dallas Area Economic Development Association. These memberships and subscriptions provide valuable resources, networking opportunities, and access to industry expertise.

Promotion - This item will be used for promotional activities such as Team Texas, DFW Marketing Team, Dallas Regional Chamber and participation in trade shows and targeted industry events. Expenditures of HEDC proceeds for publicity and public relations purposes or items that promote the HEDC to internal and external markets including catering, meals and other promotional activities of HEDC Stakeholders and Clients including Developers, Local Business Representatives, Citizens, HEDC Board Members, City Council and City Employees in the context of HEDC business.

Building Maintenance and Lawn Care - These expenses relate to the aesthetic upkeep of HEDC real property. Maintaining the appearance and functionality of City owned buildings contributes to the overall appeal of the area, attracting businesses and enhancing the local environment.

Miscellaneous - This budget item accounts for unexpected or unbudgeted items necessary for the operation of the HEDC. It provides flexibility to address unforeseen needs or emergent opportunities that arise during the fiscal year.

Office Building Insurance and Security - Property and liability insurance through TML Risk Management Insurance. This coverage safeguards the City's assets and provides protection against potential property damage, theft, or liability claims, ensuring the organization's financial security.

Printing and Mailing - These expenditures cover shipping costs, correspondence handling, and the production and printing of materials. Efficient printing and mailing services are essential for effective communication with stakeholders and maintaining the HEDC's professional image.

Repair and Maintenance - Funds allocated to repair and maintain the HEDC office and real property. These expenses are necessary to ensure a safe and functional working environment, prolong the lifespan of assets, and address any maintenance issues that may arise.

Salaries - Wages paid to the Executive Director, including benefits.

Telephone & Communications - This expense includes office phone, cell phone, and internet services. Reliable communication services are essential for effective internal and external communication, facilitating collaboration, and supporting efficient business operations.

Education, Transportation, and Lodging - Expenses for training seminars, schools, and professional development opportunities for HEDC and City personnel and board members. These expenditures contribute to enhancing the knowledge and skills of staff members, enabling them to better serve the community and support economic development initiatives.

Utilities - The cost of electric service for the HEDC building. This expenditure covers the essential utility needs of the HEDC office, ensuring a conducive working environment and supporting day-to-day operations.

Professional Services - Services provided by professionals such as accounting, legal, and engineering services. Engaging professionals in these areas ensures expertise and compliance with applicable regulations, contributing to the effective functioning and legal compliance of the HEDC.

Audio Visual and Computer Equipment - Purchase of audio-visual and computer equipment for the purpose of the HEDC. Investing in modern technology infrastructure enables efficient communication, data management, and presentation capabilities, enhancing the HEDC's effectiveness.

Furniture - Purchasing furniture for the HEDC office. This expense ensures a comfortable and functional workspace for staff members and creates a professional atmosphere for meetings with stakeholders.

Tax Abatement - Cost of a 380 Agreement entered into by the City of Hutchins in 2009, providing Duke with a 75% rebate of the real property taxes paid to the City of Hutchins. This agreement served as an

incentive for Duke to invest in the community, contribute to economic development, and create jobs. This agreement will expire in 2025.

Remodeling and Repair - Expenditures allocated for physical improvements to HEDC property. Remodeling and repair efforts help maintain and enhance the functionality and attractiveness of HEDC-owned facilities, supporting the organization's overall goals and objectives.

Recreation Center Funding – Pledge of \$3,000,000 from the HEDC toward the construction of a Recreation Center in Hutchins.

Local Business Development Program – A program of the HEDC to improve the visual appearance of local businesses.

Small Business Development Program - A program of the HEDC to assist locating local small businesses in Hutchins.

101 South IH 45 #1 (Pete's Café) – 4b Project to improve shopping center located at 101 South IH 45 and locate a restaurant.

Lancaster Hutchins Project – Application of \$660,000 for the reconstruction of Lancaster Hutchins Road.

Wintergreen Debt Service: Cost to administer bond payments regarding improvements to Wintergreen Road.