



# City of Tomball

*Lori Klein Quinn  
Mayor*

*David Esquivel, PE  
City Manager*

July 2, 2024

Tomball Economic Development Corporation  
Attn: Kelly Violette, Executive Director  
29201 Quinn Road, Suite B  
Tomball, Texas 77377

RE: FY 2024-25 Administrative Services agreement adjustment

Dear Kelly,

As we discussed in our budget meeting Tuesday June 11, the compensation to the City for services provided to the TEDC (admin costs of finance, human resources, and audit) has been reviewed and estimated based on an allocation model (see attached). The model considers a proportionate amount of the personnel and services comparing TEDC and City activities. We have done a similar cost allocation model for the administrative services that support the ESD #15 contract.

Please consider incorporating and presenting this adjustment to your Board for the FY 2024-25 budget.

Sincerely,

David Esquivel, PE  
City Manager

**TEDC Cost Allocation Model**

| <b>Proportional Costs</b>       |                            |                   |                   |
|---------------------------------|----------------------------|-------------------|-------------------|
|                                 | <b>FY 2024-2025 Budget</b> |                   |                   |
|                                 | <b>Percent</b>             | <b>Total Cost</b> | <b>Total TEDC</b> |
| <b>Human Resources</b>          | 2%                         | \$ 568,500        | \$ 9,320          |
| <b>Finance</b>                  |                            |                   |                   |
| <b>Personnel</b>                |                            |                   |                   |
| Finance Director                | 5%                         | \$ 196,660        | \$ 9,833          |
| Finance Manager                 | 5%                         | \$ 127,650        | \$ 6,383          |
| Accountant                      | 10%                        | \$ 100,355        | \$ 10,036         |
| Accounts Payable Specialist     | 10%                        | \$ 87,995         | \$ 8,800          |
| Payroll Specialist              | 2%                         | \$ 83,875         | \$ 1,375          |
| <b>Non-Personnel</b>            |                            |                   |                   |
| Annual Financial Audit          | 10%                        | \$ 96,000         | \$ 9,600          |
| <b>Total Proportional Costs</b> |                            |                   | <b>\$ 55,345</b>  |