AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	August 17, 2026
ITEM TITLE:	Consider and take appropriate action on 26/27 EDC Budget
STAFF INITIATOR:	Danielle Sweat, EDC Director

BACKGROUND:

The Wolfforth Economic Development Corporation is pleased with revenue performance during the current fiscal year and is proposing a conservative revenue budget for FY 2026–2027 based on those results.

For the upcoming fiscal year, WEDC is budgeting $900,000 in sales tax revenue, an increase of approximately $175,000 over the current $725,000 budget. In addition, WEDC anticipates approximately $50,000 in interest income, bringing total projected WEDC revenue for FY 2026–2027 to $950,000.

This projection is considered conservative based on current-year collections. As of August, WEDC has received $949,911.90 in total revenue, including interest, with additional revenue still expected before the close of the fiscal year. Continued community growth, new development, and expanding commercial activity provide further confidence in the proposed revenue estimate while allowing the Corporation to budget responsibly.

FY 2026–2027 will also include several significant expenditures associated with projects and commitments that are new to WEDC. Most notably, the Corporation will begin servicing debt associated with the recent land acquisition for the future mixed-use/downtown development. The budget also includes new professional service commitments associated with advancing that development, including contracts with City Consultants and Lake Flato.

To assist with the debt service associated with the land acquisition, the City of Wolfforth has allocated up to $200,000 from the General Fund, if needed, toward the debt payment in FY 2026–2027. This allocation provides additional budgetary flexibility while allowing WEDC to preserve its fund balance as the mixed-use development moves forward.

Importantly, the full $200,000 General Fund allocation may not be necessary. The proposed WEDC revenue budget of $950,000 is intentionally conservative. If actual revenues exceed projections, WEDC may be able to fund a greater portion, or potentially the entirety, of the land debt service from its own revenues. In that event, the amount needed from the City's General Fund could be reduced accordingly. The intent is to utilize City funds only to the extent necessary based on WEDC's actual financial performance during the fiscal year.

Under the proposed budget, WEDC is able to account for its debt service obligations, new professional service contracts, and ongoing operating expenses without a planned draw from fund balance. This allows the Corporation to preserve its existing reserves while continuing to make significant investments in long-term economic development initiatives.

All other budget line items have been structured to allow WEDC to continue operating at full capacity and maintain the programs, business assistance, marketing, recruitment, retention, and economic development activities currently provided by the Corporation.

Overall, the proposed FY 2026–2027 budget reflects a strong financial position for WEDC. The Corporation believes the proposed $950,000 revenue estimate is both responsible and conservative based on current-year performance. The City's allocation of up to $200,000 provides a prudent safeguard for the new land debt service while allowing WEDC the opportunity to assume more, or potentially all, of that obligation should revenues continue to outperform projections. This approach allows WEDC to advance one of the community's most significant long-term development initiatives, maintain existing programs and operations, and preserve its fund balance.

EXHIBITS:

COUNCIL ACTION/STAFF RECOMMENDATION: