



**ECONOMIC
DEVELOPMENT
CORPORATION**

SEDC Budget – Fiscal Year 2024-2025

Effective: October 1, 2024 – September 30, 2025

Summary

For Fiscal Year 2024-2025, the Seguin Economic Development Corporation (SEDC) will continue to strategically focus on growing the Seguin economy through projects that promote and develop new and expanded business enterprises and result in the creation and/or retention of Primary Jobs. In order to carry out our mission, the SEDC will focus its efforts on targeted industry recruitment, primary job creation, business retention and expansion (primary job retention), workforce development, and targeted infrastructure improvements.

Budgeted Revenues

The SEDC anticipates at least **\$2,303,451** in total revenue for Fiscal Year 2025. The SEDC is primarily funded through a quarter-cent sales tax that is collected within the City of Seguin and allocated towards eligible economic development efforts. For Fiscal Year 2025, staff are projecting **\$2,300,000** in revenues from sales tax collections allocated to the SEDC. Additional sources of revenue for the SEDC include monies received through loan agreements and interest.

Budgeted Expenditures

The SEDC is budgeting **\$1,697,531** in total expenditures for Fiscal Year 2024-2025. Details on budgeted expenditures and specific expense accounts can be found below.

Projected Revenues

Revenue Sources	Original Budget FY 2024	Projected Revenues FY 2025
Economic Development Sales Tax	\$2,083,331	\$2,300,000
Principal/Interest – Pure & Gentle	\$1,951	\$1,951
Miscellaneous Revenue	\$0	\$0
Interest	\$1,500	\$1,500
Total Revenue	\$2,086,782	\$2,303,451

Budgeted Expenditures

Expense Account	Original Budget FY 2024	Year End Estimates FY 2024	Proposed Budget FY 2025
Annual Audit	\$4,650	\$3,950	\$4,650
Attorney Fees	\$20,000	\$20,000	\$20,000
Board of Directors	\$5,000	\$4,000	\$5,000
BRE and Workforce Development	\$75,000	\$70,000	\$75,000
Economic Development Services	\$550,706	\$550,706	\$572,667
Marketing and Promotion	\$208,333	\$160,000	\$230,000
Operating Supplies	\$20,000	\$20,000	\$20,000
Professional Development	\$15,000	\$12,000	\$20,000
Professional Services	\$200,000	\$250,000	\$250,000
Property Maintenance	\$1,000	\$2,000	\$2,500
Debt Service	\$0	\$250,000	\$497,714
Total Expenditures	\$1,099,689	\$1,084,156	\$1,697,531

Annual Audit: \$4,650.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Annual Audit	\$4,650	\$3,950	\$4,650	0%	<1%

Overview:

This expense account is used for expenditures related to the required annual audit of the SEDC Budget performed by Armstrong, Vaughn, & Associates.

Additional Details:

None

Attorney Fees: \$20,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Attorney Fees	\$20,000	\$20,000	\$20,000	0%	1%

Overview:

This expense account is used to cover expenditures for the SEDC's Attorney Fees. SEDC contracts with Denton, Navarro, Rocha, Bernal, & Zech, P.C. (DNRBZ) for legal services. DNRBZ bills the SEDC monthly for work completed. DNRBZ's hourly billing rates are as follows: \$215.00/Hr. for Partners, \$200.00/Hr. for Associates, and \$105.00/Hr. for Paralegals.

Additional Details:

None

Board of Directors: \$5,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Board of Directors	\$5,000	\$4,000	\$5,000	0%	<1%

Overview:

This expense account is used for expenditures associated with SEDC Board of Directors Meetings and Training. Proposed expenditures include, but are not limited to the following:

- Board Training – Registration for Texas Economic Development Sales Tax Workshop
- Board Meetings – Lunches and other expenditures associated with Monthly SEDC Board Meetings

Additional Details:

None

BRE & Workforce Development: \$75,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
BRE & Workforce Development	\$75,000	\$70,000	\$75,000	0%	3%

Overview:

The Business Retention and Expansion (BRE) Program identifies primary job creating companies with opportunities for expansion, who are most at risk of leaving or closing, or who are experiencing community related problems, and to utilize every resource available through the Seguin Economic Development Corporation (SEDC) to help them succeed. Through a concentrated effort to assist primary job creating companies and the implementation of this plan, the Seguin economy will maintain its stability and continue to grow. The BRE and Workforce Development expense account is used for expenditures associated with operating the SEDC Business Retention and Expansion Program along with workforce development efforts. Proposed expenditures include, but are not limited to the follow:

- **BRE Program Related Expenditures:** Typical expenditures associated with BRE efforts include job fairs, business roundtables, lunch and learn events, and the annual Business Appreciation and Economic Outlook Luncheon.
- **Workforce Development Efforts Related Expenditures:** Typical expenditures related to workforce development efforts are associated with the SEDC's annual industry bus tours for high school students and the Seguin Career and Industry Signing Day event.

Additional Details:

None.

Economic Development Services: \$572,667.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Economic Development Services	\$550,706	\$550,706	\$572,667	4%	25%

Overview:

The Economic Development Services Expense Account is used to cover expenses that are outlined within the Management Services Agreement (MSA) between the City of Seguin and the SEDC. Per the current MSA, expenses include, but are not limited to the following:

- **Management Services**
 - Per the MSA, the SEDC pays the City of Seguin 10% of the annual Type A sales tax received by the SEDC, in exchange for the City providing management, administrative and financial services to the SEDC.
- **Personnel – Salaries and Benefits**
 - **Deputy Director:** The SEDC is responsible for 100% of the costs of the position.
 - **Industry and Workforce Development Manager:** The SEDC is responsible for 100% of the costs of the position.
 - **Marketing and Events Manager:** The SEDC is responsible for 100% of the costs of the position.

- **Vehicle and Phone Allowances. Wireless Data Service.**

- The City of Seguin is responsible for 100% of costs for vehicle allowances at \$350 per month for the Director and Deputy Director positions.
- The City of Seguin is responsible for 100% of costs for phone allowances at \$75 per month per staff member.
- The SEDC is responsible for 100% of costs for wireless data services at \$50 per month.

Additional Details:

None.

Marketing and Promotion: \$230,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Marketing and Promotion	\$208,333	\$200,000	\$230,000	10%	10%

Overview:

The Marketing and Promotion Expense Account is used for expenditures associated with marketing the City of Seguin as a premier destination for business and investment. This includes dues for marketing organizations that the SEDC participates with, production of marketing materials, marketing campaigns and events, travel associated with marketing efforts and other miscellaneous marketing expenses.

- **Marketing Partners:** The SEDC partners with these organizations primarily for marketing and lead generation purposes. Organizations that the SEDC partners with include Team Texas, Texas Economic Development Corporation (TxEDC/Go Big in Texas), Greater SATX, CCIM, Site Selectors Guild, and IAMC.
- **Advertisements, Marketing Materials, and Public Relations:** The SEDC annually produces fresh marketing materials (print and digital) to highlight the assets of the City of Seguin. This typically includes contracting with graphic design and other entities for production purposes. For FY 25, staff will seek the services of a PR/Marketing firm to help enhance our messaging at a local, regional, and national level. Staff anticipates will budget \$150,000 to cover costs associated with utilizing the services of a PR/Marketing firm.
- **Lead Generation & Marketing Campaigns:** The SEDC participates in targeted Lead Generation & Marketing Campaigns/Activities with our Marketing Partners including Greater SATX, Team Texas, TxEDC/Go Big in Texas, Site Selectors Guild, and IAMC. These efforts enable the SEDC to market Seguin to site consultants, business prospects and other key stakeholders. The SEDC plans to participate in 8-10 Lead Generation & Marketing Campaigns/Activities with our Marketing Partners in FY 25.

Additional Details:

Due to the projected increase in economic development sales tax collections in FY 25, staff are proposing a 10% increase to the Marketing and Promotion budget from FY 24. The proposed budget of \$230,000 for the Marketing and Promotion account would represent 10% of the SEDC’s revenues. Per section 504.105 of the Texas Local Government Code, a Type A corporation may spend no more than 10% of the corporate revenues for promotional purposes. Staff will utilize the additional budgeted funds for this account to expand upon the SEDC’s marketing and promotion efforts.

Operating Supplies: \$20,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Operating Supplies	\$20,000	\$20,000	\$20,000	0%	<1%

Overview:

The Operational Supplies Expense Account is used for expenditures for vehicle costs (lease, fuel and maintenance), office supplies, equipment and other items related to SEDC Operations.

Additional Details:

None.

Professional Development: \$20,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Professional Development	\$15,000	\$15,000	\$20,000	+33%	1%

Overview:

The Professional Development Expense Account is used for expenditures related to registration and attendance of professional development classes and conferences for economic development Staff. Professional development opportunities included TEDC Conferences, IEDC Conferences, and the University of Oklahoma Economic Development Institute.

Additional Details:

Staff are proposing a 33% increase to the Professional Budget to accommodate additional professional development opportunities for Staff, as well as recertification of staff with professional certifications.

Professional Services: \$250,000.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Professional Services	\$200,000	\$200,000	\$250,000	+25%	11%

Overview:

The Professional Services Expense Account is used for expenditures related to architectural services, engineering service, real estate appraisals, infrastructure and utility analysis, conceptual site designs, environmental studies, geotechnical reports, and other related professional services. These services are essential to an asset, project, and prospect development, helping facilitate the creation and retention of Primary Jobs in Seguin. The Professional Services Expense Account is also used for expenditures that are categorized as Contract and Subscription Services for the SEDC. Contract and subscription services include, but are not limited to the following:

- **SEDC Website – Golden Shovel Agency:** SEDC Website hosting, maintenance, and other related dues
- **Chumra JobsEQ:** Workforce Data/Economic development data subscription
- **GIS Webtech:** SEDC website data tool that can be accessed by prospects and the general public.
- **Sites to do Business:** Data subscription that provides access to ESRI Business Analyst Tool

- **HubSpot:** SEDC CRM Software

Additional Details:

Staff are proposing a 25% increase in budget for Professional Services to perform due diligence studies associated with a pending land acquisition project.

Property Maintenance: \$2,500.00

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Property Maintenance	\$1,000	\$500	\$2,500	+150%	<1%

Overview:

The Property Maintenance Expense Account is used for expenditures associated with the maintenance and upkeep of SEDC Owned Properties.

Additional Details:

Staff are proposing a slight increase to the Property Maintenance Expense Account to cost participate in maintenance of economic development related land assets.

Debt Service: \$497,714

Expense Account	Original Budget FY 24	Year End Estimate	Proposed Budget FY 25	% Change from Previous FY	% of Budgeted Expenditures
Debt Service	\$0	\$0	\$497,714	N/A	22%

Overview:

The Debt Service Expense Account is used to pay debt service reimbursements to the City of Seguin for bonds, tax notes, and other debt payments.

Additional Details:

Funding budgeted for debt service will cover repayment costs to the City of Seguin for the I-10 and FM 464 Water Line Project construction.

Proposed FY 2025 Budget Recap

Budget Breakdown	Proposed FY 2025 Budget
Total Revenues	\$2,303,451
Total Expenditures	\$1,697,531
Net Revenues (Expenditures) before transfer	\$605,920
Transfers to SEDC Incentive/Infrastructure Fund	\$0.00
Net Revenues (Expenditures) after transfer	\$605,920

Notes: Per the SEDC Fund Balance/Working Capital Minimum Balance Policy, following the presentation of the Annual Audit to the SEDC Board of Directors in March/April 2025, it will be recommended that all Fund Balance/Working Capital in excess of three months average operating expenditures to be transferred to the SEDC’s Incentive and Infrastructure Fund through the form of a budget amendment.

A budget surplus for FY 25 will ensure that the SEDC’s is able to continue to grow our Incentive and Infrastructure Fund. The SEDC’s Incentive and Infrastructure Fund is utilized for permissible project related expenditures, authorized for Type-A Economic Development Corporation, per Section 501 of the Texas Local Government Code.