



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Donna Dodgen
Seguin City Council

CC: Steve Parker, City Manager
Andy Quittner, City Attorney

From: Josh Schneuker, Director of Economic Development / SEDC Executive Director

Date: March 30, 2022

Subject: Amendment to the FY 2022 SEDC Budget

Background Information

On May 6, 2021, the SEDC Board of Directors approved the creation of the Fund Balance/Working Capital Minimum Balance Policy. This policy stipulates that the SEDC maintain a minimum of three months average operating expenditures in fund balance/working capital. Fund balance/working capital that is in excess of the three months average operating is then recommended to be transferred to the SEDC's Incentive/Infrastructure Fund. The SEDC created the Incentive/Infrastructure Fund several years ago to provide funding for incentives and/or infrastructure needs for future prospects or projects. The budget for these projects carries over from year to year until the projects are complete without having to be budgeted each year.

The balance in that fund as of December 31, 2021, was \$1,208,736, with projects budgeted at \$107,951 remaining. Staff is recommending transferring \$1,900,000 to this fund for future prospect incentives or infrastructure projects and the Fujirebio BRE Grant. This will leave above four months average operating expenditures in the operating fund.

Staff Recommendation

The SEDC Board of Directors and Staff recommends approval of the budget amendment. The SEDC Board of Directors approved SEDC Resolution NO. 2022-04, authorizing the amendment to the Fiscal Year 2022 Budget at their regular meeting on March 3, 2022.