



SEDC Budget Fiscal Year 2025-2026

Effective: October 1, 2025 – September 30, 2026

Summary

For FY 2025–2026, the Seguin Economic Development Corporation (SEDC) will continue to strategically focus on driving economic growth by supporting projects that promote the creation, expansion, and retention of primary job-creating businesses. To fulfill its mission, the SEDC will prioritize targeted industry recruitment, primary job creation, business retention and expansion, workforce development, and strategic infrastructure improvements.

The SEDC anticipates total revenues of \$2,469,466 and total expenditures of \$2,243,336, resulting in a projected surplus of \$226,130. In accordance with the SEDC's Fund Balance/Working Capital Minimum Balance Policy, any fund balance in excess of three months of average operating expenditures may be transferred to the Incentive and Infrastructure Fund through a budget amendment following the presentation of the FY 2025 audit. This approach ensures the organization is well-positioned to support future project-related investments that advance its mission.

Budgeted Revenues

For FY 2025–2026, the Seguin Economic Development Corporation (SEDC) projects total revenues of \$2,469,466. The primary source of funding remains the quarter-cent Type A sales tax collected within the City of Seguin, which is projected to generate \$2,466,667. Additional revenue includes \$1,299 in principal and interest payments from the Pure & Gentle loan agreement and \$1,500 in interest income. No miscellaneous revenues are projected for the fiscal year.

Revenue Source	FY 25 Original	FY 26 Projected
Economic Development Sales Tax	\$2,300,000	\$2,466,667
Principal/Interest – Pure & Gentle	\$1,951	\$1,299
Miscellaneous Revenue	\$0	\$0
Interest	\$1,500	\$1,500
Total Revenue	\$2,303,451	\$2,469,466

Budgeted Expenditures

Total expenditures for FY 2025–2026 are budgeted at \$2,243,336. This includes key investments in personnel, marketing, professional services, and debt service to support the continued execution of the SEDC’s mission and strategic goals. Notably, the Debt Service account reflects a significant increase due to planned payments for the Ackerman Water Line project and the acquisition of the Urban property.

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed
Annual Audit	\$4,650	\$4,650	\$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	\$70,000
Economic Development Services	\$572,667	\$572,667	\$602,172
Marketing and Promotion	\$230,000	\$215,000	\$245,000
Operating Supplies	\$20,000	\$20,000	\$20,000
Professional Development	\$20,000	\$20,000	\$20,000
Professional Services	\$250,000	\$200,000	\$175,000
Property Maintenance	\$2,500	\$2,000	\$1,500
Debt Service	\$497,714	\$497,714	\$1,080,014
Total Expenditures	\$1,697,531	\$1,626,031	\$2,243,336

Annual Audit: \$4,650.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Annual Audit	\$4,650	\$3,950	\$4,650	0%	Less than 1%

Overview: The Annual Audit Expense Account is used to cover the cost of the required annual audit of the Seguin Economic Development Corporation (SEDC) budget. This audit is conducted by Armstrong, Vaughn, & Associates and ensures compliance with financial reporting standards and state regulations. The audit promotes fiscal transparency and accountability in the management of public funds.

Attorney Fees: \$20,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Attorney Fees	\$20,000	\$20,000	\$20,000	0%	Less than 1%

Overview: The Attorney Fees Expense Account is used to cover legal service expenditures for the Seguin Economic Development Corporation (SEDC). The SEDC contracts with Denton, Navarro, Rocha, Bernal, & Zech, P.C. (DNRBZ) to provide legal counsel on matters including development agreements, compliance, contract review, and general legal support. DNRBZ invoices the SEDC on a monthly basis for services rendered. The firm's current hourly billing rates are \$215 per hour for Partners, \$200 per hour for Associates, and \$105 per hour for Paralegals. These legal services are critical to ensuring that all SEDC operations and agreements are conducted in accordance with applicable laws and regulations.

Board of Directors: \$5,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Board of Directors	\$5,000	\$4,000	\$5,000	0%	Less than 1%

Overview: The Board of Directors Expense Account is used to cover expenditures associated with the Seguin Economic Development Corporation (SEDC) Board of Directors' meetings and training. This includes costs related to board member participation in professional development opportunities, such as registration for the Texas Economic Development Sales Tax Workshop. The account also covers expenses associated with monthly board meetings, including meals and other meeting-related needs that support effective board operations and engagement.

BRE & Workforce Development: \$70,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
BRE & Workforce Development	\$75,000	\$70,000	\$70,000	-7%	3.1%

Overview: The Business Retention and Expansion (BRE) Program identifies primary job-creating companies in Seguin that are positioned for growth, face challenges that could impact their continued operations, or are encountering community-related issues. The goal of the program is to leverage all available resources through the Seguin Economic Development Corporation (SEDC) to support the success and longevity of these businesses. By proactively engaging with local employers and implementing targeted strategies, the BRE Program helps ensure economic stability and sustained growth within the community.

The BRE and Workforce Development expense account supports activities related to the operation of the SEDC's Business Retention and Expansion Program and its workforce development initiatives.

Proposed expenditures include, but are not limited to, the following:

BRE Program-Related Expenditures: These include costs associated with business retention efforts such as job fairs, business roundtables, lunch-and-learn sessions, and the annual Business Appreciation Luncheon.

Workforce Development-Related Expenditures: These cover expenses related to the SEDC's workforce programming, including the annual industry bus tours for high school students and the Seguin Career and Industry Signing Day event.

Economic Development Services: \$602,172.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Economic Development Services	\$572,667	\$572,667	\$602,172	5%	26.8%

Overview: The Economic Development Services Expense Account funds expenditures as outlined in the Management Services Agreement (MSA) between the City of Seguin and the Seguin Economic Development Corporation (SEDC). These expenses primarily relate to administrative, personnel, and operational support provided by the City to the SEDC.

Per the current MSA, expenses include, but are not limited to, the following:

Management Services: The SEDC pays the City of Seguin an amount equal to 10% of the annual Type A sales tax revenues received by the SEDC. For FY 2026, this fee is projected to increase in line with higher sales tax collections, resulting in a management services payment of \$246,667. In return, the City provides management, administrative, and financial services to support SEDC operations.

Personnel – Salaries and Benefits: The SEDC is responsible for 100% of salaries and benefits for the following positions: Deputy Director of Economic Development, Workforce Development Manager, and Marketing and Events Manager. The FY 2026 budget reflects a 4.54% increase in salaries, which includes a 2.5% merit adjustment and a 2.0% cost-of-living adjustment (COLA) in accordance with the City's compensation policy.

Vehicle and Phone Allowances; Wireless Data Service: The City covers 100% of the vehicle allowances for the Director and Deputy Director positions, currently set at \$350 per month per individual. The City also covers 100% of phone allowances at \$75 per month per SEDC staff member. The SEDC is responsible for 100% of wireless data service expenses, currently set at \$50 per month.

Marketing and Promotion: \$245,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Marketing and Promotion	\$230,000	\$215,000	\$245,000	7%	10.9%

Overview: The Marketing and Promotion Expense Account supports the Seguin Economic Development Corporation's (SEDC) efforts to market the City of Seguin as a premier destination for business investment. This account covers a wide range of activities including promotional campaigns, public relations, event participation, the development of marketing materials, and travel associated with economic development outreach.

Marketing Partnerships: To broaden its reach and generate high-quality leads, the SEDC maintains strategic partnerships with several regional, state, and national organizations. These include Team Texas, the Texas Economic Development Corporation (Go Big in Texas), Greater SATX, the CCIM Institute, the Site Selectors Guild, and the Industrial Asset Management Council (IAMC). These partnerships provide access to established marketing platforms and connect Seguin with key decision-makers, including site selectors and corporate executives evaluating relocation and expansion opportunities.

Marketing Materials and Public Relations: The SEDC produces updated marketing materials each year—both print and digital—to highlight the city’s assets, business climate, and opportunities. These materials are created in collaboration with graphic designers and other creative professionals. In FY 2026, the SEDC plans to expand its efforts by hiring a public relations and marketing firm to enhance its messaging at the local, regional, and national levels. A budget of \$150,000 has been allocated for this purpose, allowing for more strategic communications and greater brand visibility.

Lead Generation and Campaigns: A key component of the marketing strategy includes participating in targeted lead generation and promotional campaigns with the SEDC’s marketing partners. These campaigns are designed to attract new investment by promoting Seguin directly to site consultants, developers, and other business stakeholders. For FY 2026, the SEDC anticipates participating in eight to ten lead generation and marketing campaigns throughout the year.

Budget and Statutory Compliance: With a projected increase in Type A sales tax revenue for FY 2026, the SEDC is proposing a 7% increase to the Marketing and Promotion budget compared to FY 2025. The proposed allocation of \$245,000 represents just less than 10% of the SEDC’s projected annual sales tax revenue of \$2,466,667, which is the maximum amount permitted for promotional expenditures under Section 504.105 of the Texas Local Government Code. These additional funds will allow the SEDC to enhance and expand its marketing efforts, helping to further position Seguin as a competitive and attractive location for new business investment and economic growth.

Operating Supplies: \$20,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Operating Supplies	\$20,000	\$20,000	\$20,000	0%	Less than 1%

Overview: The Operational Supplies Expense Account covers expenditures necessary to support the day-to-day operations of the Seguin Economic Development Corporation (SEDC). This includes costs associated with the SEDC’s leased vehicle, such as monthly lease payments, fuel, and routine maintenance. In addition, this account funds general office supplies, equipment purchases, and other operational items required for the efficient functioning of the department.

Professional Development: \$20,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Professional Development	\$20,000	\$20,000	\$20,000	0%	Less than 1%

Overview: The Professional Development Expense Account is used to support the ongoing education and training of the Seguin Economic Development Corporation (SEDC) staff. This account covers expenditures related to registration fees, travel, and attendance at professional development conferences, courses, and certification programs. Participation in these activities ensures that staff remain current on best practices, industry trends, and emerging tools in economic development.

Key professional development opportunities include conferences hosted by the Texas Economic Development Council (TEDC), the International Economic Development Council (IEDC), and coursework through the University of Oklahoma Economic Development Institute (OU EDI).

Professional Services: \$175,000.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Professional Services	\$250,000	\$200,000	\$175,000	-30%	7.8%

Overview: The Professional Services Expense Account is used to fund a wide range of specialized services that support the Seguin Economic Development Corporation's (SEDC) project development, site readiness, and business recruitment efforts. This includes expenditures for architectural services, engineering services, real estate appraisals, infrastructure and utility analysis, conceptual site designs, environmental assessments, and geotechnical reports. These services play a vital role in the advancement of development opportunities in Seguin and are critical to the creation and retention of primary jobs.

In addition to project-specific professional services, this account also covers contract and subscription-based services essential to the SEDC's operations. These include the hosting, maintenance, and support of the SEDC website through the Golden Shovel Agency; access to workforce and economic development data via Chmura JobsEQ; use of GIS Webtech, a web-based tool integrated with the SEDC website to assist prospects and the public in site selection; a subscription to Sites to do Business, which provides access to the ESRI Business Analyst Tool; and use of HubSpot, the SEDC's customer relationship management (CRM) software platform.

Property Maintenance: \$1,500.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Property Maintenance	\$2,500	\$2,000	\$1,500	-40%	Less than 1%

Overview: The Property Maintenance Expense Account is used to cover expenditures related to the maintenance, upkeep, and general care of properties owned by the Seguin Economic Development Corporation (SEDC). This may include landscaping, repairs, utility services, and other necessary improvements to ensure that SEDC-owned properties are properly maintained and remain suitable for current or future development opportunities.

Debt Service: \$1,080,014.00

Expense Account	FY 25 Original	FY 25 Estimate	FY 26 Proposed	% Change	% of Budgeted Expenditures
Debt Service	\$497,714	\$497,714	\$1,080,014	+117%	48.1%

Overview: The Debt Service Expense Account is used to fund debt service reimbursements made by the Seguin Economic Development Corporation (SEDC) to the City of Seguin and other financing entities. These reimbursements cover the SEDC's share of principal and interest payments related to bonds, tax notes, and other debt instruments issued in support of economic development projects and infrastructure improvements.

For FY 2026, debt service payments will include \$500,714 to the City of Seguin for the construction of the Ackerman Water Line and \$579,300 to Government Capital for the acquisition of the Urban property.

Proposed FY 2026 Budget Recap

Budget Breakdown	Proposed FY 2026 Budget
Total Revenues	\$2,469,466
Total Expenditures	\$2,243,336
Net Revenues (Expenditures) before transfer	\$226,130
Transfers to SEDC Incentive/Infrastructure Fund	\$0.00
Net Revenues (Expenditures) after transfer	\$226,130

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, staff will recommend that any Fund Balance/Working Capital in excess of three months of average operating expenditures be transferred to the SEDC's Incentive and Infrastructure Fund through a formal budget amendment.

A budget surplus for FY 2026 will position the SEDC to continue growing its Incentive and Infrastructure Fund. This fund is used for project-related expenditures that are permissible for a Type A Economic Development Corporation, as authorized under Section 501 of the Texas Local Government Code.