

Becky Haas, President
Joe Bonham, Vice-President
Verge Greenwood, Secretary
Carl Drozd, Treasurer

Robert Haas, Director
William Morefield III, Director
Nancie Rain, Director



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Development Corporation of Richmond will be held **via**

Video Conference call (pursuant to Texas Government Code, Section 551.127)

Time: Nov 17, 2020 06:00 PM Central Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/94830207782>

Meeting ID: 948 3020 7782

One tap mobile

+13462487799,,94830207782# US (Houston)

+12532158782,,94830207782# US (Tacoma)

Dial by your location

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C)

Meeting ID: 948 3020 7782

Find your local number: <https://zoom.us/u/axXfeJhJD>

on the **17th day of November, 2020** commencing at **6:00 p.m.** to consider the following:

In compliance with the recommendations of the CDC and other governmental agencies, to limit meetings to less than ten persons to limit the spread of the COVID-19 virus, members of the public will not be permitted to attend the meeting in person. However, members of the public may submit comments to the City Commission in any of the following ways: 1) emailing the City Secretary at Iscarlato@ci.richmond.tx.us; 2) delivering written comments to City Hall drop box prior to the meeting; or 3) by notifying the City Secretary in advance that they wish to be contacted by phone at 281-342-5456 option 2 during the meeting in order to make their comments during the comments from the audience for Agenda Items portion of the meeting.

1. Call to Order.
2. Oath of Office given to new Board Members.
3. Public Comments. (Public comment is limited to a maximum of 3 minutes per item. No deliberations with DCR Board. Time may not be given to another speaker.)
4. Review and consider taking action on the minutes of the regular meeting held on October 13, 2020.
5. Introduction of Jerry Jones, Economic Development Director.
6. Review Financial Reports through October 31, 2020.
7. Consider and take action on recommendations for future agenda items.
8. Adjourn to Executive Session, as authorized by Texas Government Code, Sections 551.087, deliberations regarding commercial or financial information that the DCR has received from a business prospect and/or deliberation regarding the offer of a financial or other incentive to a business prospect.
 1. Discuss Potential Incentive Terms.

EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, Vernon's Texas Code Annotated (V.T.C.A) (Open Meetings Law), "The City Commission may meet in a Closed Executive Meeting pursuant to provisions of the Open Meetings Law, Chapter 551, Government Code, V.T.C.A. in accordance with the authority contained in the following section; Sections 551.087, deliberations regarding commercial or financial information that the DCR has received from a business prospect and/or deliberation regarding the offer of a financial or other incentive to a business prospect.

OPEN MEETING

9. Reconvene into Open Meeting, and take action, if necessary
10. Adjournment

If, during the course of the meeting covered by this Agenda, the Board shall determine than an executive session of the Board, should be held or is required in relation to any item included in this Agenda, then such executive session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Agenda concerning any and all subjects and for any and all purposes permitted by Sections 551.071-551.090 of the Texas Government Code, including, but not limited to, Section 551.071 for purpose of a private

consultation with the Board's attorney on any or all subjects or matters authorized by law.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

The Development Corporation of Richmond (DCR) meetings are available to all persons regardless of disability. This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations, should you require special assistance, must be made 48 hours prior to this meeting. Braille is not available. Please contact the City Secretary's office at (281) 342-5456 for needed accommodations.

CERTIFICATE

I certify that the above notice of meeting was posted on a bulletin board located at a place convenient to the public in the City Hall, Richmond, Texas, on the 13th day of November, 2020, at a.m./p.m.

Laura Scarlato City Secretary



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

1. Call to Order.



November 17, 2020 Board Meeting

2. Oath of Office given to new Board Members.



OATH OF OFFICE CITY OF RICHMOND

"I, _____, do solemnly swear, that I will faithfully execute the duties as a member of the Development Corporation of Richmond, of the City of Richmond, State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and Laws of the United States and of this State and the Charter and ordinances of this City; and I furthermore solemnly swear, that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promise any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected, or if the office is one of appointment, to secure my appointment So Help Me God."

Signature of

State of _____
County of _____

Sworn to and subscribed before me this _____ day of _____, 20_____.

(seal)

Signature of Notary Public or
Other Officer Administering Oath

Laura Scarlato



November 17, 2020 Board Meeting

3. Public Comments. (Public comment is limited to a maximum of 3 minutes per item. No Deliberations with the DCR Board. Time may not be given to another speaker.)



November 17, 2020 Board Meeting

4. Review and consider taking action on the minutes of the regular meeting held on October 13, 2020.



STATE OF TEXAS

COUNTY OF FORT BEND

CITY OF RICHMOND

The Development Corporation of Richmond convened in a regular meeting open to the public and pursuant to notice thereof duly given in accordance with Section 501.072, Local Government Code, Vernon's Texas Codes, in Richmond City Hall Annex within said City on October 13, 2020 at 6:00 p.m. Directors in attendance included the following:

President, Evalyn W. Moore	Vice President, Joe Bonham
Secretary, Verge Greenwood - Absent	Treasurer, Carl Drozd
Robert Haas	William B. Morefield, III
Nancie Rain	Terri Vela – City Manager
City Attorney – Gary Smith	Executive Director – Vacant Position
City Secretary – Laura Scarlato	

President Moore proceeded to call the meeting to order at 6:00 p.m. via video conference pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. All members of the public may participate in the meeting via video conference call.

There was a quorum present.

Agenda item A2 was introduced for public comments. There were no individuals signed up to speak therefore the agenda item was closed.

Agenda item 3 to review and consider taking action on the minutes of the regular meeting held on July 14, 2020. President Moore asked for changes or discussion regarding the minutes and there were no suggestions or changes. Director William Morefield made the motion to approve the minutes for the July 14, 2020 meeting. Director Nancie Rain seconded the motion and the vote was unanimous to approve.

President Moore asked for a review of the Financial Reports through September 30, 2020. Director Drozd deferred to Finance Director Justin Alderete to review the Financials upon expressing the tax income is looking good. Finance Director Alderete reported the sales tax is outperforming the anticipated receivables. The year to date sales tax income is above the budgeted amount for FY 2019-2020. The expenditures are lower as it relates to capital projects. Some of the capital project amounts will be carried over to FY 2020 – 2021. Interest rates are declining which will be reflected in our yields which will also

decline. It was stated that the funds have been swept and placed in a higher yielding fund. City Manager Vela stated one incentive was provided to a downtown business and in complying with the agreement the DCR potentially would have related expenditures. Finance Director Alderete stated those would appear in 2021 and noted the City has received sales tax benefit from the particular business. There was no additional discussion and no action was taken.

Agenda item 5, Review and discuss 2020-2021 Development Guide and Map. City Manager Vela presented a brochure from Forney, Texas. The City would like to begin utilizing additional resources such as the GIS and Planning Departments. Once the brochure is developed, it could be used as a guide for development. Staff is requesting feedback and direction. City Planner Jose Abraham stated a consultant has been providing options for the brochure. It will give a snapshot of the opportunities both residential and commercial that Richmond provides. The map will highlight assets, parks, amenities, and upcoming and future development. President Moore acknowledged staff for a great job. City Manager Vela indicated that staff would continue to work on the brochure and present again in the future. Director Drozd indicated that he had issue with the industry list referring to oil and gas only. It was suggested the language be replaced with Energy to broaden the terminology. City Manager Vela stated the Target Industry Study that was performed refers to Oil and Gas. It was stated that this brochure could use a different term without going back and amending the Target Industry Study or the Strategic Plan. President Moore and Director Bonham concurred with the use of a broader terminology to keep the City wide open. There was no action taken and the agenda item was closed.

Agenda item 6, Review and consider approving Phase 2 of Richmond Podcast sponsorship. City Manager Vela provided the background of this item which is called Born in the Bend. Aimee Frederick and Emily Scherer host a show on Instagram called *Coffee with Em and Aim*. The podcast focused on the local spirit of Richmond and the surrounding areas of Fort Bend County. The 2020 podcast was very successful with 909 downloads and was ranked in the top 50% of all podcasts. The team is proposing four new episodes for 2021. The request is for \$2000 or \$500 each. The funds would provide professional editing and would serve to work towards self-sustaining through community sponsorships and local advertising. It was acknowledged that the podcast is an affordable marketing opportunity to spread positive news about our community. Director Bonham made the motion to approve \$2000 funding for Phase 2 of Richmond Podcast sponsorship. Director Morefield seconded the motion and the vote was unanimous to approve. The agenda item was closed.

President Moore announced agenda item 7, to consider and take action on recommendations for future agenda items. There were none.

President Moore announced the board would adjourn to Executive Session at 6:27 p.m., as authorized by Texas Government Code, Sections 551.087 Economic Development Negotiations and Section 551.074, Personnel Matters.

The Board reconvened at 7:17 p.m.

There was no action taken during Executive Session.

There being no further business to come before the Development Corporation of Richmond, the meeting was adjourned at 7:18 p.m.

APPROVED:

Evalyn W. Moore, President

ATTEST:

Laura Scarlato, City Secretary



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

5. Introduction of Jerry Jones, Economic Development Director.



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

6. Review Financial Reports through October 31, 2020.

BALANCE SHEET

AS OF: OCTOBER 31ST, 2020

85 -DEVELOPMENT CORPORATION

ASSETS

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1100	CLAIM ON CASH-DEVELOPMENT CORP	0.00
1101	Combined Securities - DCR	4,720,774.28
1105	CASH IN BANK-DEVELOPMENT CORP	350,171.04
1120	DCR WF - Sweep Accrued Interes	2,486.58
1200	INVESTMENTS	0.00
1302	SALES TAX RECEIVABLE	269,842.36
1303	OTHER RECEIVABLE	0.00
1370	ACCOUNTS RECEIVABLE - INVOICED	0.00
1500	PREPAID ASSET	0.00
1501	ACCRUED WORKERS COMP	0.00
1502	ACCRUED EXPENSES	0.00
1610	DUE TO (FROM) GENERAL	0.00
1620	DUE TO (FROM) WATER/SEWER	0.00
1621	DUE TO (FROM) METER	0.00
1622	DUE TO/FROM SURFACE WATER	0.00
1623	DUE TO/FROM RIVER PARK WEST	0.00
1625	DUE TO (FROM) CONSTRUCTION II	0.00
1626	DUE TO (FROM) FIRE SERVICE CAP	0.00
1630	DUE TO (FROM) DEBT SERVICE	0.00
1631	DUE TO (FROM) DEBT 1999 SERIES	0.00
1632	DUE TO/FROM DEBT-99 SERIES II	0.00
1640	DUE TO (FROM) WASTEWATER IMPAC	0.00
1650	DUE TO (FROM) WATER IMPACT	0.00
1660	DUE TO (FROM) PARK IMPROVEMENT	0.00
1665	DUE TO (FROM) STATE FUNDS(NARC	0.00
1666	DUE TO (FROM) FEDERAL FUNDS	0.00
1667	DUE TO (FROM) EQUIPMENT GRANT	0.00
1687	DUE TO/FROM SEED	0.00
1688	DUE TO/FROM WEED	0.00
1689	DUE TO/FROM HIGHER EDUCATION	0.00
1690	DUE TO (FROM) CDBG	0.00
1691	DUE TO/FROM TCLEOSE-FIRE	0.00
1692	DUE TO (FROM) COURT TECHNOLOGY	0.00
1693	DUE TO (FROM) COURT SECURITY	0.00
1696	DUE TO (FROM) TCLEOSE-POLICE	0.00
1697	DUE TO/FROM GEN FIXED ASSETS	0.00
1698	DUE TO/FROM DCR CASH/SWEEP	0.00

TOTAL ASSETS

5,343,274.26

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LIABILITIES

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2000	DEVELOPEMENT CORP ACCT PAYABLE	0.00
2014	RETAINAGE PAYABLE	0.00
2105	DEFERRED REVENUE	0.00
2140	ACCOUNTS PAYABLE	1,280.00
2199	DUE TO POOLED CASH	0.00

BALANCE SHEET

AS OF: OCTOBER 31ST, 2020

85 -DEVELOPMENT CORPORATION

TOTAL LIABILITIES 1,280.00

FUND BALANCE

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2900	UNAAPROPRIATED SURPLUS	5,434,138.19	
2950	TRANSFER TO I & S	0.00	
2999	BALANCING ENTRY	0.00	
	SURPLUS (DEFICIT)	(194,588.02)	
	TOTAL FUND BALANCE		<u>5,239,550.17</u>
	(WILL CLOSE TO FUND BAL.)	102,444.09	

TOTAL LIABILITIES AND FUND BALANCE 5,343,274.26
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END OF REPORT

CITY OF RICHMOND
 REVENUE AND EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2020

85 -DEVELOPMENT CORPORATION

FINANCIAL SUMMARY

08.33% OF FISCAL YEAR

	CURRENT BUDGET	CURRENT PERIOD	YEAR-TO-DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,673,000.00</u>	<u>137,712.33</u>	<u>137,712.33</u>	<u>8.23</u>	<u>1,535,287.67</u>
TOTAL REVENUES	<u>1,673,000.00</u>	<u>137,712.33</u>	<u>137,712.33</u>	<u>8.23</u>	<u>1,535,287.67</u>
	=====	=====	=====	=====	=====
<u>EXPENDITURE SUMMARY</u>					
DEVELOPMENT CORP	<u>3,471,046.00</u>	<u>332,300.35</u>	<u>332,300.35</u>	<u>9.57</u>	<u>3,138,745.65</u>
TOTAL EXPENDITURES	<u>3,471,046.00</u>	<u>332,300.35</u>	<u>332,300.35</u>	<u>9.57</u>	<u>3,138,745.65</u>
	=====	=====	=====	=====	=====
REVENUE OVER/(UNDER) EXPENDITURES	(1,798,046.00)	(194,588.02)	(194,588.02)	10.82	(1,603,457.98)
	=====	=====	=====	=====	=====

CITY OF RICHMOND
REVENUE AND EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2020

85 -DEVELOPMENT CORPORATION

08.33% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR-TO-DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
3015 SALES TAX REVENUE	1,665,000.00	137,666.82	137,666.82	8.27	1,527,333.18
3055 INTEREST INCOME	3,000.00	45.51	45.51	1.52	2,954.49
3060 INTERGOVERNMENTAL	0.00	0.00	0.00	0.00	0.00
3070 OTHER INCOME	<u>5,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,000.00</u>
TOTAL REVENUES	1,673,000.00	137,712.33	137,712.33	8.23	1,535,287.67
	=====	=====	=====	=====	=====

REVENUE AND EXPENSE REPORT (UNAUDITED)

AS OF: OCTOBER 31ST, 2020

85 -DEVELOPMENT CORPORATION

08.33% OF FISCAL YEAR

EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR-TO-DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>DEVELOPMENT CORP</u>					
5400-40650 TRAVEL AND TRAINING	13,055.00	0.00	0.00	0.00	13,055.00
5400-40750 OFFICE SUPPLIES	0.00	0.00	0.00	0.00	0.00
5400-40800 POSTAGE	0.00	0.00	0.00	0.00	0.00
5400-41650 PERIODICALS AND MEMBERSHIPS	18,000.00	9,000.00	9,000.00	50.00	9,000.00
5400-42000 BUILDING REPAIR AND MAINTENANC	0.00	0.00	0.00	0.00	0.00
5400-42200 LEGAL AND PROFESSIONAL FEES	0.00	0.00	0.00	0.00	0.00
5400-42250 CONTRACTED SERVICES	176,508.00	395.00	395.00	0.22	176,113.00
5400-42500 ADVERTISING	110,479.00	16,800.00	16,800.00	15.21	93,679.00
5400-42800 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00
5400-42840 DECREASE IN FMV OF INVESTMENTS	0.00	0.00	0.00	0.00	0.00
5400-42850 MISCELLANEOUS EXPENSE	22,540.00	0.00	0.00	0.00	22,540.00
5400-42870 DONATIONS	0.00	0.00	0.00	0.00	0.00
5400-42900 CAPITAL OUTLAY	50,000.00	0.00	0.00	0.00	50,000.00
5400-43000 BOND REDEMPTION	0.00	0.00	0.00	0.00	0.00
5400-43050 INTEREST EXPENSE	0.00	0.00	0.00	0.00	0.00
5400-43100 AGENCY FEES	0.00	0.00	0.00	0.00	0.00
5400-43150 TRANSER TO OTHER FUNDS	253,988.00	0.00	0.00	0.00	253,988.00
5400-43400 CITY OF RICHMOND REIMB ALLOC	648,056.00	0.00	0.00	0.00	648,056.00
5400-43500 RICHMOND HISTORIC DISTRICT	50,000.00	0.00	0.00	0.00	50,000.00
5400-43505 GATEWAY/WAYFINDING INVESTMENTS	0.00	0.00	0.00	0.00	0.00
5400-43511 PUBLIC TRANSPORTATION	75,000.00	0.00	0.00	0.00	75,000.00
5400-43521 WAYSIDE HORNS	1,072,000.00	76,105.35	76,105.35	7.10	995,894.65
5400-43525 TX DOT - 359 OVERPASS	0.00	0.00	0.00	0.00	0.00
5400-43530 TSTC COMMITMENT	100,000.00	100,000.00	100,000.00	100.00	0.00
5400-43535 LAMAR STREET EXTENSION	0.00	0.00	0.00	0.00	0.00
5400-43536 N. 10TH ST ROW ACQUISITION	300,000.00	0.00	0.00	0.00	300,000.00
5400-43537 WESSENDORFF PARK	0.00	0.00	0.00	0.00	0.00
5400-43538 DOWNTOWN IMPROVEMENT GRANT	75,000.00	0.00	0.00	0.00	75,000.00
5400-43539 2ND ST FARMERS MARKET PAVILION	0.00	0.00	0.00	0.00	0.00
5400-43540 DOWNTOWN DRAINAGE IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
5400-43541 WATER TOWER LIGHTING PROJECT	0.00	0.00	0.00	0.00	0.00
5400-43542 MYRTLE STREET PROJECT	351,420.00	0.00	0.00	0.00	351,420.00
5400-43543 SIGNAGE GRANT PROJECT	25,000.00	0.00	0.00	0.00	25,000.00
5400-44251 SALES TAX INCENTIVE AGREEMENTS	130,000.00	130,000.00	130,000.00	100.00	0.00
TOTAL DEVELOPMENT CORP	3,471,046.00	332,300.35	332,300.35	9.57	3,138,745.65
	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	3,471,046.00	332,300.35	332,300.35	9.57	3,138,745.65

*** END OF REPORT ***

Development Corporation of Richmond
 Capital Project Detail
 as of October 31, 2020

	Project Budget	FY2018 Expenditures	FY2019 Expenditures	FY2020 Expenditures	FY2021 Expenditures	Total Project Expenditures	Project Balance
Wayside Horns Phase II	\$ 1,100,000.00	\$ -	\$ -	\$ 37,472.42	\$ 76,105.35	\$ 113,577.77	\$ 986,422.23
N. 10th St. ROW (Thompson)	\$ 300,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000.00
Downtown Improvement Grant	\$ 75,000.00	\$ -	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 50,000.00
2nd St Farmers Market Pavilion	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00	\$ (2,500.00)
Water Tower/Bridge Lighting Project	\$ 45,000.00	\$ -	\$ -	\$ 31,036.80	\$ -	\$ 31,036.80	\$ 13,963.20
Myrtle Street Renovation	\$ 357,420.00	\$ -	\$ -	\$ 90,819.16	\$ -	\$ 90,819.16	\$ 266,600.84
Signage Grant Program	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00
	<u>\$ 1,902,420.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,828.38</u>	<u>\$ 76,105.35</u>	<u>\$ 262,933.73</u>	<u>\$ 1,639,486.27</u>

DEVELOPMENT CORPORATION OF RICHMOND

SALES TAX REVENUE

GROSS (Includes City & SPAs)		DCR ALLOCATION <i>Actual Income</i>		DCR BUDGET <i>Budgeted Income</i>		Year-to-Date Target to Budget
Prior Year %		Monthly	Total Received Year-to-Date	Monthly	Total Budget Year-to-Date	
Total Received	Increase (Decrease) Month to Month					100% = Budget

Fiscal Year 2019-2020

Oct	543,165	6%	123,269	123,269	107,057	107,057	115.14%
Nov	631,586	20%	146,573	269,842	125,944	233,001	115.81%
Dec	624,289	10%	144,265	414,107	130,004	363,005	114.08%
Jan	533,734	20%	121,831	535,938	110,329	473,334	113.23%
Feb	710,813	14%	165,191	701,129	131,644	604,978	115.89%
Mar	536,909	16%	123,108	824,237	115,128	720,106	114.46%
Apr	551,969	5%	125,909	950,147	113,972	834,078	113.92%
May	643,006	11%	146,936	1,097,083	139,819	973,897	112.65%
Jun	571,790	-3%	130,780	1,227,863	137,767	1,111,664	110.45%
Jul	581,742	11%	130,921	1,358,784	123,964	1,235,628	109.97%
Aug	707,921	20%	162,091	1,520,875	135,334	1,370,962	110.93%
Sep	599,259	5%	138,036	1,658,911	138,537	1,509,499	109.90%

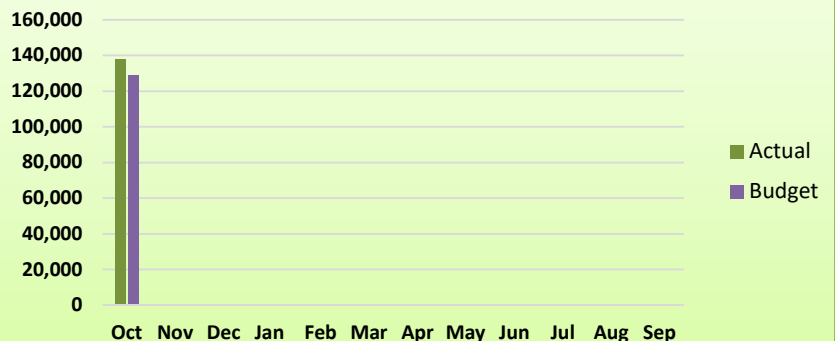
Fiscal Year 2021

Oct	605,058	11%	137,667	137,667	128,712	128,712	106.96%
Nov	0		0		139,542	268,254	
Dec	0		0		136,615	404,869	
Jan	0		0		126,394	531,263	
Feb	0		0		163,136	694,399	
Mar	0		0		118,084	812,483	
Apr	0		0		133,946	946,429	
May	0		0		147,762	1,094,191	
Jun	0		0		135,815	1,230,006	
Jul	0		0		135,173	1,365,179	
Aug	0		0		157,655	1,522,834	
Sep	0		0		142,166	1,665,000	

MONTHLY COLLECTIONS



YEAR-TO-DATE COLLECTIONS



A Charming Past. A Soaring Future.

**WELCOME
TO**
Historic
RICHMOND



CITY OF RICHMOND, TEXAS
Monthly Sales Tax Analysis

For the period ending
October 31, 2020

FY2021

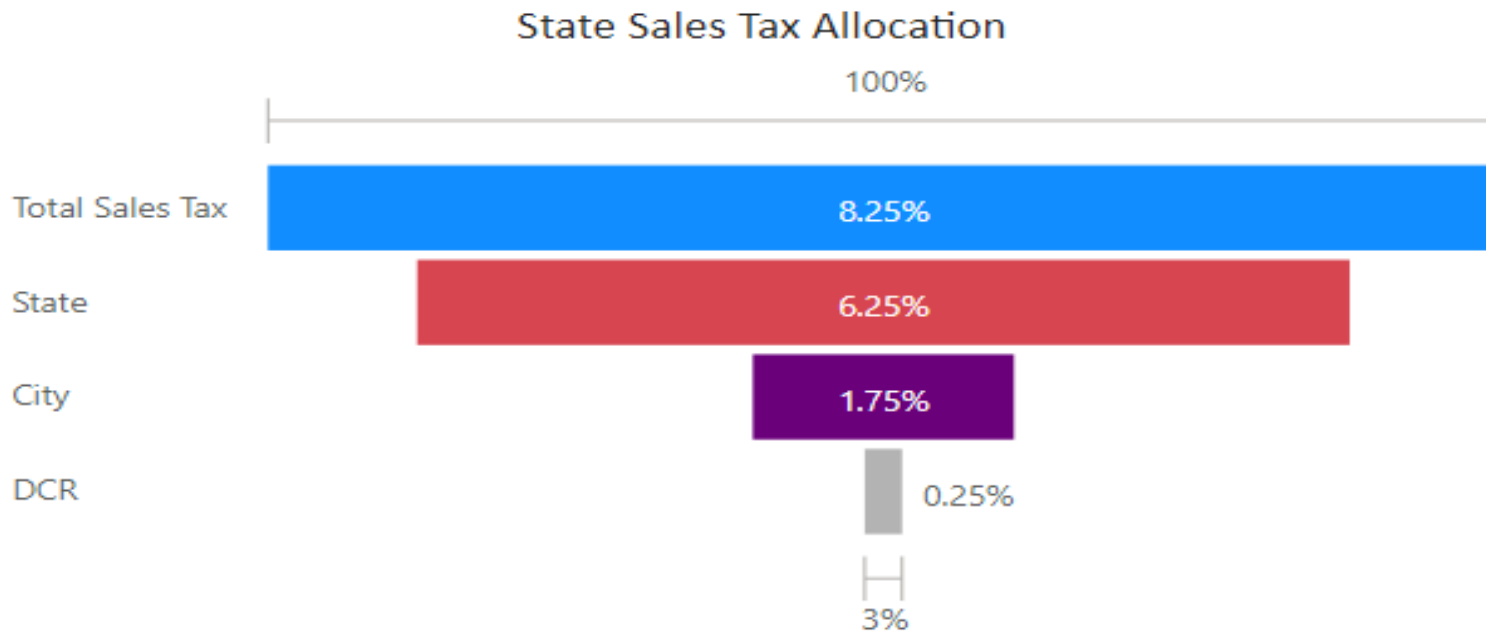
Sales Tax Analysis

Executive Summary

Sales tax is one of the most important revenue streams for the City, but it's also highly volatile and subject to risk. This analysis is intended to highlight the City's sales tax collections in comparison to its expected performance, which is the amount of revenue received compared to the budget.

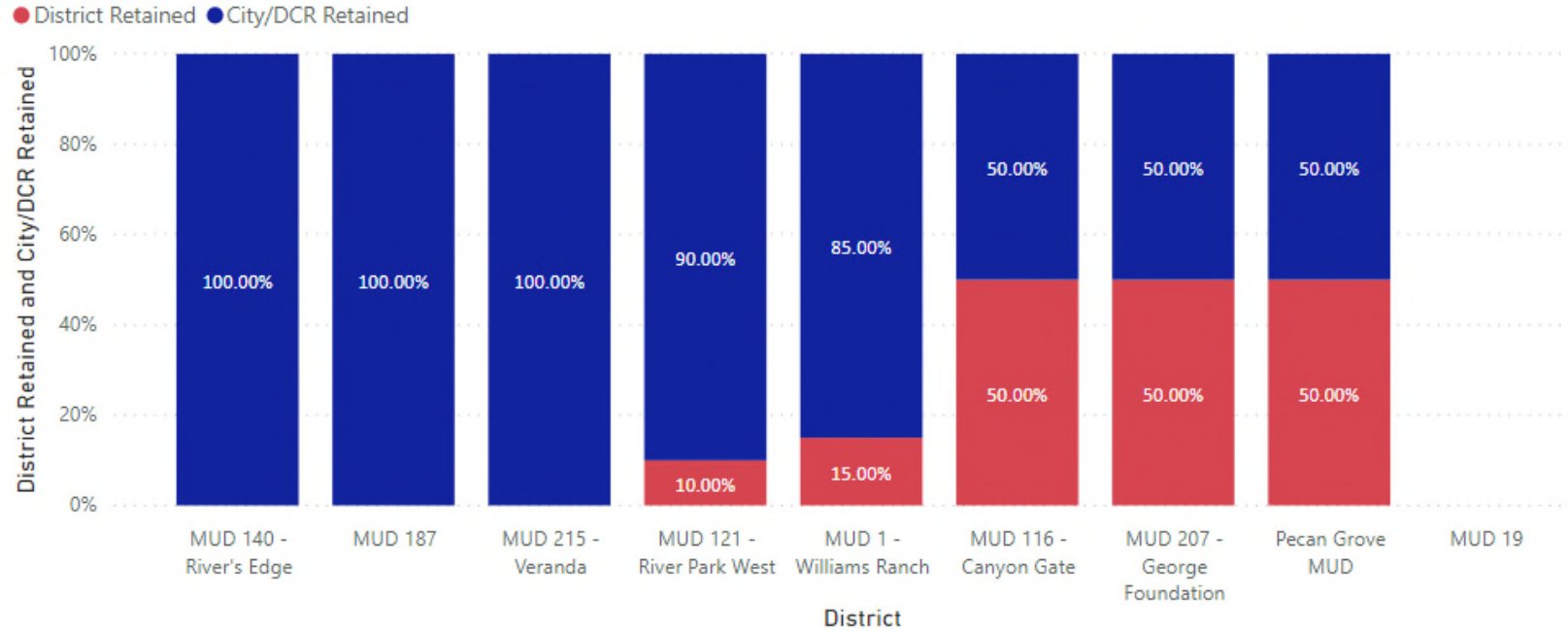
In Texas, the State Comptroller's Office receives sales tax two months before it is remitted to the City, as a result there is a two-month timing difference between the State collection of revenue and the revenue sent to the City. This report covers sales tax payments received by the City from the Texas Comptroller's Office in the month of **October**, which reflects sales tax collections for the month of **August**.

The total sales tax rate within Richmond is 8.25%, of that total, 6.25% is collected and retained by the Texas Comptroller's office, and the remaining 2% is remitted to the City. Consistent with the comprehensive master plan, the City has entered into several strategic partnership agreements (SPAs) that allow for limited purpose annexation and the collection of sales tax within certain municipal utility districts (MUDs). While the City receives 100% of the sales tax collected within the City, these strategic partnership agreements provide for, in most cases, some sharing of the sales tax revenue (between the City and MUDs). As a result of these agreements, after the City remits the MUDs proportional share of its sales tax, the City then remits 25% of the remaining sales tax to the Development Corporation and retains 75% in the General Fund.



Sales Tax Analysis

District Sales Tax Allocation



Key Statistics

Net Sales Tax Payment

- October Collection:
 - Total Net Collections: \$605,058
 - One-Time Negative Audit Adjustment: \$-21,189
 - Outlook: Positive

City Sales Tax

- October Collection:
 - Total Net collections are \$413,000
- October Compared to Budget
 - Current month: -1.06%
 - Average Year to date: -1.06%

Sales Tax Analysis

Summary of Performance

Quarter Label	Net Payment	SPA Collections	City Retained SPA	Gross City Collections	MUD Expense SPA	City Retained	Budget Amount	DCR Retained
Q1								
1 - October	605,058	113,297	58,907	467,391	-54,390	413,000	417,444	137,667
Total	605,058	113,297	58,907	467,391	-54,390	413,000	417,444	137,667
Total	605,058	113,297	58,907	467,391	-54,390	413,000	417,444	137,667

City Sales Tax

Quarter Label	Prior Year Net Payment	Net Payment	YoY Net % Chg	Prior Year City Retained	City Retained	YoY City % Chg	Budget Amount	Actual / Budget (\$)	Actual / Budget (%)
Q1									
1 - October	543,165	605,058	11.39%	369,807	413,000	11.68%	417,444	-4,443	-1.06%
Total	543,165	605,058	11.39%	369,807	413,000	11.68%	417,444	-4,443	-1.06%
Total	543,165	605,058	11.39%	369,807	413,000	11.68%	417,444	-4,443	-1.06%

DCR Sales Tax

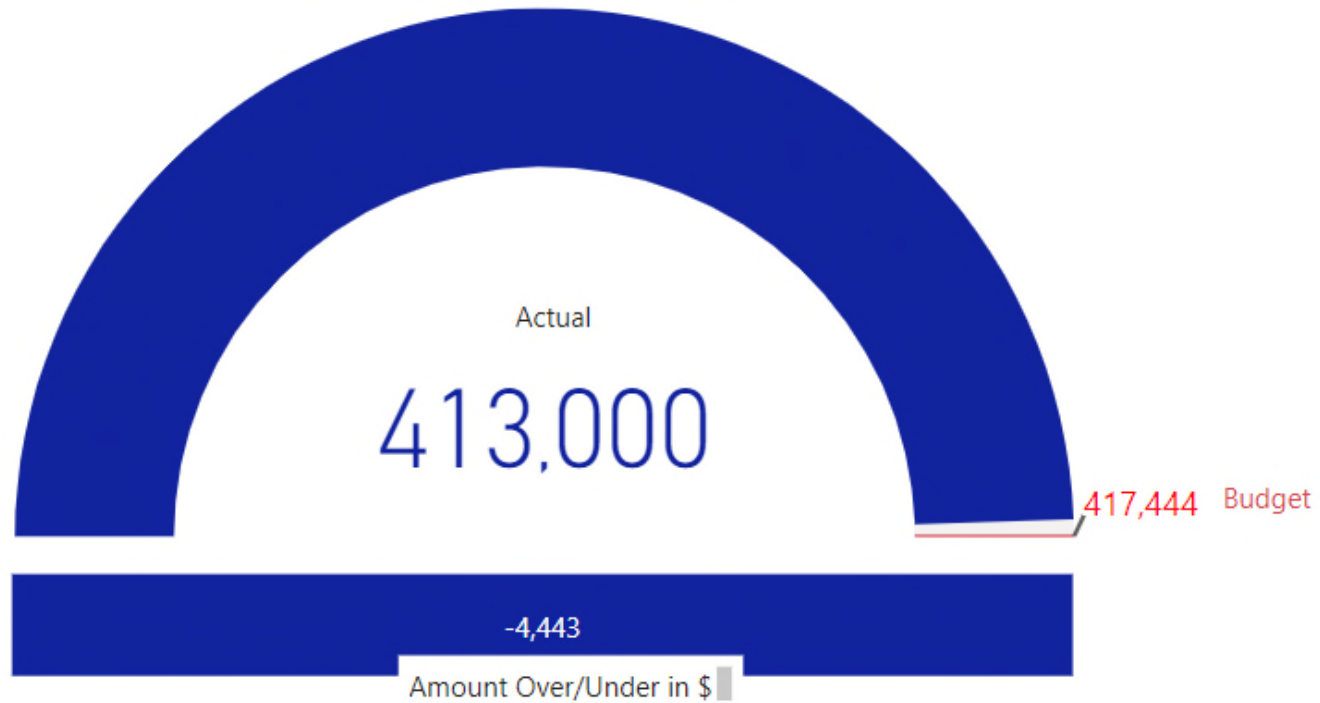
Quarter Label	Prior Year Net Payment	Net Payment	YoY Net % Chg	DCR Prior Retained	DCR Retained	YoY DCR % Chg	DCR Budget	DCR Act/Bud (\$)	DCR Act/Bud (%)
Q1									
1 - October	543,165	605,058	11.39%	123,269	137,667	11.68%	128,712	8,955	6.50%
Total	543,165	605,058	11.39%	123,269	137,667	11.68%	128,712	8,955	6.50%
Total	543,165	605,058	11.39%	123,269	137,667	11.68%	128,712	8,955	6.50%

Sales Tax Analysis

City Current Month at a Glance

The graphs below indicate that City sales tax collections are \$413,000 in October, compared to the budget allocation of \$417,444. The total collections are under budget by \$4,443, which is 1.06% lower than expected. This month a one-time negative audit adjustment in the amount \$21,189.01 was deducted.

Actual/Budget Sales Tax Performance



Sales Tax Analysis

City Year-to-Date at a Glance

The graphs below indicate that total sales tax collections are \$413,000 for the fiscal year, compared to the budgeted sales tax of \$417,444. October is the first month in the 2021 fiscal year, therefore collections will increase with the passing of each subsequent month.

The City will accumulate and monitor any excess sales tax revenue and will recognize any actual gains at the end of the year, once all revenues have been received. This approach helps minimize the month to month volatility of collections.

Actual/Budget Sales Tax Performance



Sales Tax Analysis

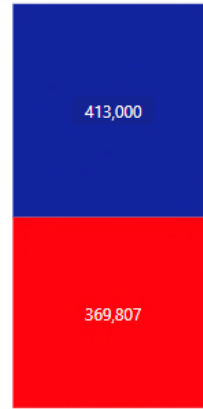
City Historical Performance

YOY Sales Tax Performance

● Prior Year City Retained ● City Retained

10/1/2020

10/31/2020

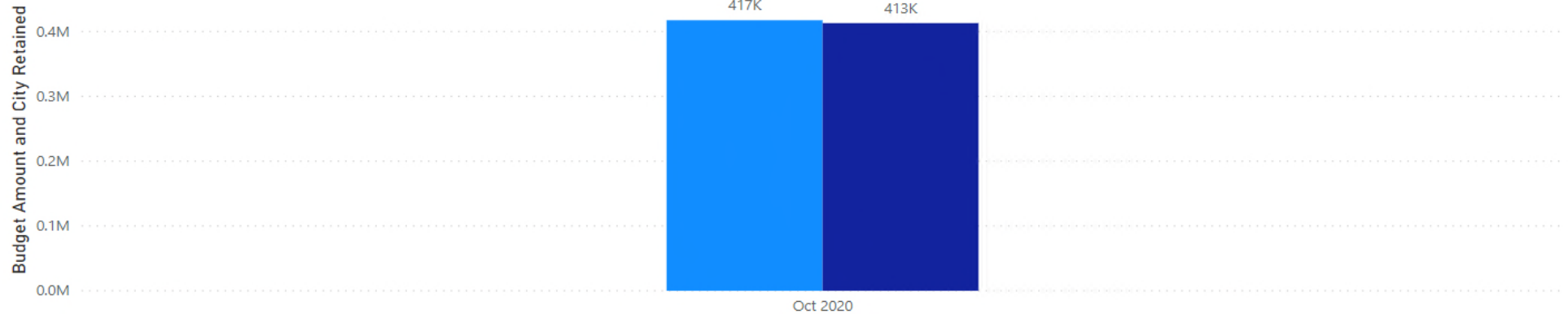


Oct 2020

Month In Calendar

Actual/Budget Sales Tax Performance

● Budget Amount ● City Retained

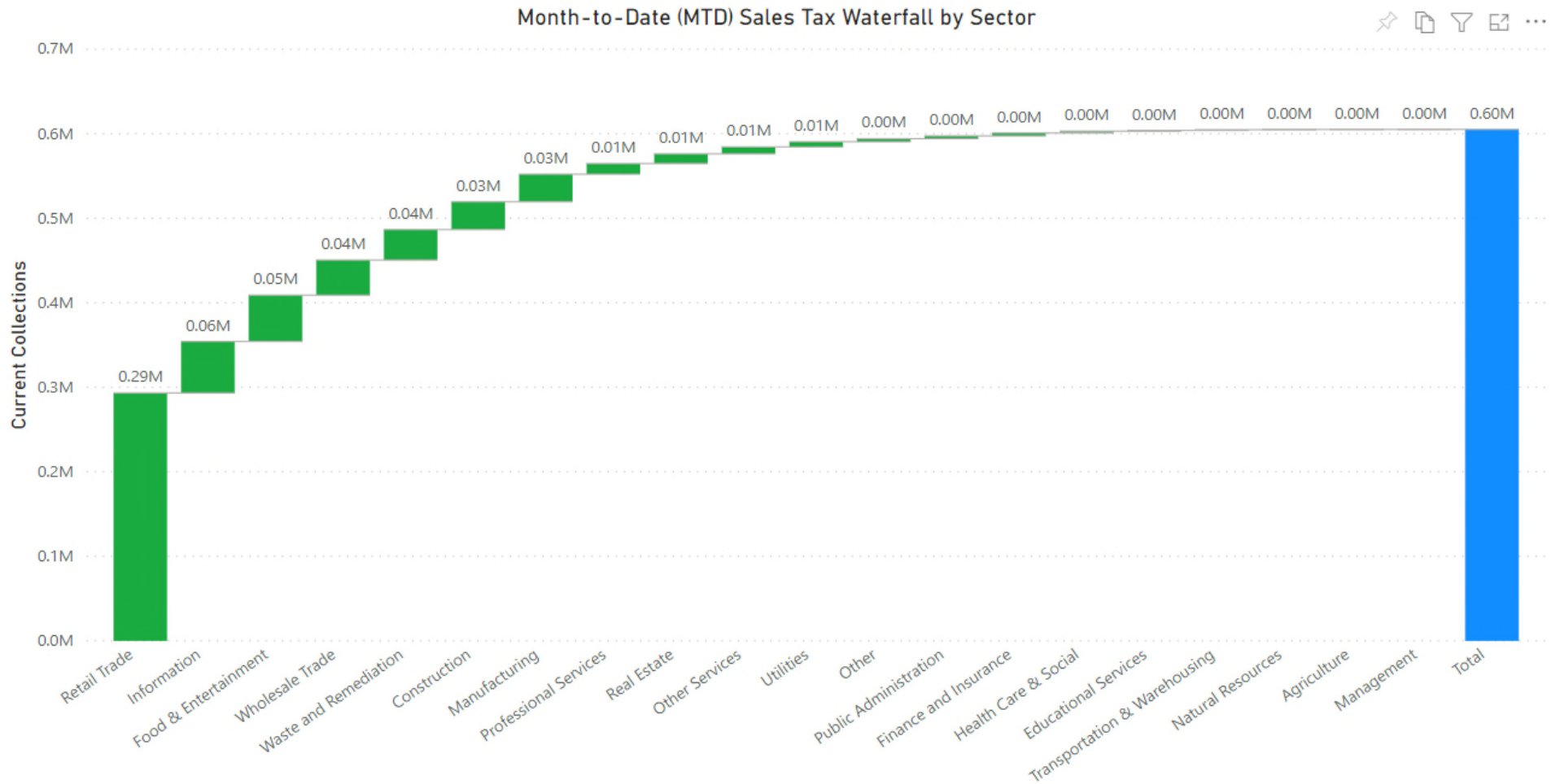


Sales Tax Analysis

Monthly Payment Allocation by Sector

This chart shows the makeup of this month's payment by sector.

For a monthly comparison to last year by sector, please see the written analysis below the chart.



Monthly Analysis Compared to Prior Year

The Retail Trade and Food & Entertainment Sectors are the primary industry sectors for the City and combined make up approximately 55% of the total collections. The sectors described in this analysis below make-up approximately 90% of the total collections for the City.

Retail: The Retail sector increased by 12.64% when compared to the same period in the prior year. The increase is the result of timing and better performance year-over-year in the Furniture and Non-store subsectors.

Food & Entertainment: The Food & Entertainment sector increased by 0.76% when compared to the same period in the prior year, indicating some return to “normal” activity levels since the COVID 19 pandemic began.

Information: The Information sector decreased by 0.17% when compared to the same period in the prior year. The decrease is primarily in Telecommunications and Internet Service Providers subsectors. The Telecommunications subsector averaged 30% lower than the prior year’s collections for most major telecommunication companies.

Natural Resources: The Natural Resources sector decreased by 94.34% when compared to the same period in the prior year. The decrease in this sector is the result of an industry closely tied to Construction. Collections in this sector should be treated as one-time collections due to the volatility of the subsectors’ collections.

Professional Services: The Professional Services sector increased by 5.62% when compared to the same period in the prior year. The increase in collections is likely the result of economic development related activity initiated on the part of the City.

Utilities: The Utility sector decreased by 74.57% when compared to the same period in the prior year. The decrease in this sector is the result of a negative audit adjustment by a major retail electric provider.

Wholesale Trade: The Wholesale Trade sector increased 163.95% when compared to the same period in the prior year. The increase in this sector is tied to the Durable Goods and Electronics Market subsectors.

Waste & Remediation: The Waste & Remediation sector increased by 55.48% when compared to the same period in the prior year. The increase in collections occurred primarily in the Administrative and Support Services subsector.

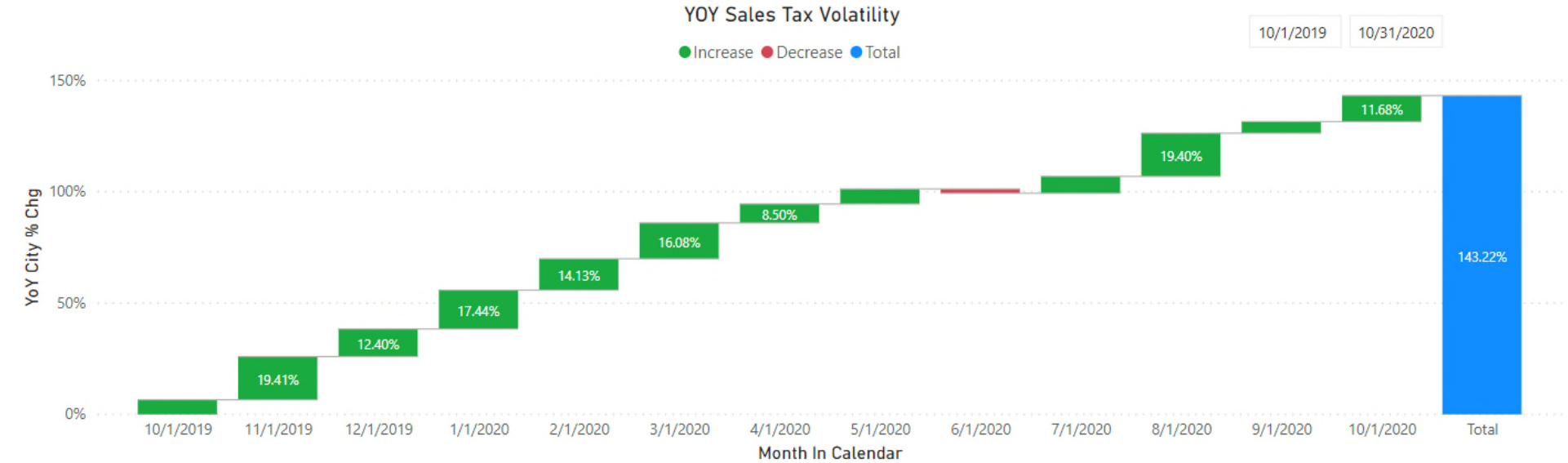
Manufacturing: The Manufacturing sector decreased by 9.50% when compared to the same period in the prior year. The decrease in collections occurred primarily in the Furniture subsectors. This is primarily the result of a large one-time collection in the prior year.

* The collections by sector information is directly from the Confidentiality Report received from the Texas Comptroller’s Office. The numbers reflected in the Confidentiality Report are unadjusted and will not match the Net Collections that the Comptroller publishes. The Net Collections published publicly include all tax payers, whereas the Confidentiality Report only includes tax payers that annually remit more than \$5,000, and does not include the other adjustments made to the Net Allocation. In order to remain confidential only the aggregate data by sector, and subsector can be reported.

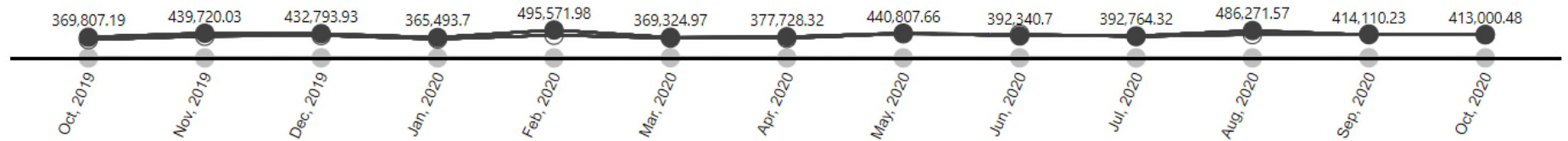
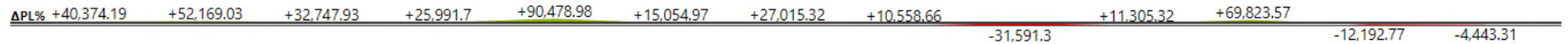
Sales Tax Analysis

THE INFORMATION PROVIDED TO THE CITY IS CONFIDENTIAL. It is not open to public inspection. A city may use the information only for the purpose of economic forecasting (Tex. Tax Code 321.3022(c)). Unauthorized distribution of confidential information is punishable by 6 months in jail and a \$1,000 fine (Tex. Govt Code sec. 552.352). As a result staff cannot answer specific questions about companies included within the aggregate sales tax number in this report.

Monthly Sales Tax Volatility



Actual/Budget Sales Tax Volatility

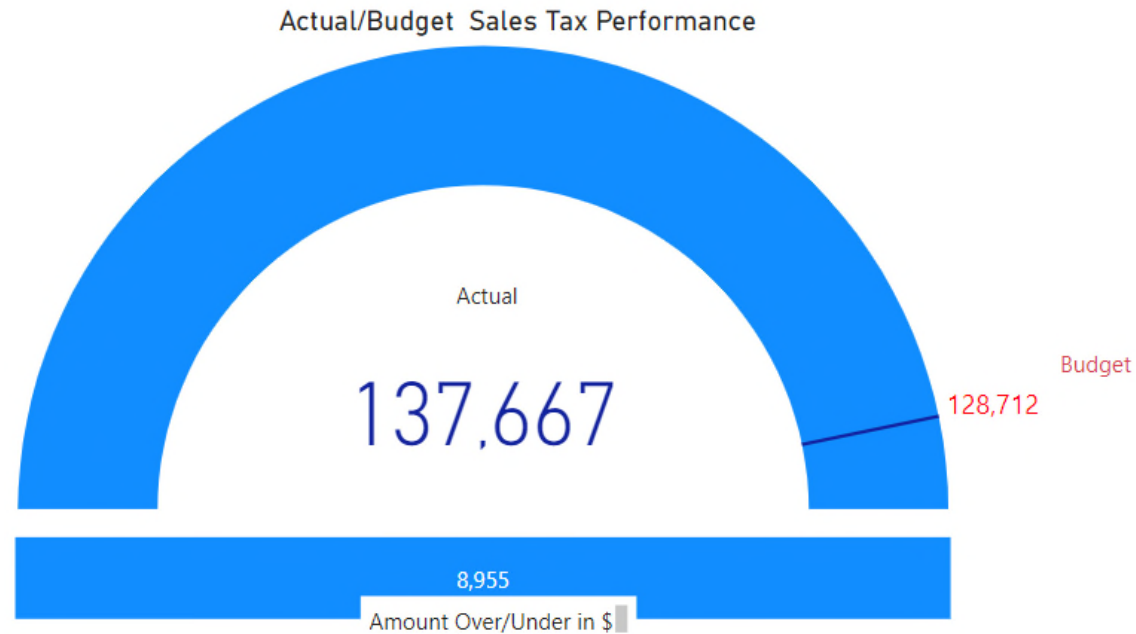


Sales Tax Analysis

The City budgets sales tax on a conservative basis because collections are extremely volatile in nature. The graph above highlights the monthly volatility in sales tax.

Development Corporation Sales Tax

- **Year-to-Date thru October Collection:**
 - Total collections are \$137,667
- **October Compared to Budget:**
 - Current month: Up 6.50%
 - Average Year to date: 6.50%
- **Year-over-Year Sales Tax Performance:**
 - Current month: Up 11.68%
 - Year to date: Up 11.68%



Sales Tax Analysis

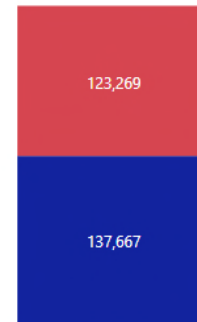
YOY Sales Tax Performance

DateKey

10/1/2020

10/31/2020

● DCR Retained ● DCR Prior Retained

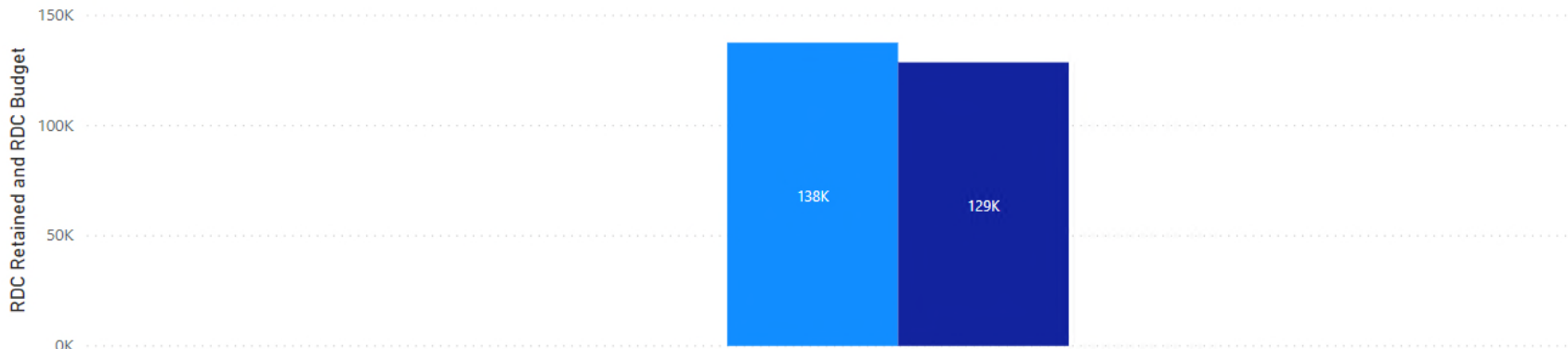


Oct 2020

Month In Calendar

Actual/Budget Sales Tax Performance

● RDC Retained ● RDC Budget



Oct 2020

Month In Calendar

Sales Tax Background

Sales tax is an important but volatile revenue stream for the City, and it is closely monitored and analyzed.

Understanding how the City develops the sales tax forecast is an important part of this publication. This year the sales tax forecast utilized a conservative approach of an approximate 3% increase from the previous budget to maintain modest fiscal expectations.

Once developed, the sales tax budget is distributed across the months based on the percentage of collections that month would historically receive. It's important to understand that there are factors that can cause peaks and valleys in this distribution. These peaks and valleys are a result of the timing of the collection (i.e. when the business makes payment), the receipt of one-time collections, and audit adjustments, which can increase or decrease the actual collection. It is this volatility of the collections that make the comparison on a monthly basis a challenge. While sustained high or low monthly collections may signal a change in the trend, the individual monthly comparison will not provide a complete picture, thus greater attention should be paid to the year-to-date collections and budget.



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

7. Consider and take action on recommendations for future agenda items.



November 17, 2020 Board Meeting

8. Adjourn to Executive Session, as authorized by Texas Government Code, Sections 551.072 and 551.087, deliberations regarding commercial or financial information that the DCR has received from a business prospect and/or deliberation regarding the offer of a financial or other incentive to a business prospect.

1. Discuss Potential Incentive Terms.



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

9. Reconvene into Open Meeting, and take action, if necessary.



RICHMOND

DEVELOPMENT CORPORATION OF RICHMOND

November 17, 2020 Board Meeting

10. Adjournment.