

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
Fiscal Year 2005 -- 2006**

Prepared for the City Council of the City of
Nassau Bay, Texas

November 2006

**ANNUAL REPORT OF THE NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
For
Fiscal Year 2005 – 2006**

Prepared for the City Council of the City of Nassau Bay, Texas

In accordance with the by-laws of the Nassau Bay Economic Development Corporation, this annual report covering the period October 1, 2005 - September 30, 2006, is submitted as required by paragraph 5. (b). The following items summarize major EDC activities and decisions for Fiscal Year 2005 - 2006:

1. Through public hearing process, added the following to list of possible projects to be funded by the EDC alone or in concert with the City of Nassau Bay (EDC members voted to add these items to the list of possible projects but to expend no funds at this time):
 - Boardwalk and Bulkhead Construction
 - Boathouse for the Police/Fire Boat
 - Sanitary Sewer Rehabilitation
 - Water Meter Replacement Project
 - Costs Associated with Redevelopment of Gateway Retail and Waterfront Areas of the City.
2. Elected same slate of officers – those being Don Matter as President; Don Johnson as Vice President; Mark Denman as Treasurer; and David Braun as Secretary.
3. Gave instructions to Staff for preparation of Annual Report for Fiscal Year 2004-2005.
4. Authorized an additional contribution of \$100,000 from the EDC for dredging.
5. Accepted annual audit for fiscal year ending September 30, 2005 as prepared by Sandersen Knox & Belt.
6. Accepted the resignation of Vice President Don Johnson, elected Ron Swofford as Vice President, and recommended that City Council appoint George Dempsey to fill the vacancy.
7. Reached consensus that EDC members Don Matter, Gary Mossman, and George Dempsey, along with John Kennedy, would participate in weekly conference calls originated by Transwestern (the City's redevelopment partner) at 11 a.m. each Friday to stay informed of economic development initiatives.
8. Authorized John Kennedy to review a job description of an employee to be shared by the City and Transwestern. If employee proves favorable, EDC will

- recommend to Council to go forward with John Kennedy hiring individual with a reimbursement cap to Transwestern not to exceed \$35,000.00.
9. Participated with City Council in special meetings on February 13, 20, and 27 and March 6, 2006 to conduct executive sessions on real estate and economic development matters.
 10. In conjunction with City Council's decision to purchase property at 18295 Upper Bay Road to house Public Works and EMS, EDC voted to participate in an interlocal agreement with Council whereby the EDC reimburses the City for debt service payments on the tax note. Figures were estimated to be \$350k in a 7 year balloon note, ballooning after the second year, with \$8k coming directly from the EDC. The EDC, through Gary Mossman, asked that the record of the meeting reflect that this action was consistent with the Corporation's historical project selection for the betterment of the City. This project is a high priority because of the financial and strategical benefit to the City to relocate these Departments, moving them out of harm's way before next hurricane season.
 11. Approved resolution concerning sales tax remittance agreement relating to City tax notes (this was next step in City's acquiring property at 18295 Upper Bay Road).
 12. Instructed Staff on preparation of EDC's Mid-Year Report to Council.
 13. Recommended to Council that Bay Area Houston Economic Partnership's request of \$15k for a membership agreement be reduced to \$12,500 for the first year and if solid efforts are shown in behalf of urban development, the \$15k amount will be entertained for the next year.
 14. Approved budget for FY06/07.

NASSAU BAY
ECONOMIC DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
Unaudited
For the Fiscal Year Ended
September 30, 2006

Nassau Bay Economic Development Corporation
 EDC Expenses Unaudited
 September 30, 2006

Payee	Vendor	Check No.	Description	For Year Ended 09-30-06
Expenditures:				
BAHEP	BAHEP	1224	Dues for 2006	10,000.00
City of Nassau Bay	Dredging	1225	FY06 Joint Dredging Project	125,000.00
City of Nassau Bay	Gregg & Gregg	1226	Legal -Oct.	225.00
City of Nassau Bay	BAHEP	1227	2006 annual Banquet	1,100.00
City of Nassau Bay	BAHEP	1228	Design N.B.banner	988.28
City of Nassau Bay	S.K.& Belt, CPA	1229	FY05 Audit	4,500.00
City of Nassau Bay	City of N.B.	1230	FY06 Administrative Expense	12,000.00
City of Nassau Bay	Gregg & Gregg	1231	January & February Legal Services	1,975.00
City of Nassau Bay	Magnan-McFee	1232	Redesign Table Top Book Page	720.00
City of Nassau Bay	City of N.B.	1233	Joint City Building Project	20,113.09
City of Nassau Bay	Transwestern	1234	Development Services June QTR	7,500.00
City of Nassau Bay	Texas EDC	1235	Membership	350.00
City of Nassau Bay	Transwestern	accrued	Development Services Sept. QTR	7,500.00
Total Expenditures				<u>191,971.37</u>

Nassau Bay Economic Development Corporation
 FY06 Sales Tax Revenue Unaudited
 September 30, 2006

Month	EDC Year Ended 9-30-03 (FY03)	EDC Year Ended 9-30-04 (FY04)	EDC Year Ended 9-30-05 (FY05)	EDC Year Ended 9-30-06 (FY06)	EDC Budget 9-30-06 (FY06)	Over (Under) Budget (FY06)
December	17,726.60	14,714.30	16,043.20	13,211.76	15,000	(1,788)
January	12,576.20	11,844.55	19,126.16	12,972.87	15,000	(2,027)
February	17,726.50	17,144.67	15,193.56	19,366.87	15,000	4,367
March	14,865.32	11,764.66	14,394.93	12,462.45	12,000	462
April	16,388.63	13,335.39	14,886.69	12,409.86	15,000	(2,590)
May	14,015.95	16,244.16	17,141.89	19,200.45	17,000	2,200
June	8,371.56 a	17,245.53 c	10,267.54	14,613.90	10,000	4,614
July	14,293.89	12,545.45	4,314.38 d	15,048.90	12,000	3,049
August	19,492.58	19,211.79	16,004.25	16,822.24	18,000	(1,178)
September	12,403.30	11,288.59	13,717.87	12,881.66	12,000	882
* October	12,954.88	14,435.91	16,553.64	12,815.73	13,000	(184)
* November	23,891.34 b	16,677.40	16,574.48	16,000 p	16,000	-
Total	184,706.75	176,452.40 p	174,218.59	177,806.69	170,000	7,807
EDC Budget	155,000.00	160,000.00	170,000.00	170,000.00	170,000	
P Projected						
Includes one time Payment of:						
a. \$(12,661.61)						
b. \$7,388.86						
c. \$(11,212.42)						
d. \$(8,105.83)						
* Accrued at September (October & Nov. 20xx payments)	<u>36,846.22</u>	<u>31,113.31</u>	<u>33,128.12</u>	<u>28,815.73</u>		

glpacmb DQUICK
 17:23 10/18/06
 Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
 Revenue & Expense Report
 Period Ending: 09/06

Account	Description	Year Budget (SUBTOTAL)	Month Actual (SUBTOTAL)	Year To Date Actual (SUBTOTAL)	Encumbrce (SUBTOTAL)	Budget Balance (SUBTOTAL)	Percent Received Spent
Department number: 1 Economic Development							
Program number:							
51-3020-01-00	Interest on Investments	2,000.00-	432.61-	2,589.69-		589.69	129.485
51-3110-01-00	Sales Tax Revenue	170,000.00-	41,697.39-	177,806.69-		7,806.69	104.592
	Subtotal:	172,000.00-	42,130.00-	180,396.38-		8,396.38	104.882
Program number: 0							
Department number: 1 Economic Development							
Department number: 99 FUND RESERVE							
Program number:							
51-9520-99-00	Prior Year Balance	143,536.00-				143,536.00-	
51-9525-99-00	End of Year Reserve	57,536.00				57,536.00	
	Subtotal:	86,000.00-				86,000.00-	
Program number: 0							
Department number: 99 FUND RESERVE							
Revenue Subtotal - - - - -							
		258,000.00-	42,130.00-	180,396.38-		77,603.62-	69.921
Department number: 1 Economic Development							
Program number:							
51-5000-01-00	Administrative Expense	12,000.00		12,000.00			100.000
51-5001-01-00	Audit	4,500.00		4,500.00			100.000
51-5002-01-00	Promotion/Consulting	5,000.00		2,808.28		2,191.72	56.166
51-5003-01-00	Reserve	60,000.00				60,000.00	
51-5004-01-00	Training	885.00				885.00	
51-5005-01-00	Legal	5,150.00		2,200.00		2,950.00	42.718
51-5006-01-00	Memberships-BAHEP/TEDC	10,350.00		10,350.00			100.000
51-5100-01-00	Economic Dev Proj-Undesignated						
51-5103-01-00	Dredging Projects	125,000.00		125,000.00			100.000
51-5108-01-00	City Building-Joint Project	20,115.00		20,113.09		1.91	99.991
51-5109-01-00	Development Services	15,000.00	7,500.00	15,000.00			100.000
	Subtotal:	258,000.00	7,500.00	191,971.37		66,028.63	74.408
Program number: 0							
Department number: 1 Economic Development							
		258,000.00	7,500.00	191,971.37		66,028.63	74.408

glpncmb DQUICK
17:23 10/18/06
Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
Revenue & Expense Report
Period Ending: 09/06

Account	Description	Year Budget (SUBTOTAL)	Month Actual (SUBTOTAL)	Year To Date Actual (SUBTOTAL)	Encumbrce (SUBTOTAL)	Budget Balance (SUBTOTAL)	Percent Received Spent
Expenditure	Subtotal - - - - -	258,000.00	7,500.00	191,971.37		66,028.63	74.408
Fund number:	51 ECONOMIC DEVELOPMENT FUND		34,630.00-	11,574.99		11,574.99-	

***** End of Report *****

g1pblsh2 DQUICK
19:00 10/18/06
Fund: 51 ECONOMIC DEVELOPMENT FUND

City of Nassau Bay
Balance Sheet
Period Ending: 09/30/06

Account Number	Description	Debit	Credit
51-1010-01-00	CASH		
51-1013-01-00	CASH-EDC Bk of America	3,450.69	
51-1032-01-00	INVESTMENTS	105,693.59	
51-1122-01-00	Accounts Receivable		
51-1135-01-00	SALES TAX RECEIVABLE	28,815.73	
51-2005-01-00	Accounts Payable		
51-2053-01-00	Due To Primary Government		-7,500.00
51-2520-01-00	FUND BALANCE		-142,035.00
51-2521-01-00	Prior Year Reserve		
	Current Year Revenue/Expense	11,574.99	
	Fund totals:	149,535.00	-149,535.00

***** End of Report *****

ECONOMIC DEVELOPMENT CORPORATION

OCTOBER 2005

Officers are re-elected as follows:

President	Don Matter
Vice President	Don Johnson
Secretary	David Braun
Treasurer	Mark Denman
Directors	Ron Swofford
	Gary Mossman
	Joe Murdock

JANUARY 23, 2006

Vice President Don Johnson resigns to serve on the Planning Commission.
Ron Swofford is elected as Vice President.
EDC recommends to Council the appointment of George Dempsey to fill the vacancy.

FEBRUARY 13, 2006

Council appoints George Dempsey to the EDC.

JUNE 12, 2006

Council ratifies appointment of the following directors by virtue of their service on Council:

Don Matter	term to expire May 2008
Ron Swofford	term to expire May 2007
David Braun	term to expire May 2008
Mark Denman	term to expire May 2007

Council ratifies current additional directors as:

Gary Mossman	term to expire May 2007
George Dempsey	term to expire May 2007

Council reappoints current additional director:

Joe Murdock	term to expire May2008
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