

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JULY 18, 2017

The McKinney Economic Development Corporation met in regular session in the Council Chambers at 222 N. Tennessee Street, McKinney, Texas, on July 18, 2017 at 8:00 a.m.

Board members Present: Chairman Jason Burress, Secretary/Treasurer Walter Chen, Kenneth Sipiora, Robert Clark, Randy Page and Sharon Denny. Absent: Vice Chairman Paul Merritt.

Council members Present: Mayor George Fuller and Council member Scott Elliott.

Chairman Burress called the meeting to order after determining a quorum present.

Staff present: President Darrell Auterson; Executive Vice President Abby Liu; Business Development Specialist Madison Clark; City Secretary Sandy Hart; City Manager Paul Grimes; Assistant to the City Manager Trevor Minyard; MCVB Director Deedee Guerra; MEDC Attorney Mark Houser; Intern Einar Longva; MEDC Temporary Administrative Assistant Sterrett Coleman; Communications and Marketing - Michelle Feldker and Frances LaRue; McKinney Community Development Corporation President Cindy Schneible; and Chief Financial Officer Mark Holloway.

There was one guest present.

17-713 Board and Liaison Updates:

Board Chairman – Chairman Burress stated that the MEDC Facebook page and Twitter is up and running.

City of McKinney – City Manager Paul Grimes stated that the Legislative Special Session started today. There are a number of items of interest to us. The primary ones involve property tax reform, constraining the growth of local and state governments, and municipal and regulatory annexation reforms. We will continue to be involved in that and keep you apprised. We have a budget presentation scheduled for Council for August 4. After that, the budget schedule will have a series of public

hearings required by state statute and the budget will be slated for adoption in late September for an October 1 fiscal year.

McKinney Convention and Visitors Bureau – Director Deedee Guerra noted that the McKinney Shop is now open. If anyone needs a McKinney item, please think about coming to the shop to purchase items because that money goes back into the budget to be used to showcase McKinney. We are still assisting Paccar with their groundbreaking ceremony, transportation and hotel rooms for about 50 of their staff. Last month, as far as advertising goes, staff was able to send photos to the Dallas Morning News for an article in their travel section about cool road trip destinations.

MCDC – McKinney Community Development Corporation President Cindy Schneible stated that their final cycle for promotional and community grants closed at the end of May. We received 10 applications requesting over \$70,000 and we have a little over \$50,000 to award. We will make the decisions at our next Board meeting. The final project grant cycle closed on June 30th. We received several applications and we will hold public hearings on four of those at the meeting next week. One of the priorities of the Board this year has been to communicate and educate residents about the impact of buying and shopping locally with respect to sales tax revenue and quality of life. We continue to place ads and new this year is online advertising with the Chamber and digital ads within the Apex Centre so we have an opportunity to share the message with folks who visit there. The City's communication team submitted and won a second place award for the campaign we have on buying local.

17-714 Chairman Burress called for Consideration/Discussion on MEDC Staff Monthly Reports. President Darrell Auterson noted that we have adopted a new uniform template for our report that is tied directly to the goals and structure of our strategic plan. We will continue to refine the reporting system as we go forward. Business Development Specialist Madison

Clark stated that the MEDC launched a social media Twitter and Facebook platforms with a June 1st prelaunch for the July launch. Both accounts are under the name McKinney, Texas EDC for ease of marketing purposes. I encourage you to follow us and share some content. These dashboards are used to figure out how the audience who is following us on the platforms, how the content resonates with them.

17-715 Chairman Burress called for Consideration/Discussion/Action on the Seventh Amended and Restated Bylaws of McKinney Economic Development Corporation. MEDC Attorney Mark Houser stated that the MEDC requested two substantive revisions. One dealt with training, a less stringent requirement for how and what types of training and the other was the supervisory structure of the President. The revision is basically the former version of the bylaws that were in effect prior to the 2015 changes with one nuance which deals with Mr. Auterson's employment contract. The new language includes that the MEDC Board would still do the performance evaluation of the President. The issues of hiring and termination still go through you but, as you know, the Charter of the City of McKinney requires City Council ratification. Board member Clark stated that we have a very good relationship with the City Council and the City Manager and returning to the old bylaws has nothing to do with that relationship. MEDC Attorney Houser stated that any amendment of the bylaws by this Board must also be ratified by the City Council at its meeting. Chairman Burress stated he appreciates City Manager Grimes and all he has done. This is a structure change that I feel is a healthier structure with more checks and balances. Board members unanimously approved the motion by Board member Sipiora, seconded by Secretary/Treasurer Chen, to approve the Seventh Amended and Restated Bylaws of McKinney Economic Development Corporation.

17-716 Chairman Burress called for Consideration/Discussion/Action on FY18

Budget for Submission to the City Manager for Approval. President Auterson presented the proposed FY 2017/2018 budget. He noted that he received information yesterday that does amend this budget proposal slightly. The City's Finance Department indicated that the revenue line item will increase by a total of \$1,125,000. Instead of it being \$12,507,272 for the total revenue, that will go up to \$13,357,272. Most of the changes that had occurred from the current fiscal year budget were driven by the new goals and strategies. The budget and finance committee members were comfortable with the discussion we had concerning the programmatic line items in the budget. They felt we were still deficient in the staffing capacity. I had originally requested supplemental funding to increase staffing to a total of nine, including one full-time and two part-time personnel. The Finance Committee felt that was not adequate. They recommended I increase the personnel line item by \$250,000 and submit a supplemental request that will bring us up to 10.5 full-time equivalents and give us more capacity in the business attraction area. Senior Budget Analyst Eric Corder confirmed that the total would be around \$307,000 with the cost of personnel and additional benefits. Board member Clark stated that the Committee felt the need to add personnel so that we could be competitive in the market to bring the tax base and new jobs to McKinney now, while we are in the current business cycle. Board member Sipiora stated that the operating expenses of the agency versus top line revenue is a rough yardstick of organizational efficiency. This new budget, as proposed, still brings our operating expenses to about 16% of the top line number. Board members unanimously approved the motion by Vice Chair Clark, seconded by Board member Denny, to approve the FY18 Budget for submission to the City Manager for approval.

Chairman Burress called for Citizen Comments and there were none.

Chairman Burress called for Board or Commissioner Comments and there were none.

Chairman Burress recessed the meeting into Executive Session at 8:28 a.m. Texas Government Code: Section 551.071 (2). Consultation with City Attorney on any Work Session, Special or Regular Session agenda item requiring confidential, attorney/client advice necessitated by the deliberation or discussion of said items and legal consultation on the following item(s), if any: Section 551.072. Deliberations about Real Property, and Section 551.087. Deliberation Regarding Economic Development Matters as listed on the posted agenda. Chairman Burress returned to the open meeting at 10:38 a.m.

Chairman Burress called for Action on Executive Session.

The Board unanimously approved the motion by Board member Page, seconded by Vice Chairman Clark, to approve Project Lily as discussed in Executive Session.

The Board unanimously approved the motion by Board member Page, seconded by Secretary/Treasurer Chen, to approve Project Llama as discussed in Executive Session.

Board members unanimously approved the motion by Board member Clark, seconded by Chairman Burress, to approve the name Southgate McKinney as the new name for the old Gateway development and that the Board tentatively approve the logo with the stipulation that we look at the "G" to determine if there is a better way in which to present it and the logo colors.

Board members unanimously approved the motion by Board member Sipiora, seconded by Board member Clark, to adjourn. Chairman Burress adjourned the meeting at 10:45 a.m.

JASON BURRESS
Chairman