

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

JULY 16, 2019

The McKinney Economic Development Corporation met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas, on July 16, 2019 at 8:00 am.

Board members Present: Chairman Kenneth Sipiora, Vice Chairman Michael Jones, Secretary/Treasurer Brian Loughmiller, Patrick Cloutier, Dr. Gere' Feltus, Joe Minissale and Tracy Rath.

Absent: None

Staff Present: President Peter Tokar, Executive Vice President Abby Liu, Senior Vice President Danny Chavez, Director of BREP John Valencia, Project Manager Madison Clark, Technology and Infrastructure Specialist Michael DePaelo, MEDC Office Supervisor Deana Smithee, MEDC Administrative Assistant Joanne Isom, Social Media Specialist Kristen Ridout, Mayor George C. Fuller, Mayor Pro Tem Rainey Rogers, City Manager Paul Grimes, Chief Financial Officer Mark Holloway, MCVB Executive Director Dee-dee Guerra, City Secretary Empress Drane, MEDC Attorney Mark Houser, and Financial Compliance Manager Chance Miller.

There were 3 guests present.

Chairman Sipiora called the meeting to order at 8:02 am after determining a quorum present.

Chairman Sipiora noted there would be a change in the order of the agenda due to Mayor Fuller's schedule. The board will move to Executive Session following Board and Liaison updates.

19-0556 Chairman Sipiora called for an overview of Chamber Technology for Council and Board Meetings. City Secretary Empress Drane completed an overview of the Chambers Technology concerning management of the meetings and voting operations. City Secretary Drane noted the purpose of this technology is to ensure proper tracking of meetings and the maintenance that goes along with documenting minutes and providing the information to the public.

19-0557 Chairman Sipiora called for the Minutes of the McKinney Economic Development Corporation Meeting of June 18, 2019. Board members unanimously approved the motion by Board member Minissale, seconded by Board member Cloutier, to approve the minutes.

19-0558 Chairman Sipiora called for Board and Liaison Updates.

City of McKinney – City Manager Grimes updated the board on the City's budget preparations. City Manager Grimes noted they are scheduled to hold staff presentations to the City Council on August 9th. City Manager Grimes stated they are waiting on the Collin County Appraisal District to finalize numbers which will allow the City to finalize revenue estimates in order to finish the budget. City Manager Grimes noted they did have two rating agency calls yesterday with Standard & Poors and Moody's. The City has some refunding on existing debt as well as new debt for capital improvement projects. City Manager Grimes noted that the rating calls went well and are anticipating a reaffirmation of the existing credit rating.

Convention and Visitors Bureau - Executive Director Guerra reported they hired Sabine Smith as the new MCVB Administrative Assistant. Executive Director Guerra noted the Search Engine Marketing program has completed the second month and they are still doubling in numbers. Executive Director Guerra announced after meeting with BREP Valencia and Chamber of Commerce Vice President Kathy Blank, she will be joining them on their sales calls. Executive Director Guerra took an opportunity to thank MEDC President Tokar for ensuring the collaboration materialized. Executive Director Guerra reported the Texas Tree Growers Association will have their conference at the Sheraton in August. The MCVB (Visit McKinney) will have a booth at Oktoberfest to promote the "McKinney to Munich" giveaway. The giveaway includes a roundtrip airfare for two, hotel accommodations, and a VIP experience at the Hofbrau Festival. The

drawing is free to enter.

Chairman Sipiora recessed the meeting into Executive Session at 8:17 am.

Chairman Sipiora reconvened the meeting to open session at 10:34 am.

19-0559 Chairman Sipiora called for the consideration/discussion of the MEDC Organizational Report. President Tokar reported at the recent Chamber Quarterly Luncheon the MEDC launched the new brand. President Tokar also noted the new website UniqueMcKinney.com is live. President Tokar announced the MEDC will have the new marketing booth at the BISNOW event coming up on August 15th at the new Delta Hotel at Watters Creek. President Tokar noted on Friday, July 19th he and Executive Vice President Liu will be leaving on a Business Mission Trip to Taiwan. While there they will be visiting Wistron and TYG and will be working with the Embassy to visit 4-5 different companies interested in bringing business to McKinney. Chairman Sipiora took a moment to thank all of the MEDC board members for attending the Chamber Luncheon.

19-0560 Chairman Sipiora called for the consideration/discussion/action on the May 2019 Financials. Financial Compliance Manager Chance Miller reported we had 1.3 million in revenues with expenditures of \$780,000.00 and a net position increase close to \$530,000.00. This will bring the year to date net position increase to \$2.4 million. Financial Compliance Manager Miller noted with larger project milestones due at the end of the fiscal year, he anticipates that number to drop. Financial Compliance Manager Miller reported the sales tax for May is actually for the month of March. We were 2.4% higher than last year's March and 4.7% higher year to date over last year. We budgeted 4.4% and we are slightly higher and plan to stay above that as we close out the fiscal year.

Board members unanimously approved the motion by Board member Minissale, seconded by Board member Rath, to approve May 2019 Financials.

19-0561 Chairman Sipiora called for the consideration/discussion of the MEDC FY20 Budget. President Tokar presented the budget for the 2020 fiscal year. President Tokar reported the finance committee reviewed the budget making strategic recommendations and noted the MEDC is poised to have a slight surplus in next year's budget. President Tokar noted the MEDC was not focused on having a zero-based budget but to leave room for unexpected expenditures. The MEDC currently shows on the proposed budget a \$56,128.00 surplus for the end of the year. President Tokar noted Financial Manager Miller was an integral partner in reviewing the compliance operations and cleaning up the budget in close to \$1 million in old compliance projects. President Tokar noted the MEDC will allocate all of the project money needs 24 months in advance. This will open up the projects account and allow for more project activity during the current years. Secretary/Treasurer Loughmiller asked President Tokar to clarify if the funds allocated for Travel/Training/Mileage could vary. President Tokar notes the amounts have been over forecasted based on the events that are currently known. The items listed there are placeholders. It's likely to come in under budget but we need to account for unforeseen cancellations and/or opportunities. Board member Cloutier asked about the high cost for Centipede Digital and if we are getting our money's worth. He also asked about the funds allotted for travel to Europe and Asia. President Tokar outlined the MEDC's travel policy regarding international travel. President Tokar stated he believes we are getting value from Centipede. When comparing what MEDC spent previously on Marketing & Communications, having a Marketing Director on staff as well as the contribution to the City for marketing and communication services, relatively speaking we aren't spending any more money. Board member Rath asked if the MEDC is still utilizing the City's marketing and

communications services. President Tokar noted the City re-evaluates their fees every two years and is based on the services we use. The MEDC will continue to use the City's marketing team for press releases, however all other marketing services will go through Centipede. Chairman Sipiora requested a copy of the MEDC Travel Policy be sent out to all board members and add as an action item to next month's agenda for review. Board Member Minissale also requested a copy of the City's Travel policy. Chairman Sipiora noted in the last financial subcommittee with respects to the budget, Financial Manager Miller provided a comparison operating expense relative to our top line revenue compared with neighboring cities and we did quite well.

Board members unanimously approved the motion by Secretary / Treasurer Loughmiller, seconded by Board member Feltus, to approve the MEDC FY20 Budget.

19-0562 Chairman Sipiora called for the consideration/discussion of the MEDC Key Performance Indicators. President Tokar introduced the final version of the Key Performance Indicators as discussed during the April Work Session. President Tokar noted, if adopted, he will present a showcase of year to date on the metrics. President Tokar asked for questions regarding the Key Performance Indicators and there were none.

Board members unanimously approved the motion by Board member Minissale, seconded by Vice Chairman Jones, to approve the MEDC Key Performance Indicators.

President Tokar continued to share the year to date metrics which will reinforce the end of year Key Performance Indicators. The metrics that support the Key Performance Indicators are: social media, website, lead business attraction, business retention, and marketing. President Tokar noted with the new launch of the Website and upcoming targeted marketing campaigns, we will see in an increase in the metrics for website and social media. Board Member Rath asked President Tokar to define a visit under the business retention expansion category. Peter Tokar noted a

business retention expansion visit is a person to person visit with the company either in our office or at their location. Board member Rath expressed one business retention expansion visit a day with the size of the MEDC staff and the assistance of the MCVB should be attainable. Board member Minissale requested the metrics be updated and available to the board in the monthly President's Report. Board member Feltus commented that she would like to see content directed towards the business aspect of the MEDC as opposed to the social aspect. President Tokar stated the MEDC will have targeted industry campaigns and will be promoted on social media.

19-0563 Chairman Sipiora called for the consideration/discussion of the MEDC Marketing Campaign Update. Centipede Digital is the agency the MEDC uses for full marketing support. Centipede Digital Chief Executive Officer Tom Morganelli and Centipede Digital President Kate Morganelli presented an update of items that have been completed to date for the MEDC. These item include: brand logo, campaign marker, website, style guide, flyers, PowerPoint templates, letterhead, request for proposal templates, and business cards. Centipede Digital Chief Executive Officer Morganelli noted within the agency they are also providing the MEDC with marketing automation, photo and video production, and an Onsite Social Media Specialist. Centipede President Morganelli reported the items they are currently working on are: pay per click campaigns, social media advertising, email campaigns, business highlight videos, virtual tours, economic video production, and full launch of social media. Board member Cloutier asked if we were a top priority client. Centipede Digital Chief Executive Officer Morganelli stated we are top 15-20% client. Board Member Rath raised concerns over the website due to high number of typos, the formatting of the website, and links not working.

19-0564 Chairman Sipiora called for the consideration/discussion of the MEDC

Business Retention and Expansion Program. President Tokar introduced the new Business Retention and Expansion plan as more comprehensive and addresses the community needs. President Tokar noted that in preparation for developing the program, Director of BREP Valenica participated in an International Economic Development Council Business Retention and Expansion course. President Tokar noted based on the research the core focus of the program will be: community partnerships, business visitations, community outreach and feedback, business assistance, roundtables and workshops, and marketing. President Tokar reported the MEDC will be partnering with the McKinney Chamber of Commerce and the MCVB to accomplish these goals. President Tokar noted the MEDC is developing an expanded toolkit of resources for assisting local businesses. President Tokar stated marketing the program to businesses in the area will be through newsletter, email, and social media. The program will be evaluated through the MEDC Key Performance Indicators, feedback on round table events, gaging the success of the businesses we have assisted, and an Annual Competiveness Report.

19-0565 Chairman Sipiora called for the consideration/discussion of the MEDC Organizational Updates. President Tokar introduced the new MEDC 5G Specialist Michael DePaola. President Tokar noted Technology and Infrastructure Specialist DePaola will be developing a communications plan for all the research and development the MEDC is doing within the 5G strategic committee that is co partnered with the City. There has been significant resident interest on this initiative and all research completed will be published. President Tokar added, community forums will be held, specifically on technology infrastructure issues. President Tokar noted the board will be receiving information on the project as it is a key item of interest for both the City and the MEDC. President Tokar discussed the

update on Organizational Management Structure and noted the MEDC is fully adopting the model City Manager Grimes has implemented with the City to become a high-performance organization. The MEDC has adjusted the organizational chart by removing the horizontal management structure and making it more vertical. This new organizational chart ensures everyone has the opportunity to improve the organization and provide strategic input on direction and performance. President Tokar also noted the MEDC has prepared a new board member orientation process to better orient new board members to the MEDC. The process will have a timeline after the board member is appointed to assist them in navigating the role of board member. President Tokar stated this process is in a rough draft format and is up for consideration. Board member Feltus recommended adding a submission of a headshot for the purpose of the website and a MEDC shirt.

Chairman Sipiora Called for action to be taken on items from Executive Session at 12:12 pm.

Board members unanimously approved the motion by Secretary / Treasurer Loughmiller, seconded by Board member Rath, to approve the extension of Project Lotus as discussed in Executive Session.

Board members unanimously approved the motion by Board member Cloutier, seconded by Board member Feltus, to approve Project Roadrunner as discussed in Executive Session.

Board members unanimously approved the motion by Vice Chairman Jones, seconded by Board member Cloutier, to approve direction on Project FPS as discussed in Executive Session.

Board members unanimously approved the motion by Board member Minissale, seconded by Board member Rath, to amend the 2012 agreement of Encore Wire as discussed in Executive Session.

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Board members unanimously approved the motion by Board member Cloutier, seconded by Board member Feltus, to adjourn the meeting. Chairman Sipiora adjourned the meeting at 12:15 pm.

Kenneth Sipiora
Chairman