



10-21-14

## **MEDC President's Report:**

Ladies and Gentlemen, the following is a brief outline of operational issues that are on my radar screen and in the process of being addressed. Again, this is a brief bullet pointed listing and I will be more than happy to answer any questions or go into further detail.

### **Communication:**

- Interim City Manager Muehlenbeck and I continue to have weekly meetings first thing each Friday morning schedule permitting. We are also working closely together on pushing the gateway development project forward.
- MCDC Executive Director Schneible and I continue to meet regularly to stay up to date on operational issues as well as ways we can best leverage one another.
- MEDC is having weekly staff meetings to ensure that staff has what they need to succeed and that we remain focused as a TEAM.
- MEDC's Cayti Stein is participating regularly in the Joint Marketing Meeting with Coco Good and other stakeholder organizations.
- I continue to attend all City Council Meetings when in town as well as MCDC Board Meetings, Airport Board Meetings, and McKinney Alliance Board Meetings.

### **Staffing:**

- Cindy Schneible and I are beginning to re-address the open position together to ensure that we are able to continue to operate as efficiently as possible while still operating as productively as possible. My initial feeling is that the position will be an administrative one to work in conjunction with Deb Hass (who is doing a great jobs for us) and make sure that we both have adequate administrative support and are covered at all times administratively (lunch hours, vacation, sick etc.) Deb being an internal employee transfer she also brought an interesting perspective with her saying the administrative workload in this office is 3 to four times what it was in her previous department.

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- Administrative Assistant: Deb Hass hit the ground running and has had a positive impact on our team. Deb., is extremely comfortable with the City's accounting software, board packet software and has a good grasp of the accounting codes, which has helped her have a smooth transition.

## Operational:

- **Budget:** In looking at the end of year estimates in the September financials (the final year end closing has not been done yet so September numbers are preliminary at this time) we have some very positive news to share with the Board.
  - The end of year shows a positive cash position to budget of nearly \$9 million dollars!
  - This is somewhat deceptive as:
    - \$3,660,207.00 is in the "project" category related to incentives and as you know those payments do not always follow the expected budget schedule (some were paid in last year's budget and some will be paid in the upcoming year's budget) so we will take that entire amount out.
    - Sales Tax income came in \$552,428.00 above budget.
  - **The key points are:**
    - **Operational Expenditures came in \$257,844.00** under budget with no category being over budget.
    - **Staff driven income came in \$4,027,976.00 ahead**

I'm proud of the way staff, both worked within the confines of their budget, while pro-actively working to sell (and put into their intended use) land and building assets to further improve MEDC's cash position and hit our intended goals of expanding the tax base and creating quality new jobs. **The \$500,000.00 escrowed on the Emerson Bldg. has been deposited with interest into MEDC's bank account (Oct. 1) as per the agreement.**
- **CRM:** As the Board knows, we have been working on acquiring and implementing a CRM (Customer Relationship Management) Software package for some time. Our initial goal was to get one that could be used across all bodies within the City's umbrella and worked with IT to get towards that goal. We have decided to go another direction and staff is having a conference call with **Salesforce** on Friday to go through an economic development specific product that they have brought to market. Our plan, if this is a suitable solution, is to purchase a license and implement this as MEDC's solution as quickly as possible. Thereafter, if the city does develop and cross entity CRM platform then we will look at migrating our data over if that is deemed to be the best solution.
- **GATEWAY:** Executive Session.

- **McKinney National:** The “Wright Amendment” has expired and we expect continued increases in activity and opportunity. Other than Cayti’s assistance in advertising, it is my understanding that our role will be one of support only if a prospect that the airport / city staff is talking with has a request for incentives. Essentially, all hangar space is full and the airport staff has done an incredible job of surpassing the 12 month pro-forma in 11 months of operation financially! Hat’s go off to Ken, Mark, Eric and their team... WOW what a great job! Additionally, The MCDC has approved \$1.5 million for the construction of a approx. 17,000 sf. “common hangar” to enable storage of more aircraft at the airport.