General Policy Guidelines for McKinney Economic Development Corporation:

The following are intended to serve as general policy and procedure guidelines for the McKinney Economic Development Corporation. As a component unit of the City of McKinney city government, many general operating procedures and policies are those of the general governmental unit. Additionally, although MEDC may from time to time have specific policies and procedures, generally they are not to be contrary to City of McKinney polices regarding the same issue and all are to be within the Open Meetings and Open Records Acts. These are intended to be more general than exhaustive and can be expanded upon as needed.

Financial Management:

The City of McKinney is the official manager and keeper of record for all finances related to the MEDC. Additionally, MEDC is a component unit within the city's financial management software suite and follows the general policies of the City of McKinney regarding AP-AR, budget amendments, budgetary realignments or transfers etc. With MEDC receiving ½ cent of the local sales tax apportionment the Comptroller's Office remits the full 2 cents of Sales Tax to the City of McKinney and city finance apportions ½ cent to MEDC and ½ cent to MCDC. Thereafter, all MEDC and MCDC tax receipts and expenditures are managed and accounted for separately as required by law.

1. **Annual Budget**: A budget is presented to the MEDC Board of Directors for approval on an annual basis. That general budget as approved by the MEDC Board of Directors is then included as part of the annual budget to be presented to the McKinney City Council and ultimately approved by City Council as part of the city's budget process. Although MEDC develops a budget to be approved by the MEDC Board of Directors, MEDC follows the same budget "calendar" and process as the City of McKinney and again is ultimately approved as part of the City of McKinney budget as a component unit. Once all budgets are approved by the McKinney City Council and become official, the city finance department loads all data into the city's financial management software suite.
    a. During the budget process the MEDC Board of Directors will be given the opportunity to discuss and provide input and direction on all line items of the budget that they ultimately approve.
    b. During the budget year, the Chief Executive Officer (as is with the city), with several exceptions, has the authority to make internal budget adjustments as long as they stay within the total budget.
        i. All "Project Incentives" must be approved by the MEDC Board of Directors
        ii. The CEO may not transfer budget balance (generally created by unfilled positions) out of the "Personnel or salary and benefits" portion of the budget without prior Board approval.
        iii. Any additions to the salary and benefits portion of the budget for bonuses or for salary adjustments must be approved by the Board of Directors.
        iv. The transfer of any unencumbered project incentive budget must be approved by the board of directors.

2. **Financial Reporting:** The City of McKinney finance department currently manages the overall finances of the MEDC and provides to the MEDC monthly financials that reflect the financial status of the corporation as of the most recent month that has been "closed-out". These financials follow the city's general reporting policies, procedures, and format.
   a. Financials are provided as a matter of policy on a monthly basis (as available), in the open session portion of board meetings.
   b. MEDC may request, or if capable internally create, additional reports or reporting formats related to the corporation's financial status, but all financial reports showing the over-all corporations standing are to be provided in the open session portion of MEDC board meetings.

Information Technology security and back-up: As of 2013, all component units including the MEDC, are fully integrated into the City of McKinney's technology infrastructure. The technology services included, but are not limited to, are computers, network infrastructure, email, unified communications, enterprise class software, telephones, copiers, audio visual services, security, and other technologies that use wireless/wired connectivity. In addition, the Information Technology department provides the management of technology solutions as well as the procurement of new technology solutions and the service of procured infrastructure.

The Department of Information Technology uses a variety of standards and best practices to deliver technological solutions that accommodates business needs, leverages best value for investment, reduces risk of malware, and lowers the need for manual intervention and repair. Requests for exceptions to the standardized service offerings, processes, and/or policy will be considered on a case-by-case basis and prioritized, implemented, and maintained by information technology with approval by the Chief Information Officer.

- City of McKinney IT policy dictates allowable hardware and software solutions and the IT department must purchase or provision these as needed. There is some flexibility, however, and MEDC may request solutions outside of the City norm but need to be approved by the City of McKinney CIO.
- All MEDC computer "My Document" folders are re-directed to an MEDC folder on a common City drive and stored and backed up.
- Additionally, all email and outlook calendars and contacts are actually housed on the network and are secure.
- Employees of MEDC are to save work product to the designated City drive as a safety measure for redundancy.
- All MEDC emails and documents are susceptible to the Texas open records laws with the exclusions as provided by law.

Signatory and Contract Execution: This area of authority is unique to MEDC on MEDC specific documents. The MEDC By-Laws provide signature authority specifically to the Board

Chairman, Secretary, and President with the implication that the Vice Chair may also have signature authority by transference of Chairman's Duties.

- The Board has requested a dual signature on non-operating documents including contracts for purchase / sales of real estate assets and incentive contracts. These two signatures may be any two of the following: Chairman, Vice Chairman, Secretary, President-CEO.
- The President –CEO (or his designee) retains single signatory authority on all "operational documents / contracts" to include but not limited to: professional services contracts, advertising contracts, AP approvals, internal operational approvals etc.
- Staff other than President – CEO may sign operational documents on behalf of the corporation that do not obligate the corporation financially, or to perform duties outside of their level of authority, as long as that authority has been granted by the President –CEO and falls within the currently approved budget.

Project Flow: MEDC uses numerous lead generation methods and sources and all projects are handled slightly differently as they all have a different "flow". However, the following is the general process that is used in working projects keeping in mind that sometime a single step is repeated multiple times.

- Lead received
- RFP answered or community information provided
- Meet with Project (could be company, Site Selector, Broker, or combination). At the company's request and with consultation with board chairman other individuals may be requested to attend various pertinent meetings.
- Update, Board, City Manager, and City Council on Project
- Develop preliminary incentive Offer and prepare offer letter
- Provide offer letter to prospect
- Upon acceptance of incentive offer, prepare packet for both Board and City Council approval and put on board / Council agendas for approval at regular or specially called meeting.
- Upon approval of incentive offer have City attorney draw up requisite final contractual documents in cooperation with staff.
- Execute all legal documents
- Provide copies of final legal documents as requested to all Board Members.
- Work in conjunction with company and community to facilitate announcement, event etc.

Board information provided for consideration of incentives: This could vary slightly but will remain relatively consistent. (i.e. if a "Toyota" type project will not fill out an official application we will find another way to get it done).

- Application for incentives
- Proposal summary sheet / Offer Letter
- Return on Investment model