

RESOLUTION NO. 2014-07-001(MEDC)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION, APPROVING THE GENERAL POLICY GUIDELINES FOR THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

WHEREAS, the MEDC desires to adopt certain policies and guidelines for efficient operations and in conjunction with its Bylaws;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The foregoing recital is hereby found to be true and correct and is fully incorporated into the body of this Resolution.

Section 2. The Board of Directors of the McKinney Economic Development Corporation hereby approves the "General Policy Guidelines for the McKinney Economic Development Corporation" and it is incorporated hereto as Exhibit A.

Section 3. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION, ON THIS THE 15TH DAY OF JULY, 2014.

APPROVED:


ERNEST LYNCH
Chairman


LANCE LINDSAY
Secretary

EXHIBIT A

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, general operating procedures and policies are intended to mirror those of the City. Although MEDC may from time to time have specific policies and procedures, they are not to be contrary to City of McKinney policies regarding the same issue unless such specifically emanate from the MEDC Bylaws. All policies and procedures shall be consistent with the provisions of the MEDC Bylaws, the Texas Open Meetings Act, and the Texas Public Information Act, as amended. If there is a conflict between these policies and procedures and the MEDC Bylaws, the Bylaws shall control. From time to time, these policies may be amended by Board action.

Financial Management:

The City's Finance Department, in coordination with the Treasurer, is designated as the custodian of the records for all funds, securities and financial transactions of the MEDC. MEDC shall be a component unit within the City's financial management software suite and shall follow the general policies of the City regarding AP-AR, budget amendments, budgetary realignments and transfers, etc. After receipt of its statutory allocation of sales and use tax in the amount of \$0.005, all MEDC revenues and expenditures shall be managed and accounted for separately, as required by law and the Bylaws.

1. **Annual Budget:** On or before July 25th of each year, a budget shall be presented to the MEDC Board of Directors for approval on an annual basis. The MEDC's approved general budget shall then be included as part of the City's annual budget to be presented to the 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. As a component unit, the Board's approved budget is ultimately approved by the City Council as part of the City's budget. Once all budgets are approved by the City Council and become official, the City Finance Department shall load 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 will consider for approval.
 - b. During the budget year, the President, subject to the exceptions stated herein, shall have the authority to make internal budget adjustments as long as such adjustments remain within the total budget of each budget category.

Exceptions:

- i. All "Project Incentives" must be approved by the MEDC Board of Directors.
 - ii. The President may not transfer budgeted funds (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 category within the budget must be approved by the Board of Directors.
2. **Financial Reporting:** The City's Finance Department shall manage the overall finances of the MEDC and shall provide the MEDC monthly financial reports that reflect the financial status of the corporation as of the most recent month that has been "closed-out". These financial reports shall follow the City's general reporting policies, procedures, and format.
 - a. Financial reports are provided to the Board 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 overall standing of the MEDC are to be provided in the open session portion of MEDC board meetings.

Information Technology security and back-up: As of 2013, the MEDC is fully integrated into the City's technology infrastructure. The technology services include, but are not limited to,

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 Information Technology Department 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 policies will be considered on a case-by-case basis and prioritized, implemented, and maintained by the Information Technology Department, with approval by the Chief Information Officer.

- City 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 protocols, subject to the approval of the City's CIO.
- All MEDC computer "My Document" folders are re-directed to an MEDC folder on a common City drive and are stored and backed-up.
- All email and Outlook calendars and contacts shall be housed on the network and shall be secured.
- Employees of MEDC shall save work product to the designated City drive as a safety measure for redundancy.
- All MEDC emails and documents are subject to disclosure under the Texas Public Information Act, save and except those documents subject of statutory exceptions to disclosure.

Signatory and Contract Execution: This area of authority is governed by the MEDC Bylaws and its specific documents. The MEDC Bylaws provide signature authority specifically to the Board Chairman. The Secretary and President shall have Board-authorized signature authority by virtue of the Resolution approving these Policies and Guidelines. The Vice Chairman shall have the signature authority of the Chairman in his/her absence or disability.

- The Resolution approving these policies shall further require the dual signatures of any two (2) of the following offices on non-operational documents, including but not limited to, contracts for purchase/sale of real property and incentive contracts: Chairman, Vice Chairman, Secretary, President.
- By virtue of the Resolution approving these Policies and Guidelines, the President (or his written designee) shall have single signatory authority on all operational documents and contracts, including but not limited to, check requests of \$10,000 or greater, professional services contracts, advertising contracts, AP approvals, vendor agreements, and internal operational approvals within the approved budget.
- MEDC Employees, other than the President, may sign operational documents on behalf of the MEDC that do not obligate the MEDC's funds, and which signature is not outside their level of authority, as long as that authority has been granted, in writing, by the President.

Project Flow: MEDC uses numerous lead generation methods and sources, and all projects are processed differently as to "flow". However, the following is the general process that will be used in working projects, noting that sometimes 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 after consultation with Board Chairman, other individuals may be requested to attend pertinent meetings.
- Update, Board, City Manager, and City Council on Project
- Develop preliminary incentive Offer and prepare offer letter
- Provide offer letter to Project representatives
- Upon acceptance of incentive offer, prepare packet for Board and City Council approval and place on Board / City Council agendas for approval at regular or specially-called public meeting.
- Upon approval of incentive offer, request City Attorney draft of preliminary and final contractual documents in coordination with staff.
- Execute all legal documents
- Provide copies of final legal documents as requested to Board Members.

- Work in conjunction with company and community to facilitate Project announcement, event etc.

Information provided to Board Members for consideration of incentives: This process may vary slightly but staff shall endeavor to remain consistent. (i.e. if a "major Project" type project will not fill out an official application due to heightened need for confidentiality, staff will use alternative methods of dissemination within the Texas Open Meetings Act and Texas Public Information Act).

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