



**\*\*\* PUBLIC NOTICE \*\*\***

**NOTICE OF A CORINTH ECONOMIC DEVELOPMENT CORPORATION (CEDC)  
OF THE CITY OF CORINTH  
SPECIAL SESSION**

**Monday, January 9, 2017, 6:00 P.M.  
City Hall  
Conference Room - Room 102  
3300 Corinth Parkway  
Corinth, Texas 76208**

\* Pursuant to Texas Government Code Section 551.002, a quorum of the City Council of Corinth may attend the following meeting and may participate in discussion on the agenda items listed below, but will not take any action.

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**CALL TO ORDER**

**CITIZENS COMMENTS**

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. \*All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.\* Section 30.041B Code of Ordinance of the City of Corinth.

**BUSINESS AGENDA**

1. Consider and act on minutes from the November 7, 2016 meeting.
2. Consider and act on the Corinth Economic Development Corporation Finance Report for the period ending October 2016.
3. Consider and act on the Corinth Economic Development Corporation Finance Report for the period ending November 2016.
4. Discuss and approve the Fiscal Year 2015-2016 Annual Investment Report
5. Consider and act on the Investment Policy for the Corinth Economic Development Corporation for Fiscal Year 2016-2017.

6. Consider and act on an option to renew a professional services agreement between Buxton Company and the Corinth Economic Development Corporation to retain and recruit retail to Corinth.
7. Consider and act on the creation of sub-committees to advance the efforts of the Corinth Economic Development Corporation in: (i) developing a Strategic Plan for Economic Development; (ii) executing a Comprehensive Branding Strategy; and (iii) implementing a Business Recruitment and Retention Strategy.

## REPORTS AND UPDATES

1. Board Members
2. Executive Director

## EXECUTIVE SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

**Section 551.071.** Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

**Section 551.072.** To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

**Section 551.074.** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

## RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

## ADJOURN

Posted this \_\_\_\_\_ day of \_\_\_\_\_, 2017 at \_\_\_\_\_ on the bulletin board at Corinth City Hall.

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Jason Alexander, Economic Development Director  
City of Corinth, Texas

**EDC Special Session**

1.

**Meeting Date:** 01/09/2017

**Title:** Meeting Minutes

**Submitted By:** Jason Alexander, Director

**Finance Review:** N/A

**Legal Review:** N/A

**Approval:** Lee Ann Bunselmeyer, Acting City Manager

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**AGENDA ITEM**

Consider and act on minutes from the November 7, 2016 meeting.

**AGENDA ITEM SUMMARY/BACKGROUND**

The meeting minutes from the November 7, 2016 meeting.

**RECOMMENDATION**

N/A.

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**Fiscal Impact**

**Source of Funding:** N/A.

**FINANCIAL SUMMARY:**

N/A.

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**Attachments**

Meeting Minutes

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**STATE OF TEXAS  
COUNTY OF DENTON  
CITY OF CORINTH**

On this 7<sup>th</sup> day of November, 2016 the Corinth Economic Development Corporation (CEDC) of the City of Corinth, Texas, met in Regular Session at 6:00 P.M. at Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members, to wit:

**CEDC Board Members:**

Lowell Johnson – President  
Tina Henderson – Secretary  
David Burnett – Director  
Wade May – Director  
Jerry Blazewicz – Director

**CEDC Board Members Absent:**

Mike Amason – Vice President  
Don Glockel – Director

**Others Present:**

Jason Alexander, Executive Director  
Catherine Stallcup, Administrative Assistant

**CALL TO ORDER:**

President Lowell Johnson called the meeting to order at 6:00 P.M.

**BUSINESS AGENDA:**

**1. Consider and act on minutes from the October 3, 2016 meeting.**

**MOTION** was made by Tina Henderson to approve the minutes from the October 3, 2016 meeting as written.

Seconded by Wade May.

Ayes:	Johnson, Blazewicz, Burnett, May, Henderson
Noes:	None
Abstain:	None
Absent:	Amason, Glockel

**MOTION CARRIES**

**2. Consider and act on an Ordinance of the City of Corinth, Texas approving an amendment to the Fiscal Year 2016-2017 City of Corinth Budget and Annual Program of Services for the Corinth Economic Development Corporation Fund to provide additional funding for the Lake Sharon Drive Extension.**

Jason Alexander explained the budget amendment for the Lake Sharon Drive extension project. The City is asking the Economic Development Corporation for a budget amendment in the amount of \$175,000.00

to assist with transportation improvements along this roadway. If the budget amendment is approved by the Board, it will go before City Council for consideration and action on December 1<sup>st</sup>.

Johnson clarified that these funds are mainly for lighting along the roadway. Lighting would be installed along the portion of the roadway from Oakmont Drive and goes out to Farm-to-Market Road 2499. The Economic Development Corporation funded the lighting fixtures along Lake Sharon and Corinth Parkway and the paved brick intersection at Parkridge Road and Corinth Parkway. The Economic Development Corporation also contributed to the fountain/detention pond on Lake Sharon Drive.

**MOTION** was made by David Burnett to approve the \$175,000.00 budget amendment to the Fiscal Year 2016-2017 City of Corinth Budget and Annual Program of Services for the Corinth Economic Development Corporation Fund to provide additional funding for the Lake Sharon Drive Extension.

Seconded by Johnson.

Ayes:	Johnson, Blazewicz, Burnett, May, Henderson
Noes:	None
Abstain:	None
Absent:	Amason, Glockel

**MOTION CARRIES**

**3. Consider and act on the proposed City of Corinth Policy Statement for Tax Abatement.**

Alexander reviewed the four major revisions to the proposed policy, which are as follows:

- **Line 217 – 218:** To be considered eligible for a bonus tax abatement, the number of full-time jobs that must be created and maintained is reduced from 25 to five (5).
- **Lines 269 – 270:** A proposed clause that requires existing businesses to submit a non-refundable filing fee of \$250.00 was included.
- **Lines 271 – 273:** The proposed clause exempting existing businesses from submitting a non-refundable filing fee was removed.
- **Lines 383 – 396:** The proposed section on Recapture, was revised to further clarify language pertaining to the process for recapturing abated taxes in the event a project defaults. The revision includes two schedules for abated taxes to be repaid: (i) taxes abated during the calendar year in which the termination of the tax abatement agreement takes place shall be payable to the City by January 31st of the following year and (ii) taxes abated for years prior to the year of termination shall be payable to the City within 60 calendar days from the date of termination. However, City Council, at their absolute and sole discretion only, may elect to extend either deadline.

The Board discussed at increased length, the revisions for the proposed section on Recapture. The Board requested Alexander revise the proposed language for the section on Recapture to:

- Increase the number of calendar days to repay abated taxes for defaulted projects from 60 to 180; and
- Include language that City Council, at their absolute and sole discretion only, may elect to extend the deadline to repay abated taxes and adjust the debt owed for defaulted projects.

**MOTION** was made by Jerry Blazewicz to approve City of Corinth Policy Statement for Tax Abatement as amended. This motion included: (i) revising the calendar days to 180 and (ii) adding language in which

City Council could extend the deadline to repay abated taxes on defaulted projects and adjust the debt that is owed.

Seconded by Henderson.

Ayes:	Johnson, Blazewicz, Burnett, May, Henderson
Noes:	None
Abstain:	None
Absent:	Amason, Glockel

### **MOTION CARRIES**

#### **4. Consider and act on the creation of sub-committees to advance the efforts of the Corinth Economic Development Corporation in: (i) developing a Strategic Plan for Economic Development; (ii) Executing a Comprehensive Branding Strategy; and (iii) implementing a Business Recruitment and Retention Program.**

Alexander opened a general discussion on the status of the three sub-committees. The Board discussed the names of volunteers interested in serving on the three sub-committees.

Johnson shared with the Board his desire to see the sub-committees operational by the early part of next year.

There were other general comments about the various activities of the sub-committees, and the passion some of the volunteers have for moving the City forward.

### **NO ACTION WAS TAKEN**

#### **5. Board Members**

No updates at this time.

#### **6. Executive Director**

Alexander updated the Board on the retailer/development leads from the ICSC Texas Conference:

- David Choe – Representing Caribou Coffee and Einstein Bros. Bagels, Choe is researching some of the properties available in Corinth not only for the potential development of unit, but other retail opportunities as well.
- Jeff Johnston – Following up on conversations with Chipotle and Jimmy John's, Jeff Johnston did confirm that he is in negotiations with the two brands about having a presence in Corinth.
- Rio Mambo and Uncle Julio's – Both remain extremely interested in opening a unit in Corinth.
- Meeting with Masud Reza – Alexander scheduled a meeting with Masud Reza next week in order to explore development opportunities.

Alexander reminded the Board that the Robert's Rules of Order Training will be held on December 8<sup>th</sup>.

Both Alexander and Johnson briefly discussed Lidl, as well as reaching out to the German grocer in order to gauge their interest in developing a small corporate headquarters or warehouse distribution facility in Corinth.

Alexander reminded the Board that the Lake Cities Education Foundation Gala will be on November 10<sup>th</sup>, and asked if any Board members were interested in attending.

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**Section 551.087.** To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

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**NO EXECUTIVE SESSION.**

**ADJOURN:**

There being no further business, the November 7, 2016 Special Session of the Corinth Economic Development Corporation stood adjourned at 6:45 pm.

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Catherine J. Stallcup, Administrative Assistant  
City of Corinth

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Lowell Johnson – President  
Corinth Economic Development Corporation

**EDC Special Session**

**2.**

**Meeting Date:** 01/09/2017

**Title:** October Corinth Economic Development Corporation Financials

**Submitted By:** Jason Alexander, Director

**Finance Review:** N/A

**Legal Review:** N/A

**Approval:** Lee Ann Bunselmeyer, Acting City Manager

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**AGENDA ITEM**

Consider and act on the Corinth Economic Development Corporation Finance Report for the period ending October 2016.

**AGENDA ITEM SUMMARY/BACKGROUND**

The finance report for the Corinth Economic Development Corporation for the period ending October 2016.

**RECOMMENDATION**

N/A

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**Attachments**

October Financials

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**City of Corinth**  
**Corinth Economic Development Corporation**

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
 For the Period Ended October 2016

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	October 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Oct-15 Y-T-D Actual
<b>RESOURCES</b>						
Sales Tax (.50¢)	\$ 673,772	\$ -	\$ -	(673,772)	0.0%	\$ -
Interest Income	400	53	53	(347)	13.2%	51
Investment Income	8,000	1,730	1,730	(6,270)	21.6%	1,048
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
<b>TOTAL ACTUAL RESOURCES</b>	<b>682,172</b>	<b>1,783</b>	<b>1,783</b>	<b>(680,389)</b>	<b>0.3%</b>	<b>1,099</b>
Use of Fund Balance	10,232	-	-	(10,232)	0.0%	-
<b>TOTAL RESOURCES</b>	<b>\$ 692,404</b>	<b>\$ 1,783</b>	<b>\$ 1,783</b>	<b>\$ (690,621)</b>	<b>0.3%</b>	<b>\$ 1,099</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 127,927	\$ 5,770	\$ 5,770	(122,157)	4.5%	6,291
Professional Fees	87,662	126	126	(87,536)	0.1%	231
Maintenance & Operations	178,570	1	1	(178,569)	0.0%	1,220
Supplies	1,000	-	-	(1,000)	0.0%	-
Utilities & Communication	3,014	75	75	(2,939)	2.5%	75
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	25,325	168	168	(25,157)	0.7%	-
Capital Outlay	125,000	-	-	(125,000)	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Charges for Services	93,302	93,302	93,302	-	100.0%	105,401
Transfer Out	50,604	50,604	50,604	-	100.0%	50,250
<b>TOTAL EXPENDITURES</b>	<b>692,404</b>	<b>150,046</b>	<b>150,046</b>	<b>(542,358)</b>	<b>21.7%</b>	<b>163,467</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ (148,264)</b>	<b>\$ (148,264)</b>	<b>\$ (148,264)</b>		<b>\$ (162,368)</b>

**KEY TRENDS**

**Resources**

**Sales Tax** - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. October 2016 revenues are remitted to the City in December 2016. Sales Tax received in October represents August collections.

**Expenditures**

**Transfer Out** represents \$50,000 to the Park Development Fund and \$604 to the Tech Replacement Fund for the future purchases of computers.

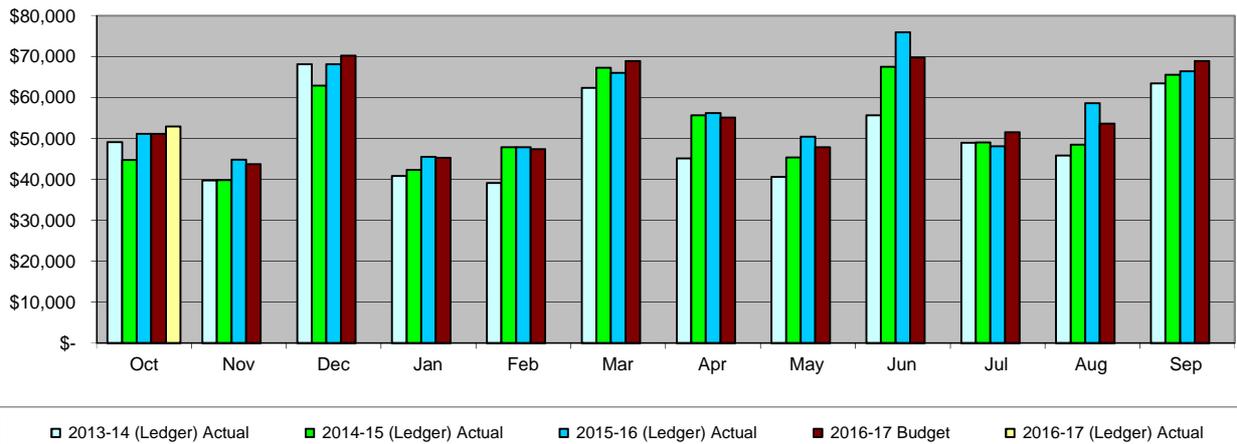
**Capital Outlay** includes \$125,000 for a Comprehensive Branding Strategy.



**Corinth Economic Development Corporation**  
**Economic Development Sales Tax**  
 PY Comparison and Variance Analysis

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 49,120	\$ 44,779	\$ 51,148	\$ 51,112	\$ 58,630	\$ 52,974	\$ 1,862	3.6%	\$ 1,826	3.6%
Nov	39,763	39,840	44,827	43,774	66,452					
Dec	68,189	62,897	68,160	70,273	52,974					
Jan	40,830	42,350	45,500	45,281						
Feb	39,130	47,853	47,909	47,381						
Mar	62,405	67,295	66,022	68,950						
Apr	45,146	55,712	56,230	55,158						
May	40,602	45,372	50,483	47,908						
Jun	55,689	67,547	75,989	69,815						
Jul	48,929	49,072	48,076	51,539						
Aug	45,851	48,521	58,630	53,680						
Sep	63,495	65,599	66,452	68,902						
<b>TOTAL</b>	<b>\$ 599,149</b>	<b>\$ 636,837</b>	<b>\$ 679,427</b>	<b>\$ 673,772</b>	<b>\$ 178,057</b>	<b>\$ 52,974</b>	<b>\$ 1,862</b>	<b>3.6%</b>	<b>\$ 1,826</b>	<b>3.6%</b>

**Monthly Collections Comparison**



**KEY TRENDS**

**Description**

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. October 2016 revenues are remitted to the City in December 2016. Sales Tax received in October represents August collections.

**Analysis**

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).

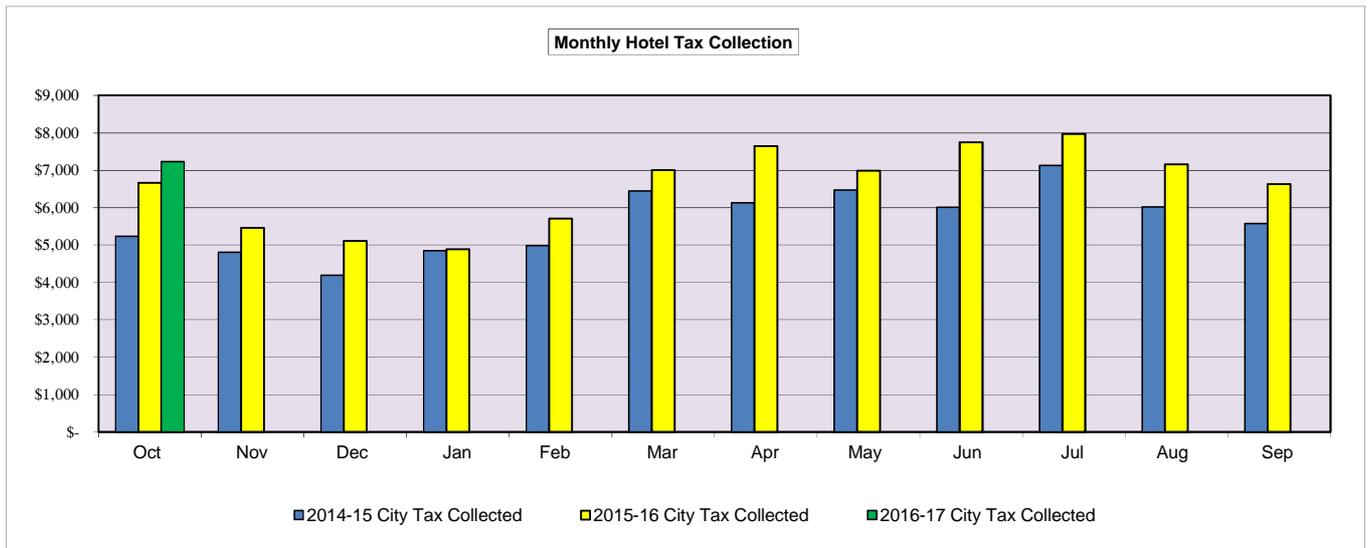


## Hotel Occupancy Tax Collection Report

### Comfort Inn & Suites

For the Period Ended October 2016

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2016-17	Date Received	% Change CY to PY	City Tax Collected FY 2015-16	City Tax Collected FY 2014-15
Oct	75%	\$ 109,713	\$ 6,404	\$ 103,309	\$ 7,232	\$ 7,232	\$ 7,232	11/21/2016	8.5%	\$ 6,667	\$ 5,230
Nov										5,463	4,802
Dec										5,115	4,192
Jan										4,891	4,850
Feb										5,712	4,985
Mar										7,003	6,445
Apr										7,647	6,130
May										6,991	6,471
Jun										7,752	6,008
Jul										7,973	7,129
Aug										7,164	6,018
Sep										6,631	5,573
<b>TOTALS</b>		\$ 109,713	\$ 6,404	\$ 103,309	\$ 7,232	\$ 7,232	\$ 7,232			\$ 79,007	\$ 67,833



### KEY TRENDS

#### Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: OCTOBER 31ST, 2016

130-Economic Development Corp  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 08.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
REVENUE SUMMARY						
SALES TAXES	673,772	0.00	0.00	0.00	673,772.00	0.00
INTEREST INCOME	8,400	1,782.64	1,782.64	0.00	6,617.36	21.22
TOTAL REVENUES	682,172	1,782.64	1,782.64	0.00	680,389.36	0.26
EXPENDITURE SUMMARY						
ECONOMIC DEVELOPMENT	692,404	150,046.30	150,046.30	0.00	542,357.70	21.67
TOTAL EXPENDITURES	692,404	150,046.30	150,046.30	0.00	542,357.70	21.67
REVENUE OVER/(UNDER) EXPENDITURES	( 10,232)	( 148,263.66)	( 148,263.66)	0.00	138,031.66	1,449.02

CITY OF CORINTH  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: OCTOBER 31ST, 2016

130-Economic Development Corp

% OF YEAR COMPLETED: 08.33

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<hr/>						
SALES TAXES						
130-0000-40200 SALES TAX	673,772	0.00	0.00	0.00	673,772.00	0.00
TOTAL SALES TAXES	673,772	0.00	0.00	0.00	673,772.00	0.00
<hr/>						
INTEREST INCOME						
130-0000-41400 INVESTMENT INCOME	8,000	1,729.97	1,729.97	0.00	6,270.03	21.62
130-0000-41410 INTEREST INCOME	400	52.67	52.67	0.00	347.33	13.17
TOTAL INTEREST INCOME	8,400	1,782.64	1,782.64	0.00	6,617.36	21.22
<hr/>						
MISCELLANEOUS	_____	_____	_____	_____	_____	_____
<hr/>						
TRANSFERS	_____	_____	_____	_____	_____	_____
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TOTAL REVENUE	682,172	1,782.64	1,782.64	0.00	680,389.36	0.26

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: OCTOBER 31ST, 2016

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 08.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>WAGES &amp; BENEFITS</b>						
130-1700-50100 SALARIES	94,760	3,644.62	3,644.62	0.00	91,115.38	3.85
130-1700-50203 LONGEVITY PAY	96	0.00	0.00	0.00	96.00	0.00
130-1700-50204 CAR ALLOWANCE	4,800	400.00	400.00	0.00	4,400.00	8.33
130-1700-50300 HEALTH INSURANCE	9,351	945.90	945.90	0.00	8,405.10	10.12
130-1700-50301 DENTAL INSURANCE	335	27.90	27.90	0.00	307.10	8.33
130-1700-50302 LIFE & DISABILITY INSURAN	366	28.78	28.78	0.00	337.22	7.86
130-1700-50303 BROKER FEES	208	16.72	16.72	0.00	191.28	8.04
130-1700-50304 PHS FEES	114	9.00	9.00	0.00	105.00	7.89
130-1700-50305 TMRS EMPLOYER	15,563	582.08	582.08	0.00	14,980.92	3.74
130-1700-50310 401A	390	30.00	30.00	0.00	360.00	7.69
130-1700-50316 EAP	17	1.59	1.59	0.00	15.41	9.35
130-1700-50317 COBRA ADMINISTRATION FEE	7	0.00	0.00	0.00	7.00	0.00
130-1700-50320 WORKERS COMP	282	27.75	27.75	0.00	254.25	9.84
130-1700-50401 MEDICARE EMPLOYER	1,458	55.75	55.75	0.00	1,402.25	3.82
130-1700-50405 TEXAS EMPLOYMENT COMM.	180	0.00	0.00	0.00	180.00	0.00
TOTAL WAGES & BENEFITS	127,927	5,770.09	5,770.09	0.00	122,156.91	4.51
<b>PROF. SERV &amp; CONTRACTUAL</b>						
130-1700-51100 PROFESSIONAL SERVICES	68,876	0.00	0.00	0.00	68,876.00	0.00
130-1700-51300 LEGAL FEES	17,200	0.00	0.00	0.00	17,200.00	0.00
130-1700-51400 P&L INSURANCE	1,586	126.17	126.17	0.00	1,459.83	7.96
TOTAL PROF. SERV & CONTRACTUAL	87,662	126.17	126.17	0.00	87,535.83	0.14
<b>MAINTENANCE &amp; OPERATIONS</b>						
130-1700-52000 ADVERTISING	7,500	0.00	0.00	0.00	7,500.00	0.00
130-1700-52002 POSTAGE	0	1.15	1.15	0.00	1.15	0.00
130-1700-52003 PRINTING	400	0.00	0.00	0.00	400.00	0.00
130-1700-52004 COPIER CHARGES	250	0.00	0.00	0.00	250.00	0.00
130-1700-52215 PROMOTIONAL FEES	16,450	0.00	0.00	0.00	16,450.00	0.00
130-1700-52230 PROJECT INCENTIVES	150,000	0.00	0.00	0.00	150,000.00	0.00
130-1700-52500 DUES & SUBSCRIPTIONS	3,970	0.00	0.00	0.00	3,970.00	0.00
TOTAL MAINTENANCE & OPERATIONS	178,570	1.15	1.15	0.00	178,568.85	0.00
<b>SUPPLIES</b>						
130-1700-53001 OFFICE SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
TOTAL SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
<b>UTILITIES &amp; COMMUNICATION</b>						
130-1700-54100 TELEPHONE	156	0.00	0.00	0.00	156.00	0.00
130-1700-54105 INTERNET	384	0.00	0.00	0.00	384.00	0.00
130-1700-54106 AIRCARD	504	0.00	0.00	0.00	504.00	0.00
130-1700-54107 COMPUTER LICENSING	1,070	0.00	0.00	0.00	1,070.00	0.00
130-1700-54200 CELLPHONE	900	75.00	75.00	0.00	825.00	8.33
TOTAL UTILITIES & COMMUNICATION	3,014	75.00	75.00	0.00	2,939.00	2.49

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: OCTOBER 31ST, 2016

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 08.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
TRAVEL & TRAINING						
130-1700-56000 TRAINING	11,075	0.00	0.00	0.00	11,075.00	0.00
130-1700-56100 TRAVEL/MEALS/LODGING	13,500	60.00	60.00	0.00	13,440.00	0.44
130-1700-56200 MILEAGE	750	107.89	107.89	0.00	642.11	14.39
TOTAL TRAVEL & TRAINING	25,325	167.89	167.89	0.00	25,157.11	0.66
CAPITAL OUTLAY						
130-1700-57000 CAPITAL OUTLAY	125,000	0.00	0.00	0.00	125,000.00	0.00
TOTAL CAPITAL OUTLAY	125,000	0.00	0.00	0.00	125,000.00	0.00
TRANSFERS & COST ALLOC.						
130-1700-59001 COST ALLOCATION OUT-GENER	93,302	93,302.00	93,302.00	0.00	0.00	100.00
130-1700-59101 TRANSFER OUT	50,000	50,000.00	50,000.00	0.00	0.00	100.00
130-1700-59111 TRANSFER OUT - TECH REPLA	604	604.00	604.00	0.00	0.00	100.00
TOTAL TRANSFERS & COST ALLOC.	143,906	143,906.00	143,906.00	0.00	0.00	100.00
TOTAL ECONOMIC DEVELOPMENT	692,404	150,046.30	150,046.30	0.00	542,357.70	21.67
TOTAL EXPENDITURES	692,404	150,046.30	150,046.30	0.00	542,357.70	21.67
REVENUE OVER/(UNDER) EXPENDITURES	( 10,232)	( 148,263.66)	( 148,263.66)	0.00	138,031.66	1,449.02

**EDC Special Session**

**3.**

**Meeting Date:** 01/09/2017

**Title:** November Corinth Economic Development Financials

**Submitted By:** Jason Alexander, Director

**Finance Review:** N/A

**Legal Review:** N/A

**Approval:** Lee Ann Bunselmeyer, Acting City Manager

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**AGENDA ITEM**

Consider and act on the Corinth Economic Development Corporation Finance Report for the period ending November 2016.

**AGENDA ITEM SUMMARY/BACKGROUND**

The finance report for the Corinth Economic Development Corporation for the period ending November 2016.

**RECOMMENDATION**

N/A.

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**Fiscal Impact**

**Source of Funding:** N/A.

**FINANCIAL SUMMARY:**

N/A.

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**Attachments**

November Financials

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**City of Corinth**  
**Corinth Economic Development Corporation**

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)  
 For the Period Ended November 2016

	Current Fiscal Year, 2016-2017					Prior Year
	Budget FY 2016-17	November 2016 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Nov-15 Y-T-D Actual
<b>RESOURCES</b>						
Sales Tax (.50¢)	\$ 673,772	\$ -	\$ -	(673,772)	0.0%	\$ -
Interest Income	400	39	92	(308)	23.0%	90
Investment Income	8,000	1,720	3,450	(4,550)	43.1%	2,091
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
<b>TOTAL ACTUAL RESOURCES</b>	<b>682,172</b>	<b>1,760</b>	<b>3,542</b>	<b>(678,630)</b>	<b>0.5%</b>	<b>2,181</b>
Use of Fund Balance	10,232	-	-	(10,232)	0.0%	-
<b>TOTAL RESOURCES</b>	<b>\$ 692,404</b>	<b>\$ 1,760</b>	<b>\$ 3,542</b>	<b>\$ (688,862)</b>	<b>0.5%</b>	<b>\$ 2,181</b>
<b>EXPENDITURES</b>						
Wages & Benefits	\$ 127,927	\$ 9,925	\$ 15,695	\$ (112,232)	12.3%	15,673
Professional Fees	87,662	126	252	(87,410)	0.3%	384
Maintenance & Operations	178,570	695	696	(177,874)	0.4%	1,270
Supplies	1,000	-	-	(1,000)	0.0%	-
Utilities & Communication	3,014	150	225	(2,789)	7.5%	595
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	25,325	1,212	1,379	(23,946)	5.4%	1,140
Capital Outlay	125,000	-	-	(125,000)	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Charges for Services	93,302	-	93,302	-	100.0%	105,401
Transfer Out	50,604	-	50,604	-	100.0%	50,250
<b>TOTAL EXPENDITURES</b>	<b>692,404</b>	<b>12,107</b>	<b>162,153</b>	<b>(530,251)</b>	<b>23.4%</b>	<b>174,713</b>
<b>EXCESS/(DEFICIT)</b>	<b>\$ -</b>	<b>\$ (10,347)</b>	<b>\$ (158,611)</b>	<b>\$ (158,611)</b>		<b>\$ (172,532)</b>

**KEY TRENDS**

**Resources**

**Sales Tax** - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. November 2016 revenues are remitted to the City in January 2017. Sales Tax received in November represents September collections.

**Expenditures**

**Transfer Out** represents \$50,000 to the Park Development Fund and \$604 to the Tech Replacement Fund for the future purchases of computers.

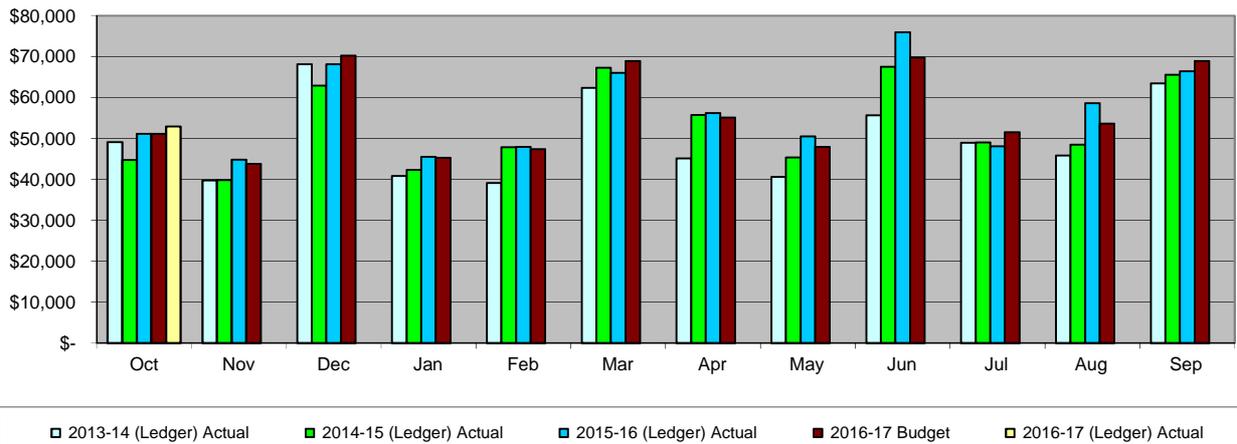
**Capital Outlay** includes \$125,000 for a Comprehensive Branding Strategy.



**Corinth Economic Development Corporation**  
**Economic Development Sales Tax**  
 PY Comparison and Variance Analysis

	2013-14 (Ledger) Actual	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 Budget	2016-17 Cash Receipts	2016-17 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance CY to PY %
Oct	\$ 49,120	\$ 44,779	\$ 51,148	\$ 51,112	\$ 58,630	\$ 52,974	\$ 1,862	3.6%	\$ 1,826	3.6%
Nov	39,763	39,840	44,827	43,774	66,452					
Dec	68,189	62,897	68,160	70,273	52,974					
Jan	40,830	42,350	45,500	45,281						
Feb	39,130	47,853	47,909	47,381						
Mar	62,405	67,295	66,022	68,950						
Apr	45,146	55,712	56,230	55,158						
May	40,602	45,372	50,483	47,908						
Jun	55,689	67,547	75,989	69,815						
Jul	48,929	49,072	48,076	51,539						
Aug	45,851	48,521	58,630	53,680						
Sep	63,495	65,599	66,452	68,902						
<b>TOTAL</b>	<b>\$ 599,149</b>	<b>\$ 636,837</b>	<b>\$ 679,427</b>	<b>\$ 673,772</b>	<b>\$ 178,057</b>	<b>\$ 52,974</b>	<b>\$ 1,862</b>	<b>3.6%</b>	<b>\$ 1,826</b>	<b>3.6%</b>

**Monthly Collections Comparison**



**KEY TRENDS**

**Description**

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. October 2016 revenues are remitted to the City in December 2016. Sales Tax received in October represents August collections.

**Analysis**

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).

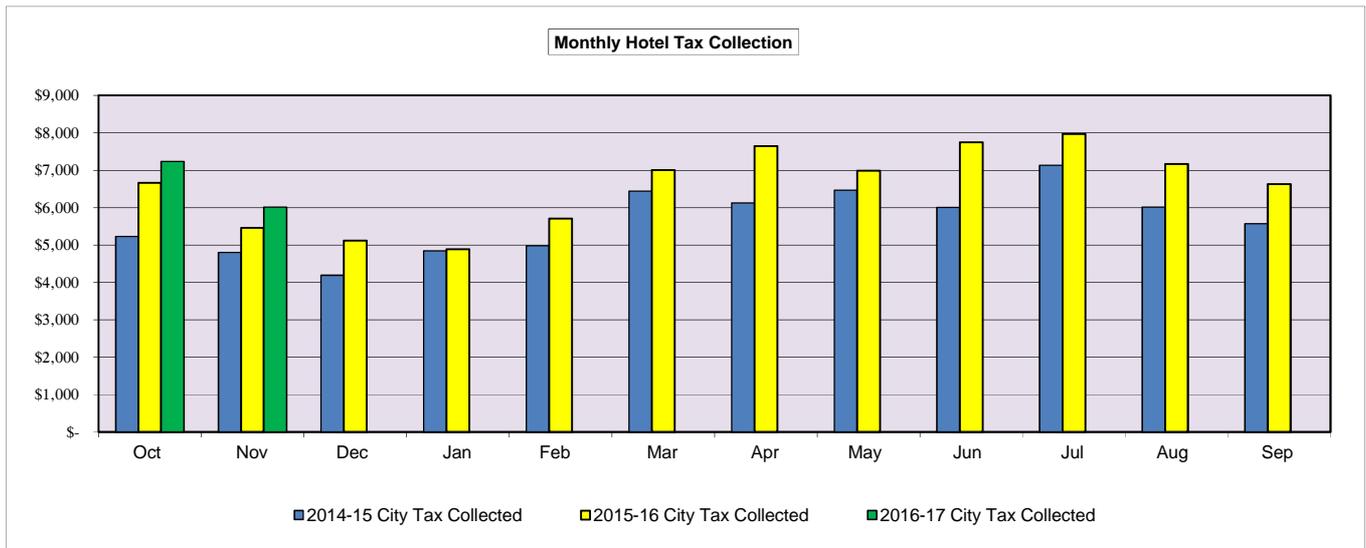


## Hotel Occupancy Tax Collection Report

### Comfort Inn & Suites

For the Period Ended November 2016

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2016-17	Date Received	% Change CY to PY	City Tax Collected FY 2015-16	City Tax Collected FY 2014-15
Oct	75%	\$ 109,713	\$ 6,404	\$ 103,309	\$ 7,232	\$ 7,232	\$ 7,232	11/21/2016	8.5%	\$ 6,667	\$ 5,230
Nov	67%	89,908	4,020	85,889	6,012	6,012	6,012	12/19/2016	10.1%	5,463	4,802
Dec										5,115	4,192
Jan										4,891	4,850
Feb										5,712	4,985
Mar										7,003	6,445
Apr										7,647	6,130
May										6,991	6,471
Jun										7,752	6,008
Jul										7,973	7,129
Aug										7,164	6,018
Sep										6,631	5,573
<b>TOTALS</b>		<b>\$ 199,622</b>	<b>\$ 10,424</b>	<b>\$ 189,198</b>	<b>\$ 13,244</b>	<b>\$ 13,244</b>	<b>\$ 13,244</b>			<b>\$ 79,007</b>	<b>\$ 67,833</b>



### KEY TRENDS

#### Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.

CITY OF CORINTH  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: NOVEMBER 30TH, 2016

130-Economic Development Corp  
 FINANCIAL SUMMARY

% OF YEAR COMPLETED: 16.67

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
REVENUE SUMMARY						
SALES TAXES	673,772	0.00	0.00	0.00	673,772.00	0.00
INTEREST INCOME	8,400	1,759.63	3,542.27	0.00	4,857.73	42.17
TOTAL REVENUES	682,172	1,759.63	3,542.27	0.00	678,629.73	0.52
EXPENDITURE SUMMARY						
ECONOMIC DEVELOPMENT	692,404	12,107.07	162,153.37	16,400.00	513,850.63	25.79
TOTAL EXPENDITURES	692,404	12,107.07	162,153.37	16,400.00	513,850.63	25.79
REVENUE OVER/(UNDER) EXPENDITURES	( 10,232)	( 10,347.44)	( 158,611.10)	( 16,400.00)	164,779.10	1,710.43

CITY OF CORINTH  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: NOVEMBER 30TH, 2016

130-Economic Development Corp

% OF YEAR COMPLETED: 16.67

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<hr/>						
SALES TAXES						
130-0000-40200 SALES TAX	673,772	0.00	0.00	0.00	673,772.00	0.00
TOTAL SALES TAXES	673,772	0.00	0.00	0.00	673,772.00	0.00
INTEREST INCOME						
130-0000-41400 INVESTMENT INCOME	8,000	1,720.25	3,450.22	0.00	4,549.78	43.13
130-0000-41410 INTEREST INCOME	400	39.38	92.05	0.00	307.95	23.01
TOTAL INTEREST INCOME	8,400	1,759.63	3,542.27	0.00	4,857.73	42.17
MISCELLANEOUS	_____	_____	_____	_____	_____	_____
TRANSFERS	_____	_____	_____	_____	_____	_____
<hr/>						
TOTAL REVENUE	682,172	1,759.63	3,542.27	0.00	678,629.73	0.52

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: NOVEMBER 30TH, 2016

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 16.67

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>WAGES &amp; BENEFITS</b>						
130-1700-50100 SALARIES	94,760	7,289.24	10,933.86	0.00	83,826.14	11.54
130-1700-50203 LONGEVITY PAY	96	96.00	96.00	0.00	0.00	100.00
130-1700-50204 CAR ALLOWANCE	4,800	400.00	800.00	0.00	4,000.00	16.67
130-1700-50300 HEALTH INSURANCE	9,351	695.90	1,641.80	0.00	7,709.20	17.56
130-1700-50301 DENTAL INSURANCE	335	27.90	55.80	0.00	279.20	16.66
130-1700-50302 LIFE & DISABILITY INSURAN	366	30.02	58.80	0.00	307.20	16.07
130-1700-50303 BROKER FEES	208	16.72	33.44	0.00	174.56	16.08
130-1700-50304 PHS FEES	114	9.00	18.00	0.00	96.00	15.79
130-1700-50305 TMRS EMPLOYER	15,563	1,190.04	1,772.12	0.00	13,790.88	11.39
130-1700-50310 401A	390	30.00	60.00	0.00	330.00	15.38
130-1700-50316 EAP	17	1.59	3.18	0.00	13.82	18.71
130-1700-50317 COBRA ADMINISTRATION FEE	7	0.00	0.00	0.00	7.00	0.00
130-1700-50320 WORKERS COMP	282	24.23	51.98	0.00	230.02	18.43
130-1700-50401 MEDICARE EMPLOYER	1,458	113.97	169.72	0.00	1,288.28	11.64
130-1700-50405 TEXAS EMPLOYMENT COMM.	180	0.00	0.00	0.00	180.00	0.00
TOTAL WAGES & BENEFITS	127,927	9,924.61	15,694.70	0.00	112,232.30	12.27
<b>PROF. SERV &amp; CONTRACTUAL</b>						
130-1700-51100 PROFESSIONAL SERVICES	68,876	0.00	0.00	0.00	68,876.00	0.00
130-1700-51300 LEGAL FEES	17,200	0.00	0.00	16,400.00	800.00	95.35
130-1700-51400 P&L INSURANCE	1,586	126.17	252.34	0.00	1,333.66	15.91
TOTAL PROF. SERV & CONTRACTUAL	87,662	126.17	252.34	16,400.00	71,009.66	19.00
<b>MAINTENANCE &amp; OPERATIONS</b>						
130-1700-52000 ADVERTISING	7,500	362.52	362.52	0.00	7,137.48	4.83
130-1700-52002 POSTAGE	0	0.00	1.15	0.00	1.15	0.00
130-1700-52003 PRINTING	400	0.00	0.00	0.00	400.00	0.00
130-1700-52004 COPIER CHARGES	250	0.00	0.00	0.00	250.00	0.00
130-1700-52215 PROMOTIONAL FEES	16,450	0.00	0.00	0.00	16,450.00	0.00
130-1700-52230 PROJECT INCENTIVES	150,000	0.00	0.00	0.00	150,000.00	0.00
130-1700-52500 DUES & SUBSCRIPTIONS	3,970	332.00	332.00	0.00	3,638.00	8.36
TOTAL MAINTENANCE & OPERATIONS	178,570	694.52	695.67	0.00	177,874.33	0.39
<b>SUPPLIES</b>						
130-1700-53001 OFFICE SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
TOTAL SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
<b>UTILITIES &amp; COMMUNICATION</b>						
130-1700-54100 TELEPHONE	156	6.02	6.02	0.00	149.98	3.86
130-1700-54105 INTERNET	384	29.98	29.98	0.00	354.02	7.81
130-1700-54106 AIRCARD	504	39.21	39.21	0.00	464.79	7.78
130-1700-54107 COMPUTER LICENSING	1,070	0.00	0.00	0.00	1,070.00	0.00
130-1700-54200 CELLPHONE	900	75.00	150.00	0.00	750.00	16.67
TOTAL UTILITIES & COMMUNICATION	3,014	150.21	225.21	0.00	2,788.79	7.47

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: NOVEMBER 30TH, 2016

130-Economic Development Corp

DEPARTMENT - ECONOMIC DEVELOPMENT

% OF YEAR COMPLETED: 16.67

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>TRAVEL &amp; TRAINING</b>						
130-1700-56000 TRAINING	11,075	0.00	0.00	0.00	11,075.00	0.00
130-1700-56100 TRAVEL/MEALS/LODGING	13,500	678.04	738.04	0.00	12,761.96	5.47
130-1700-56200 MILEAGE	750	533.52	641.41	0.00	108.59	85.52
TOTAL TRAVEL & TRAINING	25,325	1,211.56	1,379.45	0.00	23,945.55	5.45
<b>CAPITAL OUTLAY</b>						
130-1700-57000 CAPITAL OUTLAY	125,000	0.00	0.00	0.00	125,000.00	0.00
TOTAL CAPITAL OUTLAY	125,000	0.00	0.00	0.00	125,000.00	0.00
<b>TRANSFERS &amp; COST ALLOC.</b>						
130-1700-59001 COST ALLOCATION OUT-GENER	93,302	0.00	93,302.00	0.00	0.00	100.00
130-1700-59101 TRANSFER OUT	50,000	0.00	50,000.00	0.00	0.00	100.00
130-1700-59111 TRANSFER OUT - TECH REPLA	604	0.00	604.00	0.00	0.00	100.00
TOTAL TRANSFERS & COST ALLOC.	143,906	0.00	143,906.00	0.00	0.00	100.00
TOTAL ECONOMIC DEVELOPMENT	692,404	12,107.07	162,153.37	16,400.00	513,850.63	25.79
TOTAL EXPENDITURES	692,404	12,107.07	162,153.37	16,400.00	513,850.63	25.79
REVENUE OVER/(UNDER) EXPENDITURES	( 10,232)	( 10,347.44)	( 158,611.10)	( 16,400.00)	164,779.10	1,710.43

**EDC Special Session**

4.

**Meeting Date:** 01/09/2017**Title:** Annual Investment Report**Submitted For:** Jason Alexander, Director**Submitted By:** Lee Ann Bunselmeyer, Acting City Manager**Finance Review:** N/A**Legal Review:** N/A

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**AGENDA ITEM**

Discuss and approve the Fiscal Year 2015-2016 Annual Investment Report

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with Public Funds Investment Act, Chapter 2256, Section 02399(a), of the Texas Government Code, the investment officer must prepare and submit to the governing body a written report of the investment transactions within 180 days of the end of the fiscal year. The report must summarize current market conditions, economic developments, and anticipated investment conditions and include the following:

1. A listing of individuals securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired.
2. Unrealized gain or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services, independent from the broker/dealer from which the security was purchased.
3. Additions and changes to the market value during the period.
4. Fully accrued interest for the reporting period.
5. Average weighted yield to maturity of portfolio on entity investments, as compared to applicable benchmarks.
6. Listing of investments by maturity date.
7. The percentage of the total portfolio which each type of investment represents; and
8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
9. Market yield benchmark comparison of the average 90-days U.S. Treasury Bill auction yield during the reporting period.

The investment report must be formally reviewed at least annually by an independent auditor and the results of the review must be reports. Exhibit B includes the independent review by First Southwest Asset Management on November 11, 2016.

**RECOMMENDATION**

Staff recommends the acceptance of the Annual Investment Report.

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**Attachments**

Annual Investment Report

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City of Corinth, Texas

ANNUAL INVESTMENT REPORT

*For Fiscal Year Ended September 30, 2016*



Lee Ann Bunselmeyer  
*Acting City Manager*

Caryn Riggs  
*Assistant Director of Finance*

Chris Rodriguez  
*Financial Services Manager*



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3300 Corinth Parkway • Corinth, TX • 940.498.3280 • Fax 940.498.3232

November 30, 2016

TO: Honorable Mayor and Members of the City Council

The Annual Investment Report is written in accordance with state statutes, specifically the Public Funds Investment Act, section 2256 of the Texas Government Code. This report is presented to comply with the City's investment policy that states "within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council."

#### I. STATUTORY AND POLICY REQUIREMENTS

On February 4, 2016, a resolution was passed to adopt a formal investment policy for the City of Corinth. The Investment Policy is required by state law to be reviewed each year. The policy designates the Director of Finance as being responsible for the City's investment program. The Director of Finance is also responsible for establishing written procedures for the operation of the program. These procedures include the explicit delegation of authority to persons who carry out the daily investment transactions. The Director of Finance has made this delegation of authority to the Financial Services Manager and the Assistant Finance Director. Investment officers have the authority to invest all funds for the City of Corinth, the Corinth Crime Control and Prevention District and Corinth Economic Development Corporation with the exception of funds contributed to the Texas Municipal Retirement System (TMRS); other funds established by the City for deferred employee compensation; and revenue bond escrow funds. These funds are managed by outside investment managers and administrators and are monitored by the Finance Department.

The funds of the City of Corinth, Texas, are invested in compliance with Article. 842(a-1) entitled the "Public Funds Investment Act" of the Texas Government Code. Staff annually reviews the policy guidelines and objectives to ensure compliance with the changes in state law, and with the investment strategies adopted by the City Council as summarized below in order of importance.

1) Safety – Preservation and safety of Principal.

Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this Policy, by qualifying the financial institutions and broker with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

2) Liquidity.

The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City's portfolio.

3) Diversification.

Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.

4) Market Rate-of-Return (Yield).

The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

5) Public Trust

The Investment Officer shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

## II. BANK DEPOSITORY

Depository services support the objectives of the City's cash and investment management program. Those objectives are to maximize investment yield after satisfying the goals of safety and liquidity. A depository services contract is required for municipalities and the City of Corinth contracts with NorthStar Bank. Frost Bank serves as the City's safekeeping institution and acts as a third party custodian.

There are five significant cash management services that are provided to the City. These services are (1) a control concentration/sweep account, (2) the on-line cash management system, (3) positive pay, (4) safekeeping services, and (5) Courier service that includes daily pick-up and delivery of city deposits at various remote locations. The automated services provided by NorthStar Bank facilitate full utilization of available cash thus maximizing interest income. The NorthStar bank contract renewed for one year to expire on May 31, 2017.

## III. INVESTMENT ACCOUNTING METHODOLOGY

The accounts of the City of Corinth are maintained on the basis of funds or account groups, each of which is considered a separate accounting entity. Each fund is invested separately, as long as, it maintains a sufficient fund balance. The investment activity of each fund is summarized in the tables presented in this report.

The enclosed Annual Investment Report is in compliance with the investment strategies adopted by the City Council, as well as, in accordance with the relevant provisions of the Tex. Gov't Code Ch. 2256. The objectives adopted by the City Council will continue to drive the investment program in the next fiscal year in order to achieve optimum protection of public funds.

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Lee Ann Bunselmeyer  
Acting City Manager

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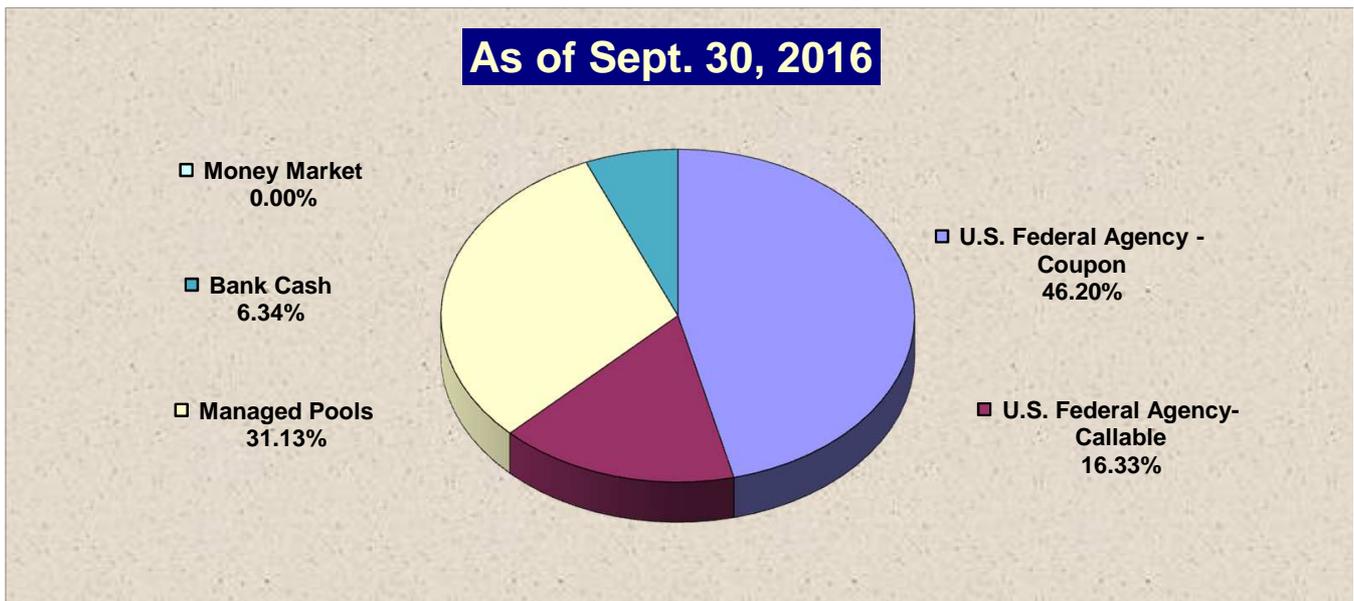
Caryn Riggs  
Assistant Director of Finance

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Chris Rodriguez  
Financial Services Manager

**ANNUAL INVESTMENT REPORT**  
Economic Development Corporation

Market Sector	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016
U.S. Federal Agency -Coupon	\$ 1,090,000	\$ 1,415,000	\$ 1,415,000	\$ 1,415,000
U.S. Federal Agency-Callable	655,000	500,000	500,000	500,000
Managed Pools	430,973	431,294	952,569	953,468
Money Market	556,052	356,274	-	-
Bank Cash	232,645	285,089	291,667	194,258
Total Par Value:	<u>\$ 2,964,670</u>	<u>\$ 2,987,657</u>	<u>\$ 3,159,236</u>	<u>\$ 3,062,726</u>



The portfolio is restricted to U.S. Treasuries, U.S. Agencies, bonds issued by Texas public entities and rated AA or better, fully insured/collateralized certificates of deposit, and fully collateralized repurchase agreements. The investments are diversified by security type to protect interest income from the volatility of interest rates and to protect the portfolio from the risk of principal loss in any one market.

Performance Indicators	Policy Benchmark	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016
Average Yield to Maturity		0.450%	0.668%	0.676%	0.689%
≥ Policy Benchmark-(Six Month T-Bill)		0.482%	0.455%	0.392%	0.460%
Callable Securities ≤	30.00%	22.09%	16.74%	15.83%	16.33%
Investment By Type ≤					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	58.85%	64.10%	60.62%	62.53%
Managed Pools	100.00%	14.54%	14.44%	30.15%	31.13%
Money Market	100.00%	18.76%	11.92%	0.00%	0.00%
Cash	100.00%	7.85%	9.54%	9.23%	6.34%
Weighted Avg. Maturity ≤	270 Days	108	322	249	199
Maturities ≤30 days ≥	5.00%	41.14%	35.90%	39.38%	37.47%

**Note:** The portfolio exceeds the policy benchmark for the Average Yield to Maturity at the end of the fiscal year. The liquidity for the portfolio is 37% at the end of the fiscal year.

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

*For Fiscal Year Ended September 30, 2016*



**APPENDIX A**

**Investment Report  
For Month Ending September 30, 2016**

City of Corinth portfolio  
Texas Compliance Change in Val Report  
Sorted by Fund  
October 1, 2015 - September 30, 2016

City of Corinth  
3300 Corinth Parkway  
Corinth, TX 76208  
-9404983200

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
Fund: Economic Development									
10503	FHLMC	130	07/31/2014	33.12	50,001.36	0.00	50,000.00	-50,001.36	0.00
3134G3W55	0.00	0.000	11/24/2015	112.50	50,025.00	0.00	50,000.00	-50,025.00	0.00
10474	FFCB	130	02/01/2013	200.00	150,000.00	0.00	150,000.00	-150,000.00	0.00
3133ECE91	0.00	0.000	02/01/2016	300.00	150,045.00	0.00	150,000.00	-150,045.00	0.00
10502	FFCB	130	07/31/2014	133.33	100,000.00	0.00	100,000.00	-100,000.00	0.00
3133ECE91	0.00	0.000	02/01/2016	200.00	100,030.00	0.00	100,000.00	-100,030.00	0.00
10504	FFCB	130	07/31/2014	266.67	200,000.00	0.00	200,000.00	-200,000.00	0.00
3133ECE91	0.00	0.000	02/01/2016	400.00	200,060.00	0.00	200,000.00	-200,060.00	0.00
10497	FHLB	130	01/28/2014	521.87	250,015.18	0.00	250,000.00	-250,015.18	0.00
313382K85	0.00	0.000	03/18/2016	562.50	250,100.00	0.00	250,000.00	-250,100.00	0.00
10508	FHLB	130	08/01/2014	814.12	389,911.67	0.00	390,000.00	-389,911.67	0.00
313382K85	0.00	0.000	03/18/2016	877.50	390,156.00	0.00	390,000.00	-390,156.00	0.00
10515	FHLMC	130	09/01/2014	380.63	135,000.00	0.00	135,000.00	-135,000.00	0.00
3134G4TD0	0.00	0.000	01/27/2017	590.63	135,297.00	0.00	135,000.00	-135,297.00	0.00
10519	FHLMC	130	10/31/2014	662.57	235,000.00	0.00	235,000.00	-235,000.00	0.00
3134G4TD0	0.00	0.000	01/27/2017	1,028.13	235,517.00	0.00	235,000.00	-235,517.00	0.00
10526	FHLMC	130	06/30/2015	803.54	285,000.00	0.00	285,000.00	-285,000.00	0.00
3134G4TD0	0.00	0.000	01/27/2017	1,246.88	285,627.00	0.00	285,000.00	-285,627.00	0.00
10007	TXPOOL	130	10/01/2015	2,228.58	430,830.21	522,637.64	0.00	522,637.64	953,467.85
SYS10007	953,467.85	0.383	/ /	1,953.95	430,830.21	522,637.64	0.00	522,637.64	953,467.85
10021	NTHSTR	130	10/01/2015	754.69	245,221.05	383,950.44	434,913.43	-50,962.99	194,258.06
SYS10021	194,258.06	0.300	/ /	0.00	245,221.05	383,950.44	434,913.43	-50,962.99	194,258.06

Portfolio CITY

City of Corinth portfolio  
Texas Compliance Change in Val Report  
October 1, 2015 - September 30, 2016

Inv #	Issuer	Fund	Purch Date	Interest Accrual	Beginning Book Value				Ending Book Value
Cusip	Par Value	YTM	Mat Date	Interest Received	Beginning Market Value	Purchases/ Additions	Redemptions	Change in Value	Ending Market Value
10379	NTHSTR	130	10/01/2015	645.94	555,707.91	637.05	556,344.96	-555,707.91	0.00
SYS10379	0.00	0.250	/ /	637.05	555,707.91	637.05	556,344.96	-555,707.91	0.00
10542	FAMC	130	03/08/2016	16,906.10	0.00	612,161.55	0.00	598,411.44	598,411.44
30769QAA8	585,000.00	0.925	04/19/2017	3,414.54	0.00	612,161.55	0.00	599,157.00	599,157.00
10541	FHLMC	130	02/25/2016	2,400.00	0.00	500,000.00	0.00	500,000.00	500,000.00
3134G8L49	500,000.00	0.800	08/25/2017	2,000.00	0.00	500,000.00	0.00	499,200.00	499,200.00
10543	FHLB	130	03/11/2016	2,955.55	0.00	382,812.00	0.00	381,802.31	381,802.31
313378PK1	380,000.00	0.917	09/28/2017	2,911.22	0.00	382,812.00	0.00	382,090.00	382,090.00
10534	FFCB	130	01/27/2016	2,668.75	0.00	450,000.00	0.00	450,000.00	450,000.00
3133EFWC7	450,000.00	0.875	11/27/2017	1,312.50	0.00	450,000.00	0.00	450,360.00	450,360.00
Sub Totals For: Fund: Economic Development				32,375.46	3,026,687.38	2,852,198.68	2,786,258.39	51,252.28	3,077,939.66
				17,547.40	3,028,616.17	2,852,198.68	2,786,258.39	49,916.74	3,078,532.91

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

*For Fiscal Year Ended September 30, 2016*



**APPENDIX B**

**First Southwest Portfolio Assessment**



**City of Corinth, Texas**  
Portfolio Exceptions  
Quarter Ending September 30, 2016

*Fund Groups Included: Consolidated, Operating, Eco Development, Crime Control and Street Maintenance Tax.*

The following exception(s) were noted during our review of the above-captioned investment report:

*There were no exceptions noted.*

A handwritten signature in blue ink, appearing to read "Scott D. McIntyre", is written over a horizontal line.

Scott D. McIntyre, CFA  
Managing Director  
FirstSouthwest Asset Management, LLC

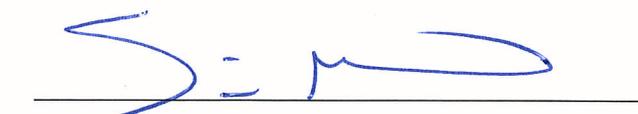
A handwritten date "11/11/16" in blue ink is written over a horizontal line.

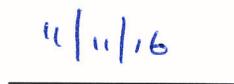
Date

**City of Corinth, Texas**  
Portfolio Assessment  
Quarter Ending September 30, 2016

*Fund Groups Included: Consolidated, Operating, Eco Development, Crime Control and Street Maintenance Tax.*

- After raising the overnight rate target by 25 bps in December 2015, the Fed has spent all of 2016 on hold. This is expected to change on December 14<sup>th</sup> when the FOMC will likely vote to increase the fed funds rate by another quarter point to a range of 0.50% to 0.75%. Market yields have risen in anticipation and the City's portfolio appears to be in good position to benefit from the expected move. The weighted-average maturity of the City's overall portfolio is less than five (5) months at quarter end. This defensive positioning suggests that the portfolio will benefit more significantly as interest rates climb than if the average maturity were longer.
- The City's overall portfolio yield was 0.62% at quarter end compared to the 0.43% quarterly average of the six-month Treasury bill.
- There are no apparent credit risks being assumed; no direct exposure to foreign markets; no leveraging or speculation.
- Bank deposits are secured through a Federal Home Loan Bank (FHLB) standby letter of credit in the amount of \$9 million.

  
\_\_\_\_\_  
Scott D. McIntyre, CFA  
Managing Director

  
\_\_\_\_\_  
Date

City of Corinth, Texas

**ANNUAL INVESTMENT REPORT**

*For Fiscal Year Ended September 30, 2016*



**APPENDIX C**

**Glossary**

## Glossary

**Accrued Interest** – In the sale of a new issue of municipal bonds, the dollar amount, based on the stated rate or rates of interest, which has accrued on the bonds from the dated date, or other stated date, up to but not including the date of delivery. When a bond is purchased in the secondary market, the dollar amount, based upon the stated rate of interest, which has accrued on the bond from the most recent interest payment date, up to but not including the date of settlement. Accrued interest is paid to the seller by the purchaser and is usually calculated on a 360-day-year basis (assumes each month has 30 days).

**Agencies** – Federal agency securities.

**Arbitrage** – Generally, transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a difference in prices in the two markets. With respect to the issuance of municipal bonds, arbitrage usually refers to the difference between the interest paid on the bonds issued and the interest earned by investing the bond proceeds in other securities. Arbitrage profits are permitted on bond proceeds for various temporary periods after issuance of municipal bonds. Internal Revenue Service regulations govern arbitrage of municipal bond proceeds.

**Asked** – The price at which securities are offered.

**Bankers' Acceptance (BA)** – A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bearer Bond** – Bond which is presumed to be owned by the person who holds it. The Tax Equity and Fiscal Responsibility Act of 1982 requires the issuance of municipal bonds in fully registered form, with minor exceptions.

**Bid** – The price offered by a buyer of securities. (When you are selling securities, you ask for a bid).

**Book Value** – The original acquisition cost of an investment plus or minus the accrued amortization or accretion.

**Broker** – A broker brings buyers and sellers together for a commission.

**Callable Bond** – a bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Price** – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

**Call Risk** – The risk to a bondholder that a bond may be redeemed prior to maturity.

**Capital Appreciation Bond** – Long-term tax exempt security sold at a large discount. Yield is reinvested at a stated rate until maturity at which time the investor receives total payment. Latter represents both principal and interest.

**Certificate of Deposit (CD)** – A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

**Collateral** – Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper (tax-exempt)** – Short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30 – 45 days.

**Comprehensive Annual Financial Report (CAFR)** – The official annual report for the City of Corinth. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance related to legal and contractual provision, extensive introductory material, and a detailed Statistical Section.

**Coupon** – (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**Current Yield** – The ratio of the annual dollar amount of interest to the purchase price of a bond, stated as a percentage. For example, a \$1,000 bond purchased at par with an 8% coupon pays \$80 per year, or a current yield of 8%. The same bond, if purchased at a discounted price of \$800, would have a current yield of 10%.

**Dated Date** – The date of a bond issue, printed on each bond, from which interest usually starts to accrue, even though the bonds may actually be delivered at some later date.

**Dealer** – A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture** – A bond secured only by the general credit of the issuer.

**Delivery Date** – Date on which the bonds are physically delivered in exchange for the payment of the purchase price. The date of issuance is the same date as the delivery date.

**Delivery Versus Payment** – There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**Discount** – The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount Securities** – Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

**Diversification** – Dividing investment funds among a variety of securities offering independent returns.

**Federal Credit Agencies** – Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's small business firms, students, farmers, farm cooperatives, and exporters.

**Federal Deposit Insurance Corporation (FDIC)** – A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**Federal Funds Rate** – The rate of interest at which federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**Federal Home Loan Banks (FHLB)** – The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

**Federal National Mortgage Association (FNMA)** – FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**Federal Open Market Committee (FOMC)** – Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**Federal Reserve System** – The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**Fiscal Year** – A twelve-month period which determines the time frame for financial reporting, budgeting, and accounting. At the end of the fiscal year, financial position and results of operations are determined.

**Government National Mortgage Association (GNMA or Ginnie Mae)** – Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "pass throughs" is often used to describe Ginnie Maes.

**Interest** – Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.

**Liquidity** – Usually refers to the ability to convert assets (such as investments) into cash.

**Market Value** – The Current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

**Master Repurchase Agreement** – A written contract covering all future transactions between the parties to repurchase – reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**Maturity** – The date upon which the principal of a municipal bond becomes due and payable to the bondholder.

**Money Market** – The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Note** – A written, short-term promise of the issuer to repay a specified principal amount on a certain date, together with interest at a stated rate, or according to a formula for determining that rate, payable from a defined source of anticipated revenue. Notes usually mature in less than five years.

**Offer** – The price asked by a seller of securities. (When you are buying securities, you ask for an offer.)

**Open Market Operations** – Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves in the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**Original Issue Discount** – An amount which represents the difference by which par value exceeds the public offering price of a new issue or part of an issue of municipal bonds. Original issue discount is amortized over the life of the bonds and is generally treated as tax-exempt interest. When the investor sells the bonds before maturity, any profit or loss realized on such sale is figured on the adjusted cost basis for tax purposes. The adjusted cost basis is calculated for each year the bonds are outstanding by adding the accretion value to the original offering price. The accretion value is determined by the rules and regulations of the Internal Revenue Service. Selling the bonds at a price in excess of the adjusted cost basis would result in a taxable gain for the seller, while a selling price below that level would be treated as a loss for income tax purposes.

**Par Value** – In the case of bonds, the amount of principal which must be paid at maturity. Par value is also referred to as the face amount of a security.

**Pooled Fund Group** – An internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested.

**Portfolio** – Collection of securities held by an investor.

**Premium** – The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

**Primary Dealer** – A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) – registered securities broker-dealers, banks, and a few unregulated firms.

**Primary Market** – The market for new issues of municipal securities.

**Principal** – The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

**Prudent Person Rule** – An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal

list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Qualified Public Depositories** – A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**Qualified Representative** – A Person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- (a) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;
- (b) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or
- (c) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

**Rate of Return** – The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**Ratings** – Evaluations of the credit quality of notes and bonds usually made by independent rating services, although many financial institutions also rate bonds for their own purposes. Ratings generally measure the probability of the timely repayment of principal of and interest on municipal bonds. Ratings are initially made before issuance and are continuously reviewed and may be amended to reflect changes in the issuer's credit position. The information required by the rating agencies varies with each bond issue, but generally includes demographics, debt burden, economic base, finances, and management structure. The information is evaluated and the issue is assigned a letter rating which reflects the creditworthiness of the bonds. The higher the credit rating, the more favorable the effect on the marketability of the bond.

**Repurchase Agreement** – A simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1), at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

**Safekeeping** – A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Secondary Market** – A market made for the purchase and sale of outstanding issues following the initial distribution.

**Securities and Exchange Commission or SEC** – The federal agency responsible for supervising and regulating the securities industry. Generally, municipal securities are exempt from the SEC's registration and reporting requirements. However, the SEC has responsibility for the approval of Municipal Securities Rulemaking Board rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

**Security** – Generally, evidence of debt or equity in a common enterprise in which a person invests in the expectation of earning income. The term includes notes, stocks, bonds, debentures, mortgages, and other forms of negotiable and non-negotiable evidences of indebtedness or ownership. Unless exempted, as are municipal bonds, securities transactions are subject to federal and state regulation.

**Separately Invested Asset** – An account or fund of a state agency or local government that is not invested in a pooled fund group.

**Treasury Securities** – Debt obligations of the United States Government sold by the Treasury Department in the forms of bills, notes, and bonds.

**Bills** – Short-term obligations which mature in one year or less, and are sold at a discount in lieu of paying periodic interest.

**Notes** – Interest bearing obligations which mature between one year and 10 years.

**Bonds** – Interest bearing long-term obligations which generally mature in 10 years or more.

**Yield Curve** – A graph which plots the yields on securities with equivalent quality but different maturities, at a given point in time. The vertical axis represents the interest rates, while the horizontal axis depicts the years to maturity. The term structure of interest rates, as reflected by the yield curve, will vary according to market conditions, resulting in a variety of yield curve configurations.

**Normal or Positive Yield Curve** – Indicates that short-term securities have a lower interest rate than long-term securities.

**Inverted or Negative Yield Curve** – Reflects the situation of short-term rates exceeding long-term rates.

**Flat Yield Curve** – Reflects the situation when short and long-term rates are the same.

**Humpback Yield Curve** – An unusual shape, indicating that rates are rising in the early years, peaking in the middle years and declining in later years.

**Yield to Maturity** – The rate of return to the investor earned from payments of principal and interest, with interest compounded semiannually and assuming that interest paid is reinvested at the same rate. Yield to maturity takes into account the time value of the investment.

**Zero Coupon Bond** – A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.

**EDC Special Session**

5.

**Meeting Date:** 01/09/2017

**Title:** Corinth Economic Development Corporation Investment Policy

**Submitted By:** Jason Alexander, Director

**Finance Review:** N/A

**Legal Review:** N/A

**Approval:** Lee Ann Bunselmeyer, Acting City Manager

**AGENDA ITEM**

Consider and act on the Investment Policy for the Corinth Economic Development Corporation for Fiscal Year 2016-2017.

**AGENDA ITEM SUMMARY/BACKGROUND**

In accordance with the Public Funds Investment Act, Chapter 2256 of the *Texas Government Code*, the City is required to adopt a formal written investment policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revisions to the Economic Development Corporation's Investment Policy are listed below:

1. Section VI.A.1 Delegation of Authority (page 5, lines 226-227) and Section X.A Authorized Financial Dealers and Institutions (page 10, line 490): Removed "or the Director's designated representative." This policy grants explicit delegation of authority to the Director of Finance.
2. Section VI.B Prudence (page 6, lines 258-261): Updated prudent investor rule to coincide with the Public Funds Investment Act verbiage.
3. Section X.E Diversification (page 11, lines 533-535): Added "In this way, bankruptcy, receivership or legal action would not immobilize the Economic Development Corporation's ability to meet payroll or other expenses." This is consistent with the City's Investment Policy.
4. Replaced *Officials* with *Officers* throughout the policy to coincide with the Public Funds Investment Act verbiage.

**RECOMMENDATION**

Staff recommends the Board of Directors approve the Corinth Economic Development Corporation's Investment Policy.

**Fiscal Impact**

**Source of Funding:** N/A

**FINANCIAL SUMMARY:**

N/A.

**Attachments**

Recommended Investment Policy

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**CITY OF CORINTH, TEXAS  
ECONOMIC DEVELOPMENT CORPORATION  
INVESTMENT POLICY**

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PREFACE

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It is the policy of the City of Corinth the "City" and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

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Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

28 **I. PURPOSE**

29  
30 The purpose of this investment policy (the “policy”) is to set forth specific investment  
31 policy and strategy guidelines for the EDC in order to achieve the goals of safety,  
32 liquidity, rate-of-return, and public trust for all investment activities.  
33

34 **II. SCOPE**

35  
36 The investment policy shall govern the investment of all financial assets considered to  
37 be part of the EDC and includes the following separately invested funds or fund types:  
38 Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This  
39 policy does not include funds governed by approved trust agreements, or assets  
40 administered for the benefit of the EDC by outside agencies under retirement or deferred  
41 compensation programs. The City shall and will maintain responsibility for these funds  
42 to the extent required by: Federal and State law; the City Charter; and donor  
43 stipulations.  
44

45 **III. INVESTMENT OBJECTIVES**

46  
47 Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this  
48 policy and any other approved, written administrative procedures. The five objectives of  
49 the EDC’s investment activities shall be as follows (in the order of priority):  
50

51 **A. Safety** – Preservation and safety of Principal. Safety of principal invested is the  
52 foremost objective in the investment decisions of the EDC. Each investment  
53 transaction shall seek to ensure the preservation of capital in the overall portfolio.  
54 The risk of loss shall be controlled by investing only in authorized securities as  
55 defined in this policy, by qualifying the financial institutions with which the EDC will  
56 transact, and by portfolio diversification. Safety is defined as the undiminished return  
57 of the principal on the EDC’s investments.  
58

59 **B. Liquidity** - The investment portfolio shall be managed to maintain liquidity to ensure  
60 that funds will be available to meet the EDC’s cash flow requirements and by  
61 investing in securities with active secondary markets. Investments shall be  
62 structured in such a manner as to provide liquidity necessary to pay obligations as  
63 they become due. A security may be liquidated prior to its stated maturity to meet  
64 unanticipated cash requirements or to otherwise favorably adjust the EDC’s portfolio.  
65

66 **C. Diversification** - Investment maturities shall be staggered throughout the budget  
67 cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying  
68 the appropriate maturity structure will reduce market cycle risk.  
69

70 **D. Market Rate-of-Return (Yield)** - The EDC’s investment portfolio shall be designed to  
71 optimize a market rate-of-return on investments consistent with risk constraints and  
72 cash flow requirements of the portfolio. The investment portfolio shall be managed in  
73 a manner which seeks to attain a market rate-of-return throughout budgetary and  
74 economic cycles. The EDC will not attempt to consistently attain an unrealistic  
75 above market rate-of-return, as this objective will subject the overall portfolio to  
76 greater risk. Therefore, the EDC’s rate-of-return objective is secondary to those of  
77 safety and liquidity. Rate-of-return (yield) is defined as the annual income returned  
78 on an investment, expressed as a percentage.  
79

80 **E. Public Trust** - The Investment Officer(s) shall avoid any transactions that might  
81 impair public confidence in the EDC’s ability to govern effectively. The governing

82 body recognizes that in diversifying the portfolio, occasional measured losses due to  
83 market volatility are inevitable, and must be considered within the context of the  
84 overall portfolio's investment return, provided that adequate diversification has been  
85 implemented. The prudence of the investment decision shall be measured in  
86 accordance with the tests set forth in Section 2256.006(b) of the Act.  
87

#### 88 IV. INVESTMENT STRATEGY 89

90 The City maintains a comprehensive and proactive cash management program which is  
91 designed to monitor and control all EDC funds to ensure maximum utilization and yield a  
92 market rate of return. The basic and underlying strategy of this program is that all of the  
93 EDC's funds are earning interest. It is the responsibility and obligation of the City to  
94 maintain a flexible approach and be prepared to modify the investment strategy as  
95 market conditions dictate. The investment strategy described is predicated on  
96 conditions as they now exist and are subject to change. The investment strategy  
97 emphasizes low credit risk, diversification, and the management of maturities. The  
98 strategy also considers the expertise and time constraints of the Investment Officers.  
99 The allowable investments as defined in Section VII of this policy reflect the avoidance of  
100 credit risk. Diversification refers to dividing investments among a variety of securities  
101 offering independent returns. This strategy uses local government investment pools to  
102 achieve diversification. The active management of maturities refers to structuring the  
103 maturity dates of the direct investments so that, while funds are initially invested for a  
104 longer period of time, some investments mature as cash needs require. The strategies  
105 for the EDC's investment activities shall be as follows:  
106

##### 107 **Strategy No. 1**

108 Diversifying the EDC's investment opportunities through the use of local government  
109 investment pools and money market mutual funds as authorized by the EDC Board, and  
110 the City Council. An investment pool is a professionally managed portfolio of shared  
111 assets created to invest public funds jointly on behalf of the governmental entities that  
112 participate in the pool and whose investment objectives in order of priority match those  
113 objectives of the EDC. Fund withdrawals are usually available from investment pools on  
114 a same-day basis, meaning the pools have a high degree of liquidity. Because of the  
115 size and expertise of their staff, investment pools are able to prudently invest in a variety  
116 of the investment types allowed by state law. In this manner, investment pools achieve  
117 desired diversification. The strategy of the EDC calls for the use of investment pools as a  
118 primary source of diversification and a supplemental source of liquidity. Funds that may  
119 be needed on a short-term basis but are in excess of the amount maintained at the  
120 depository bank are available for deposit in investment pools.  
121

##### 122 **Strategy No. 2**

123 Building a ladder of authorized securities with staggered maturities for all or part of the  
124 longer-term investable funds. The benefits of this ladder approach include the following:  
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- 126 A. It is straight-forward and easily understood;
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- 128 B. It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- 129
- 130 C. It provides predictable cash flow with scheduled maturities and reinvestment  
131 opportunities.  
132

##### 133 **Strategy No. 3**

134 Utilizing the services of a Professional Investment Advisor in order to maximize  
135 investment earnings and realize market opportunities when they become available.

136 Other responsibilities of the Investment Advisor include, but are not limited to broker  
137 compliance, security selection, competitive bidding, investment reporting, and security  
138 documentation. The Investment Advisor must be registered with the Securities and  
139 Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as  
140 with the Texas State Securities Board and shall adhere to the spirit and philosophy of  
141 this policy and avoid recommending or suggesting transactions outside the "Standard of  
142 Care" under this policy.  
143

144 **Strategy No. 4**

145 The EDC will utilize a general investment strategy designed to address the unique  
146 characteristics of specific fund-types (detailed strategies are presented in Attachment A):  
147

- 148 **A.** Investment strategies for operating funds and pooled funds containing operating  
149 funds have as their primary objective to assure that anticipated cash flows are  
150 matched with adequate investment liquidity. The secondary objective is to create a  
151 portfolio which will experience minimal volatility during economic cycles.  
152
- 153 **B.** Investment strategies for reserve funds shall have as the primary objective the ability  
154 to generate a dependable revenue stream to the appropriate reserve fund.  
155
- 156 **C.** Investment strategies for special projects and capital projects funds will have as their  
157 primary objective to assure that anticipated cash flows are matched with adequate  
158 investment liquidity.  
159
- 160 **D.** The investment maturity of bond proceeds (excluding reserve and debt service  
161 funds) shall generally be limited to the anticipated cash flow requirement or the  
162 "temporary period," as defined by Federal tax law. During the temporary period,  
163 bond proceeds may be invested at an unrestricted yield. After the expiration of the  
164 temporary period, bond proceeds subject to yield restriction shall be invested  
165 considering the anticipated cash flow requirements of the funds and market  
166 conditions to achieve compliance with the applicable regulations.  
167

168 **Strategy No. 5**

169 The EDC generally intends to hold all of its securities until they mature and will  
170 accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need  
171 to sell a security early. Should it become necessary to sell a security prior to maturity,  
172 where the sale proceeds are less than the current book value, the prior written consent  
173 of the EDC Executive Director, or the City Manager must be obtained. Securities may be  
174 sold prior to maturity by the Director of Finance at or above their book value at any time,  
175 without the consent of the City Manager.  
176

177 **Strategy No. 6**

178 All demand deposits of the EDC will be concentrated with one central depository, so long  
179 as, the FDIC insurance limits are not exceeded. The City's depository procedure will  
180 maximize the EDC's ability to pool cash for investment purposes, and provide more  
181 manageable banking relationships. In addition, depositories not holding demand  
182 deposits of the EDC may be eligible to bid on EDC investments.  
183

184 **Strategy No. 7**

185 This policy shall further seek to maintain good depository bank relationships while  
186 minimizing the cost of banking services. The City will seek to maintain a depository  
187 contract which will be managed to a level that minimizes the cost of the banking  
188 relationship to the EDC, while allowing the EDC to earn an appropriate return on idle  
189 demand deposits.

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**Strategy No. 8**

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

**Strategy No. 9**

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

**V. FINANCE AUDIT COMMITTEE**

**A. Members** – There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, two members of the City Council and two citizens appointed by the City Council by majority vote.

**B. Scope** – The Finance Audit Committee shall meet at least annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC’s funds, authorized brokers and dealers, and the target rate ~~of~~ return on the investment portfolio.

**C. Procedures** – The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and four members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures.

**VI. RESPONSIBILITY AND STANDARD OF CARE**

**A.** The responsibility for the daily operation and management of the EDC’s investments shall be outlined within this section.

1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance ~~or the Director’s designated representative~~, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as “Investment ~~Officials~~Officers.” No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.

2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

a. The cost of control should not exceed the benefits likely to be derived; and,

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245           **b.** The valuation of costs and benefits requires estimates and judgments by  
246           management.  
247

248           **3.** The Director of Finance shall be designated as the primary Investment Officer  
249           for the City and shall be responsible for investment decisions and activities  
250           under the direction of the City Manager. The Director of Finance may delegate  
251           any phase of the investment program to a secondary Investment Officer. Both  
252           the Director of Finance and the designated secondary Investment Officer are  
253           responsible for daily investment decisions and activities. However, ultimate  
254           responsibility for investment decisions will rest with the Director of Finance.  
255

256           **B.** Prudence - The standard of prudence to be applied by the Investment Officer shall  
257           be the "prudent investor" rule, which states, "investments shall be made with  
258           judgment and care, under prevailing circumstances ~~then-prevailing~~, that a which  
259           persons of prudence, discretion and intelligence would exercise in the management  
260           of the person's their-own affairs, not for speculation, but for investment, considering  
261           the probable safety of their-capital as-well-as and the probable income to be  
262           derived." In determining whether the Investment Officer has exercised prudence  
263           with respect to an investment decision, the determination shall be made taking into  
264           consideration the following:  
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- 266           1. The investment of all funds over which the Investment Officer had responsibility  
267           rather than a consideration as to the prudence of a single investment; and  
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- 269           2. the investment decision was consistent with the written investment policy and  
270           procedures of the EDC.  
271

272           **C.** Due Diligence - The Director of Finance, designated secondary Investment Officer,  
273           Mayor, City Council, City Manager, other Finance employees and the citizen  
274           committee members acting in accordance with written policies and procedures and  
275           exercising due diligence, shall not be held personally responsible for a specific  
276           security's credit risk or market price changes, provided that these deviations are  
277           reported in a timely manner and that appropriate action is taken to control adverse  
278           developments.  
279

280           **D.** Ethical Standards and Conflicts of Interest  
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- 282           1. All EDC Investment Officials-Officers having a direct or indirect role in the  
283           investment of EDC funds shall act as custodians of the public trust avoiding any  
284           transaction which might involve a conflict of interest, the appearance of a conflict  
285           of interest, or any activity which might otherwise discourage public confidence.  
286           Officers and employees involved in the investment process shall refrain from  
287           personal business activity that could conflict with proper execution of the  
288           investment program, or which could impair the ability to make impartial  
289           investment decisions.  
290
- 291           2. An Investment Officer who has a personal business relationship with the  
292           depository bank or with any entity seeking to sell an investment to the EDC shall  
293           file a statement disclosing that personal business interest.  
294
- 295           3. An Investment Officer has a personal business relationship with a business  
296           organization if:  
297

- 298 a. The Investment Officer or person related to the Investment Officer by the  
299 second degree of affinity or consanguinity owns 10% or more of the voting  
300 stock or shares of the business organization or owns \$5,000 or more of the  
301 fair market value of the business organization;  
302
- 303 b. Funds received by the Investment Officer or person related to the investment  
304 officer by the second degree of affinity or consanguinity from the business  
305 organization exceed 10% of the Investment Officer's gross income for the  
306 prior year; or  
307
- 308 c. The Investment Officer or person related to the Investment Officer by the  
309 second degree of affinity or consanguinity has acquired from the business  
310 organization during the prior year investments with a book value of \$2,500 or  
311 more for the personal account of the Investment Officer.  
312
- 313 d. An Investment Officer who is related within the second degree of affinity or  
314 consanguinity to an individual seeking to sell an investment to the EDC shall  
315 file a statement disclosing that relationship. A statement required under this  
316 subsection must be filed with the Texas Ethics Commission and the City  
317 Council.  
318

319 E. Training - The City shall provide periodic training in investments for the investment  
320 personnel through courses and seminars offered by professional organizations and  
321 associations in order to ensure the quality and capability of the EDC's investment  
322 personnel making investment decisions in compliance with Public Funds Investment  
323 Act (PFIA). The Investment Officers and Finance Audit Committee members shall  
324 attend at least one training session containing at least 10 hours of instruction relating  
325 to the officer's responsibility under the PFIA within 12 months after assuming duties,  
326 and thereafter shall attend at least 8 hours of additional investment training in  
327 subsequent two-year periods which begin on the first day of the fiscal year and  
328 consist of the two consecutive fiscal years after that date. The Government Finance  
329 Officers Association of Texas, the Government Treasurers Organization of Texas,  
330 the Texas Municipal League, or the North Central Texas Council of Governments are  
331 approved as independent training sources by the City Council.  
332

## 333 VII. AUTHORIZED INVESTMENTS

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335 A. Generally - Safety of principal is the primary objective in investing public funds and  
336 can be accomplished by limiting credit risk and interest rate risk. Credit risk is the  
337 risk associated with the failure of a security issuer or backer to pay back principal  
338 and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio  
339 will decline due to an increase in the general level of interest rates. In order to  
340 provide for safety of principal as the EDC's primary objective, only certain  
341 investments are authorized as acceptable investments for the EDC. The following  
342 list of authorized investments for the EDC intentionally excludes some investments  
343 authorized by state law. These restrictions are intended to limit possible risk and  
344 provide the maximum measure of safety to EDC funds. In the event an authorized  
345 investment loses its required minimum credit rating, all prudent measures will be  
346 taken to liquidate said investment. Additionally, the EDC is not required to liquidate  
347 investments that were authorized at the time of purchase.  
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349 B. Authorized and Acceptable Investments - The authorized list of investment  
350 instruments is as follows:  
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1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
  2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
  3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
  4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which

406 may be used for specific investment of bond proceeds but *shall not include reverse*  
407 *purchase agreements.*

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409 **F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments  
410 are authorized for the EDC to the extent that they are contained in the portfolios of  
411 approved public funds investment pools or money market funds in which the EDC  
412 invests.

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414 **G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-  
415 registered, no load money market mutual fund which has a dollar weighted average  
416 stated maturity of 60 days or less whose assets consist exclusively of the assets  
417 described in section VII.A and whose investment objectives includes the  
418 maintenance of a stable net asset value of \$1 for each share: furthermore, it provides  
419 the EDC with a prospectus and other information required by the SEC Act of 1934 or  
420 the Investment Advisor Act of 1940 and which provides the EDC with a prospectus  
421 and other information required by the Securities Exchange Act of 1934 (15 USC  
422 Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1  
423 et. Seq.).

424  
425 **H. Unauthorized Securities** - State law specifically prohibits investment in the following  
426 securities:

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428 1. An obligation whose payment represents the coupon payments on the  
429 outstanding principal balance of the underlying mortgage-backed security and  
430 pays no principal.

431  
432 2. An obligation whose payment represents the principal stream of cash flow from  
433 the underlying mortgage-backed security and bears no interest.

434  
435 3. Collateralized mortgage obligations that have a stated final maturity date of  
436 greater than 10 years.

437  
438 4. Collateralized mortgage obligations, the interest rate of which is determined by  
439 an index that adjusts opposite to the changes in a market index.

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441 **VIII. DIVERSIFICATION**

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443 **A. Generally** - Diversification of investment instruments shall be utilized to avoid  
444 incurring unreasonable risks resulting from over-concentration of investments in a  
445 specific maturity, a specific issue, or a specific class of securities. With the exception  
446 of U.S. Government securities (debt obligations issued by the U. S. Government, its  
447 agencies, or instrumentalities) as authorized in this policy, and authorized local  
448 government investment pools, no more than forty percent (40%) of the total  
449 investment portfolio will be invested in any one security type or with a single financial  
450 institution. Diversification of the portfolio considers diversification by maturity dates  
451 and diversification by investment instrument.

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453 **B. Diversification by Maturities** - The longer the maturity of investments, the greater  
454 their price volatility. Therefore, it is the EDC's policy to concentrate its investment  
455 portfolio in shorter-term securities in order to limit principal risks caused by change in  
456 interest rates. The EDC will attempt to match its investments with anticipated cash  
457 flow requirements. Unless matched to a specific cash flow (including the anticipated  
458 cash flow requirements of bond proceeds within the temporary period), the EDC will  
459 not directly invest in securities maturing more than two (2) years from the date of

460 purchase. However, the above described obligations, certificates, or agreements  
461 may be collateralized using longer date instruments. The EDC shall diversify the use  
462 of investment instruments to avoid incurring unreasonable risks inherent in over-  
463 investing in specific instruments, individual financial institutions or maturities.  
464 Maturity scheduling shall be managed by the Investment Officer so that maturities of  
465 investments shall be timed to coincide with projected cash flow needs.  
466

467 The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a  
468 maximum average dollar-weighted maturity, based on the stated maturity date, of  
469 less than two hundred seventy (270) days. Investment maturities for debt service  
470 interest and sinking funds and/or other types of reserve funds, whose use is never  
471 anticipated, shall maintain a maximum average dollar-weighted maturity, based on  
472 the stated maturity date, of less than three hundred sixty-five (365) days.  
473

474 **C. Diversification by Investment Instrument** - Diversification by investment instrument  
475 shall not exceed the following guidelines for each type of instrument:  
476

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

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479 **IX. SECURITY SWAPS**

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481 Security swaps may be considered as an investment option for the EDC. A swap out of  
482 one instrument into another is acceptable to increase yield, realign for disbursement  
483 dates, extend or shorten maturity dates and improve market sector diversification.  
484 Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon  
485 analysis is required for each swap proving benefit to the EDC before the trade decision  
486 is made, which will accompany the investment file for record keeping.  
487

488 **X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

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490 **A.** The Director of Finance ~~or the Director's designated representative~~ will maintain a  
491 list of financial institutions authorized to provide investment services to the City. In  
492 addition, a list will also be maintained of approved broker/dealers authorized to  
493 provide investment services in the State of Texas. These will include financial  
494 institutions that qualify under Securities & Exchange Commission Rule 15-C3-1  
495 (uniform net capital rule). No public deposit shall be made except in a qualified public  
496 depository as established by state laws.  
497

498 **B.** All financial institutions and broker/dealers who desire to become qualified bidders  
499 for investment transactions must supply the Director of Finance with the following, as  
500 appropriate: audited financial statements, proof of Financial Industry Regulatory  
501 Authority certification, trading resolution, proof of State registration, completed  
502 broker/dealer questionnaire and certification of having read the EDC's investment  
503 policy.  
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- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
    1. Financial conditions, strength and capability to fulfill commitments;
    2. Overall reputation with other dealers or investors;
    3. Regulatory status of the dealer;
    4. Background and expertise of the individual representatives.
  - D. Investment ~~Officials~~Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the EDC's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the EDC, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC's entire portfolio or requires an interpretation of subjective investment standards.
  - E. To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses.
  - F. All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the EDC's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the EDC. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
  - G. An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
  - H. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the EDC invests.
  - I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the EDC. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the EDC's investment policy and has implemented reasonable procedures and controls

559 in an effort to preclude imprudent investment activities with the EDC. The advisor  
560 shall obtain and document competitive bids and offers on all transactions and  
561 present these to the City as part of its standard trade documentation.  
562

563 J. It is the policy of the City that all security transactions entered into with the EDC shall  
564 be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve  
565 System. By doing this, EDC funds are not released until the City has received,  
566 through the Federal Reserve wire, the securities purchased. The City shall authorize  
567 the release of funds only after receiving notification from the safekeeping bank that a  
568 purchased security has been received in the safekeeping account of the EDC. The  
569 notification may be oral, but shall be confirmed in writing.  
570

571 **XI. SAFEKEEPING AND COLLATERALIZATION**  
572

573 A. Safekeeping - All securities owned by the EDC shall be held by a third-party  
574 safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be  
575 held in the EDC's name in the bank's trust department, in a Federal Reserve Bank  
576 account in the EDC's name, or a third-party financial institutions doing business in  
577 the state of Texas, in accordance with state law. Original safekeeping receipts shall  
578 be obtained and held by the City and the EDC. The City and the EDC shall contract  
579 with a bank or banks for the safekeeping of securities either owned by the EDC as  
580 part of its investment portfolio or held as collateral to secure time deposits, if  
581 collateralized time deposits are specifically authorized by the board.  
582

583 B. Collateralized Deposits - Consistent with the requirements of State law, the EDC  
584 requires all bank deposits to be federally insured. If the board and the City do agree  
585 that collateralized accounts are acceptable in specific situations the provisions above  
586 may be amended for EDC accounts.  
587

588 **XII. INTERNAL CONTROL**  
589

590 The Investment Officer shall establish a system of written internal controls, which shall  
591 be reviewed annually by independent auditors. The controls shall be designed to  
592 prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market  
593 changes, or imprudent actions. The internal controls are to be reviewed annually in  
594 conjunction with an external independent audit. This review will provide assurance of  
595 compliance with policies and procedures as specified by this policy. The City, in  
596 conjunction with its annual financial audit, shall perform a compliance audit of  
597 management controls and adherence to the EDC's established investment policy.  
598

599 **XIII. PERFORMANCE**  
600

601 The EDC's investment portfolio shall be designed to obtain a market rate-of-return on  
602 investments consistent with risk constraints and cash flow requirements of the EDC.  
603 This investment policy establishes "weighted average yield to maturity" as the standard  
604 portfolio performance measurement.  
605

606 **XIV. REPORTING**  
607

608 A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly  
609 investment report to the Economic Development Board and the Finance Audit  
610 Committee that summarizes current market conditions, economic developments, and  
611 anticipated investment conditions. The report shall summarize investment strategies  
612 employed in the most recent quarter and describe the portfolio in terms of investment

613 securities, maturities, risk characteristics, and shall explain the total investment  
614 return for the quarter. The City shall also monitor the credit ratings on securities that  
615 require minimum ratings. This may be accomplished through staff research, or with  
616 the assistance of broker-dealers, investment advisors, banks or safekeeping agents.  
617

618 **B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance  
619 shall present an annual report on the investment program and investment activity.  
620 This report may be presented as a component of the fourth quarter report to the  
621 Economic Development Board, City Manager and the City Council. The quarterly  
622 reports prepared by the Director of Finance shall be formally reviewed at least  
623 annually by an independent auditor, and the result of the review shall be reported to  
624 the City Council by that auditor.  
625

626 **C. Methods** - The quarterly and annual investment reports shall include a succinct  
627 management summary that provides a clear picture of the status of the current  
628 investment portfolio and transactions made over the past quarter. This management  
629 summary will be prepared in a manner which will allow the EDC to ascertain whether  
630 investment activities during the reporting period have conformed to the investment  
631 policy. The report will be prepared in compliance with generally accepted accounting  
632 principles. The report will include the following:  
633

- 634 1. A listing of individual securities held at the end of the reporting period. This list  
635 will include the name of the fund or pooled group fund for which each individual  
636 investment was acquired;  
637
- 638 2. Unrealized gains or losses resulting from appreciation or depreciation by listing  
639 the beginning and ending book and market value of securities for the period.  
640 Market values shall be obtained from financial institutions or portfolio reporting  
641 services independent from the broker/dealer from which the security was  
642 purchased;  
643
- 644 3. Additions and changes to the market value during the period;  
645
- 646 4. Fully accrued interest for the reporting period;  
647
- 648 5. Average weighted yield to maturity of portfolio on entity investments as compared  
649 to applicable benchmarks;  
650
- 651 6. Listing of investments by maturity date;  
652
- 653 7. The percentage of the total portfolio which each type of investment represents;  
654 and  
655
- 656 8. Statement of compliance of the EDC's investment portfolio with State Law and  
657 the investment strategy and policy approved by the City Council.  
658
- 659 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill  
660 auction yield during the reporting period.  
661
- 662 10. The guidelines of retaining records for seven years as recommended in the  
663 *Texas State Library Municipal Records Manual* should be followed. The Director  
664 of Finance shall oversee the filing and/or storing of investment records.  
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666 **XV. INVESTMENT POLICY ADOPTION AND AMENDMENT**

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The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

678 **Attachment A**

679  
680 CITY OF CORINTH, TEXAS  
681 Economic Development Corporation  
682 Investment Strategy Statement  
683

684 **Operating Funds**  
685

- 686 1. Suitability - Any investment eligible in the investment policy is suitable for Operating  
687 Funds.  
688
- 689 2. Safety of Principal - All investments shall be of high quality securities with no  
690 perceived default risk. Market price fluctuations will occur. However, by managing  
691 the weighted average days to maturity for the Operating Fund's portfolio to less than  
692 270 days and restricting the maximum allowable maturity to two years, the price  
693 volatility of the overall portfolio will be minimized.  
694
- 695 3. Marketability - Securities with active and efficient secondary markets are necessary  
696 in the event of an unanticipated cash flow requirement. Historical market "spreads"  
697 between the bid and offer prices of a particular security-type of less than a quarter of  
698 a percentage point will define an efficient secondary market.  
699
- 700 4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the  
701 Fund types. Short-term investment pools and money market mutual funds will  
702 provide daily liquidity and may be utilized as a competitive yield alternative to fixed  
703 maturity investments.  
704
- 705 5. Diversification - Investment maturities should be staggered throughout the budget  
706 cycle to provide cash flow based on the anticipated operating needs of the EDC.  
707 Market cycle risk will be reduced by diversifying the appropriate maturity structure  
708 out through two years.  
709
- 710 6. Yield - Attaining a competitive market yield for comparable security-types and  
711 portfolio restrictions is the desired objective. The yield of an equally weighted, rolling  
712 three-month treasury-bill portfolio will be the minimum yield objective.  
713

714 **Reserve Funds**  
715

- 716 1. Suitability - Any investment eligible in the investment policy is suitable for Debt  
717 Service Reserve Funds. Bond resolution and loan documentation constraints and  
718 insurance company restrictions may create specific considerations in addition to the  
719 investment policy.  
720
- 721 2. Safety of Principal - All investments shall be of high quality securities with no  
722 perceived default risk. Market price fluctuations will occur. However, managing Debt  
723 Service Reserve Fund maturities to not exceed the call provisions of the borrowing  
724 reduces the investment's market risk if the EDC's debt is redeemed and the Reserve  
725 Fund liquidated. The fund shall maintain a maximum average dollar-weighted  
726 maturity, based on the stated maturity date, of less than three hundred sixty-five  
727 (365) days. No stated final investment maturity shall exceed the shorter of the final  
728 maturity of the borrowing or two years. Annual mark-to-market requirements or  
729 specific maturity and average life limitations within the borrowing's documentation  
730 will influence the attractiveness of market risk and reduce the opportunity for maturity  
731 extension.

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3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

### **Bond Funds**

1. Suitability - Any investment eligible in the Investment Policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost

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of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

839 **Attachment B**

840  
841 CITY OF CORINTH, TEXAS  
842 Investment Policy

843  
844 [SAMPLE]  
845 TEXAS PUBLIC FUNDS INVESTMENT ACT  
846 CERTIFICATION BY BUSINESS ORGANIZATION

847  
848  
849 This certification is executed on behalf of the City of Corinth, Texas (the "City") and  
850 \_\_\_\_\_ (the Business Organization), pursuant to the Public  
851 Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with  
852 investment transactions conducted between the City and the Business Organization.

853  
854 The undersigned Qualified Representative of the Business Organization hereby certifies on  
855 behalf of the Business Organization that:

- 856
- 857 1. The undersigned is a Qualified Representative of the Business Organization offering to  
858 enter an investment transaction with the Investor as such terms are used in the Public  
859 Funds Investment Act, Chapter 2256, Texas Government Code; and
  - 860 2. The Qualified Representative of the Business Organization has received and reviewed  
861 the investment policy furnished by the City; and
  - 862 3. The Qualified Representative of the Business Organization has implemented reasonable  
863 procedures and controls in an effort to preclude investment transactions conducted  
864 between the Business Organization and the City that are not authorized by the City's  
865 investment policy, except to the extent that this authorization is dependent on an  
866 analysis of the makeup of the City's entire portfolio or requires an interpretation of  
867 subjective investment standards.  
868  
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871  
872 Qualified Representative of Business Organization

873  
874 Firm: \_\_\_\_\_

875  
876 Signature \_\_\_\_\_

877  
878 Name: \_\_\_\_\_

879  
880 Title: \_\_\_\_\_

881  
882 Date: \_\_\_\_\_

**EDC Special Session**

6.

**Meeting Date:** 01/09/2017**Title:** Buxton Company Professional Services Agreement**Submitted By:** Jason Alexander, Director**Finance Review:** N/A**Legal Review:** N/A**Approval:** Lee Ann Bunselmeyer, Acting City Manager**AGENDA ITEM**

Consider and act on an option to renew a professional services agreement between Buxton Company and the Corinth Economic Development Corporation to retain and recruit retail to Corinth.

**AGENDA ITEM SUMMARY/BACKGROUND**

City Council approved a professional services agreement between the Corinth and Economic Development Corporation and Buxton Company on January 21, 2016. Per the professional services agreement, Buxton is tasked with assisting in the successful implementation and execution of credible retail recruitment and retention strategy aimed at expanding retail development opportunities in Corinth, growing the sales tax base and enhancing the community's high quality of life. The professional services agreement is for three (3) years; however, the professional services agreement is structured so that there are two (2) automatic renewals included, which are activated, automatically, on the anniversary date of the agreement. The first of the automatic renewals is January 21, 2017.

To date, Buxton Company provided the Corinth Economic Development Corporation with potential retail matches and demographic data. So far, Buxton Company has yielded fruitful conversations with the likes of Costco Wholesale, Marriott Hotels and Uncle Julio's. Staff from Buxton Company also attended major retailer conferences attended by the Corinth Economic Development Corporation (e.g., the 2016 ICSC RECon in Las Vegas, Nevada and 2016 Texas Conference and Deal Making). These retail matches are based on the demographics surrounding the Interstate Highway 35E and Corinth Parkway interchange, one of the key areas for retail development in Corinth. If the Corinth Economic Development Corporation renews the professional services agreement with Buxton Company for a second year (January 2017 - January 2018), the firm's focus will be on retail opportunities that can be concentrated at the intersection of Farm-to-Market Road 2181 and Farm-to-Market Road 2499.

The Board of Directors should be advised that the Corinth Economic Development Corporation may terminate the professional services agreement, with or without cause at any time, provided that Buxton Company is given sixty (60) days advanced notice. Should the professional services agreement be terminated, then the Corinth Economic Development Corporation is responsible for compensating Buxton Company until the written notice is received.

If the Board of Directors decide to renew the professional services agreement with Buxton Company for a second year, the Corinth Economic Development Corporation will be invoiced for \$50,000.00 on January 21, 2017, which is the anniversary date of the professional services agreement.

**RECOMMENDATION**

The decision to renew the professional services agreement between Buxton Company and the Corinth Economic Development Corporation is at the discretion of the Board of the Directors.

**Fiscal Impact****Source of Funding:** Corinth Economic Development Corporation**FINANCIAL SUMMARY:**

This is a professional services agreement between Buxton Company and the Corinth Economic Development Corporation. The professional services agreement, if continued, requires the Corinth Economic Development Corporation to compensate Buxton Company a total of \$50,000.00. This amount will be debited from the budget for Professional Services, which has a total funding of \$68,876.00.

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**Attachments**

Buxton Company Professional Services Agreement

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## AGREEMENT BETWEEN THE CORINTH ECONOMIC DEVELOPMENT CORPORATION AND BUXTON COMPANY

THIS AGREEMENT, entered into this 21<sup>st</sup> day of January, 2016 and effective immediately by and between Buxton Company, (hereinafter called the "CONSULTANT") and the Corinth Economic Development Corporation, (hereinafter called "EDC").

### (1) Employment of Consultant.

(a) The EDC agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the consulting services consisting of providing the EDC with highly complex technical assistance to recruit and retain retailers, grow the tax base and create new employment opportunities, as more particularly described in Exhibit A, Scope of Services, attached hereto and incorporated herein, the "Services". This Agreement is composed of the following documents: This Agreement and Exhibit A, Scope of Services.

(b) The EDC and the CONSULTANT agree and acknowledge that the EDC is entering into this Agreement in reliance on the CONSULTANT's special and unique abilities with respect to performing the work, and the CONSULTANT's special and unique abilities with respect to retail recruitment. The CONSULTANT covenants with the EDC to use its commercially reasonable efforts, skill, judgment, and abilities to perform the work and to further the interests of the EDC in accordance with the EDC's requirements, in accordance with the highest standards of the CONSULTANT's profession or business. The CONSULTANT warrants, represents, covenants, and agrees that all of the work to be performed by the CONSULTANT under or pursuant to this Agreement shall be of the standard and quality which prevail among similar businesses and organizations of superior knowledge and skill engaged in providing similar services in major United States urban areas under the same or similar circumstances. THE CONSULTANT agrees to the best of its knowledge, experience and capability that the work it performs will be accurate and free from any material errors.

(2) Contract Manager; Time of Performance. This Agreement shall become effective upon its execution, and upon issue of a notice to proceed and Start Date by the EDC. The Executive Director of the EDC shall serve as the EDC'S Contact. Revisions to the schedule must be approved in writing. This Agreement may be sooner terminated in accordance with the provisions hereof.

### (3) Compensation.

(a) The EDC agrees to pay the CONSULTANT a sum not to exceed \$50,000.00 as the fee for all services performed under this Agreement, to be payable for the deliverables and tasks as identified in Exhibit A.

(b) It is specifically understood and agreed that the CONSULTANT shall not be authorized to undertake any work pursuant to this Agreement which would require additional payments by the EDC for any charge, expense, or reimbursement above the maximum not to exceed fee as stated, without first having obtained written authorization from the EDC.

(4) Method of Payment. The EDC shall pay invoices for services properly performed within 30 days of receipt in accordance with the payment schedule under the "Term, Fees and Delivery"

in Exhibit A; provided however, that in the event the EDC requests any supporting documentation for charges, payment shall be made within 30 days of receipt of the documentation.

(5) **Changes.** The EDC may, from time to time, require changes in the scope of services of the CONSULTANT to be performed hereunder. Such changes, which are mutually agreed upon by and between the EDC and the CONSULTANT, become effective when incorporated in a written amendment to this Agreement executed by both parties.

(6) **Termination of Agreement.** The EDC may terminate this Agreement for any reason, with or without cause upon sixty (60) days' notice to the CONSULTANT. Upon written notice received, any work performed thereafter by the CONSULTANT shall not be subject to billing and payment by the EDC. However, upon termination, the CONSULTANT shall be entitled to payment of all invoices provided by the CONSULTANT for the services satisfactorily performed from the time of the last payment date to the termination date in accordance with this Agreement, provided the CONSULTANT shall have delivered to the EDC such statements, accounts, reports and other materials as required herein, prior to termination. The EDC shall not be required to reimburse the CONSULTANT for any services performed or expenses incurred after the date of the termination notice.

(7) **Information and Reports.** The CONSULTANT shall, at such time and in form as the EDC may reasonably require, furnish such periodic reports concerning the status of the Services, such statements, and copies of proposed and executed plans and other information relating to the Services as may be reasonably requested by the EDC. The CONSULTANT shall furnish the EDC, upon reasonable request, with copies of all documents and other material prepared or developed in relation with or as part of the Services. The CONSULTANT shall furnish the EDC with all the deliverables listed in Exhibit A, Scope of Services.

(8) **Records and Inspections.** The CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of one year after the completion of the Services, or if litigation relating to any aspect of this Agreement is commenced within that year, until there is a final, non-appealable judgment or a settlement agreement has been executed between all the parties. The EDC shall have free access at all proper times to such records, and the right to examine and audit the same and to make transcripts there from, and to inspect all program data, documents, proceedings, and activities.

(9) **Completeness of Contract.** This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties.

(10) **Indemnity and Insurance.**

(a) The CONSULTANT shall indemnify and save and hold harmless the EDC and its officers, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including, but not limited to court costs and reasonable attorney fees incurred by the EDC, and including, without limitation, damages for bodily and personal injury, death and property damage, resulting from the negligent acts or omissions of the CONSULTANT or its officers, shareholders, agents, or employees in the execution or performance of this Agreement.

(b) EDC and CONSULTANT agree to cooperate in the defense of any claims, actions, suits, or proceedings of any kind brought by a third party which may result from or directly or indirectly arise from any negligence and/or errors or omissions on the part of the CONSULTANT, or from any breach of the CONSULTANT's obligations under this Agreement. In the event any litigation or claim is brought under this Agreement in which the EDC is joined as a part, the CONSULTANT shall provide suitable counsel to defend the EDC and the CONSULTANT against such claim; provided however, that the CONSULTANT shall have the right to proceed with competent counsel of its own choosing. The CONSULTANT agrees to defend, indemnify and hold harmless the EDC and all of its officers, attorneys, agents, servants, and employees against any and all such claims to the extent of coverage by the CONSULTANT's professional liability insurance policy. Nothing herein constitutes a waiver of any rights or remedies the EDC may have to pursue under either law or equity, including, without limitation, a cause of action for specific performance or for damages, a loss to the EDC, resulting from the CONSULTANT's negligent errors or omissions, or breach of contract, and all such rights and remedies are expressly reserved.

(c) The CONSULTANT shall maintain and shall be caused to be in force during the term of this Agreement Insurance coverages as approved by the Executive Director.

(11) **Personnel.** The CONSULTANT has all personnel required in performing the services under this Agreement. All of the services required hereunder will be performed by the CONSULTANT or under the CONSULTANT'S supervision, and all personnel engaged in the work shall be qualified to perform such services.

(12) **Assignability.** Neither party may assign, convey or transfer its interest, rights and duties in this Agreement without the prior written consent of the other.

(13) **Notices.** Any notices, bills, invoices, or reports required by this Agreement shall be sufficient if sent by the parties in the United States mail, postage paid, return receipt requested or via overnight delivery service, to the addresses noted below and shall be effective upon receipt:

Jason Alexander  
Executive Director  
3300 Corinth Parkway  
Corinth, Texas 76208

Lisa Hill-McCay, Vice President  
and David Glover, Chief Financial Officer  
2651 South Polaris Drive  
Fort Worth, Texas 76137

Either party may change its address by giving written notice to become effective upon five days' notice.

(14) **Miscellaneous.**

(a) This Agreement shall be governed by the laws of the State of Texas and any action relating to this Agreement shall be filed in district court in Denton County, Texas.

(b) No provision of the Agreement may be waived unless in writing, signed by both of the parties hereto. Waiver of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of such provision nor shall a waiver of any one provision of this Agreement be deemed to be a waiver of any other provision. CONSULTANT is an independent contractor and not an employee of the EDC.

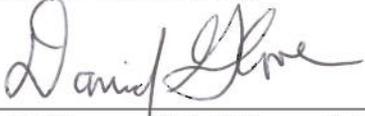
(c) All documents prepared or furnished by the CONSULTANT and CONSULTANT's subcontractors or subconsultants) pursuant to this Agreement are instruments of service, and shall become the property of the EDC upon the termination of this Agreement. The CONSULTANT is entitled to retain copies of all such documents and reuse the documents.

IN WITNESS WHEREOF, the EDC and the CONSULTANT have executed this Agreement as of the date first written above.

**CORINTH ECONOMIC DEVELOPMENT CORPORATION**

  
\_\_\_\_\_  
**Sam Burke, President**

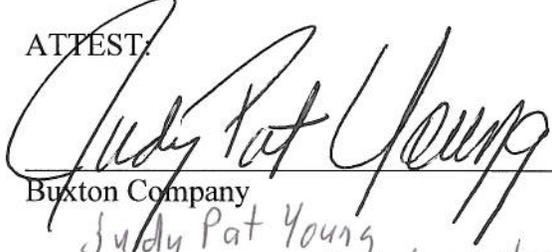
**BUXTON COMPANY**

  
\_\_\_\_\_  
**David Glover, Chief Financial Officer**

ATTEST:

  
\_\_\_\_\_  
Bill Morgan, CEPC Secretary

ATTEST:

  
\_\_\_\_\_  
Buxton Company  
Judy Pat Young  
Director of Administration

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EXHIBIT A SCOPE OF SERVICES, TERM, FEES AND DELIVERY

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Proposal

# RETAIL RECRUITMENT SOLUTION

CITY OF  
CORINTH

Prepared by: Lisa McCay  
Expiration: January 31, 2016

**Buxton**<sup>®</sup>

## OUR VALUE PROPOSITION

Since our founding in 1994, Buxton has been a leading force in retail site and development. We are recognized for creating solutions that provide results. Buxton began as a service to help retailers make informed site selection decisions by understanding their customers and precisely determining their markets and soon realized that the company's expertise in retail site and market analysis could also be leveraged to benefit communities desiring retail expansion.



More than simply providing data, Buxton supplies custom marketing materials and strategies targeting the unique site requirements of retailers, developers and commercial real estate brokers. Buxton clients achieve outstanding success using our tools for retail identification, selection and recruitment. And our clients benefit from our unique understanding of retail site selection from the retailer's point of view.

- **Grow Your Community.** Create new, permanent jobs that will satisfy your citizen's desire to shop at home; retain dollars currently spent outside of your community and maximize revenue growth to fund city services.
- **Leverage Buxton's Retail Industry Expertise.** Establish credibility with decision makers by providing factual evidence to support your site and gain a competitive position by leveraging our experience:
  - 3000+ retail, restaurant, and healthcare clients
  - 650+ public sector clients nationwide
  - 35+ million square feet of retail space
  - 500+ cumulative years of retail management and economic development experience
- **Access Your Buxton Solution with Ease.** Utilize your best-in-class retail recruitment solution via SCOUT, with the touch of a button from any mobile device. Get the insights and answers to your retail recruitment and site analysis questions and have the big picture in the palm of your hand.
- **Develop a Long-Term Partnership.** You will receive personal guidance and ongoing insight into key industry topics.

## SCOPE OF SERVICES

Buxton is pleased to present this proposal to the City of Corinth, TX. The purpose of this proposal is to outline and review your community development objectives and how Buxton's solutions will enhance your ability to effectively meet those objectives.

### Corinth, TX's Objectives

1. **Recruit new retailers and restaurants**
2. **Retain existing retailers and restaurant**
3. **Understand current retail and restaurant economic condition**

### Retail Recruitment and Retention Solution: Your Community Profile

Our solution is a total marketing strategy that enables community leaders to understand the consumer profile of their residents and to identify specific retailers and restaurants who seek a market with household purchasing habits just like yours. This solution provides you with the ability to actively pursue identified retailers, making a compelling case for their expansion to Corinth, TX utilizing custom marketing packages that Buxton will create for you. You will have access to the same analytical information and insights retailers depend on today to make site selection decisions providing you with instant credibility and the ability to differentiate your community.

#### Step 1 - Research Your Community

Buxton uses over 250 consumer and business databases that are updated regularly and compare your potential sites to the universe of all competing sites operating in the U.S. We define your current retail situation and those in any neighboring communities that impact your retail environment.

#### Step 2 – Define and Evaluate Your Trade Area

Customers shop by convenience, measuring distance based on time, not mileage. We will conduct a custom drive-time analysis to determine your trade area using our proprietary methodology and knowledge of individual retail client's actual trade areas. Your drive-time trade area will be provided to you as a map that accurately depicts your consumer shopping patterns.

#### Step 3 – Profile Your Trade Area's Residential Customers

Your community profile will analyze all the households in your drive-time trade area. Based on more than 7,500 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your site.

#### Step 4 – We Match Retailers and Restaurants to Market Potential

Buxton will match the consumer profile of your community's trade area against the customer profiles of 5,000+ retailers in our proprietary database. We will identify the similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm to determine if your site presents an attractive opportunity for each retailer. We then qualify the list of matched results to verify that a retailer is currently operating or expanding, that they operate in similar sites and that your site affords adequate buffer from competition and cannibalization to be realistically considered.

**Step 5 – We Create Marketing Packages**

Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers and will notify each retailer's key real estate decision maker, by letter that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city.

Your marketing packages will be delivered to you in SCOUT and include:

1. Map of the retail site and trade area
2. Map of retailer's potential customers
3. Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas

**Solution Deliverables:**

- SCOUT Touch Access
- Drive Time Trade Area Maps
- Retail Site Assessment
- Retailer Specific Marketing Packages (for up to twenty (20) retailers)
- Mobile tablet device at completion pre-loaded with all findings

**Multi Year Deliverables:**

Years 2 & 3 of this agreement, if renewed, will include a Retail Recruitment model refresh, updated retail marketing packages, and full SCOUT and SCOUT Touch.

### Access and Use Your Retail Recruitment Solution via SCOUT Touch

Buxton's Retail Recruitment solution will allow you to actively recruit retailers to your community and support existing businesses with the push of a button in SCOUT Touch, providing you with crucial information about your community, your trade areas, your residents, and much more. SCOUT is a web-based platform which is accessible on any Windows or iOS enabled device with an internet connection and designed to give decision-makers in your community access to the data and solutions that will assist them in making better business decisions. The Retail Recruitment solution includes one (1) mobile tablet device which will be provided at completion and will be pre-loaded with all key findings. This mobile tablet device, possession of Corinth, TX, is enabled with four (4) SCOUT Users with the ability to **run demographic and trade area profile reports**, and view maps, and other data elements.

**Identifying and quantifying the key variables which impact your community**, you will acquire insights from these findings that will provide you with a strong foundation from which to understand retail recruitment and business retention efforts. In Buxton's SCOUT Touch you will be able to:

- Identify Retail Matches
- Run Variable Reports
- View City Limit Maps
- Run Healthcare Reports
- Run Demographic & Consumer Propensity Reports
- See Aerial View
- View Physician Intelligence
- Run Comparable Reports
- Run Retail Leakage/Surplus Reports



# SUPPORT

## SCOUT Technical Requirements

SCOUT can be accessed at the following URL: [www.buxtonco.com](http://www.buxtonco.com)

SCOUT is a web-based platform accessible on any desktop, laptop, or mobile tablet device that has an internet connection. An iPad Air 2 is suggested by Buxton to give you the best user experience. Android Tablets are not supported by Buxton's Helpdesk. Minimum browser requirements: Internet Explorer 10, Safari 5, Chrome 21, Firefox 14

## Buxton's Helpdesk

(1-817-332-3681) is available during normal office hours (8:00 AM-5:30 PM CST, excluding weekends and public holidays). Buxton's Helpdesk team will be available to support all educational, functional, and technical inquiries and will respond to all requests within twenty-four (24) hours of submission.

Buxton's Helpdesk

Monday – Friday: 8:00 am – 5:30 pm CST

**1-817-332-3681**



Email: \_\_\_\_\_

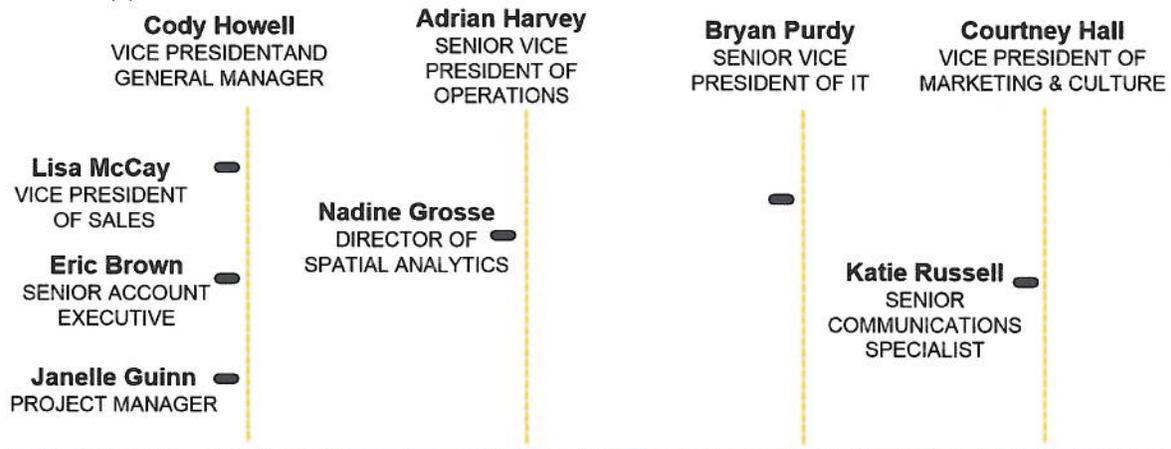
Email: \_\_\_\_\_

Preferred Method of Receipt: Email **OR** U.S. Mail

## YOUR PROJECT TEAM

Once you have engaged Buxton to work with you, a project team will be assigned to guide you through the entire process—from initial data collection to final presentation of the results. This team consists of:

- Senior Account Executive, who will serve as your **primary source of communication** during the project: Eric Brown (e) ebrown@buxtonco.com (p) 817.332.3681 (f) 817.332.3686
- Professionals with backgrounds as retail executives and economic development practitioners, who will address your unique challenges and help maximize your opportunities



Team members for your project will include Buxton personnel with strong retail and economic development backgrounds as well as those from operations. All team members can be reached at 817.332.3681



**Cody Howell**, Vice President and General Manager of CommunityID  
[chowell@buxtonco.com](mailto:chowell@buxtonco.com)

As Vice President and General Manager of Buxton's public sector division, Cody leads Buxton's expert consulting team. He advises municipalities on retail economic development and planning initiatives, helping to shape growth strategies for client municipalities nationwide.

Previously, Cody held positions in Buxton's account management division, where he acted as a strategic partner helping retail clients maximize the benefits of Buxton's services. He has acted as an advisor to retailers such as Craftworks Restaurants, Foot Locker, and Trader Joe's.



**Lisa McCay**, Vice President of Sales

[lmccay@buxtonco.com](mailto:lmccay@buxtonco.com)

As vice president of the Buxton's public sector division, Lisa works with proactive cities to improve their retail economic development efforts. She works with communities to maximize their ability to generate sales tax revenue and enhance quality of life for their citizens by successfully recruiting new retailers as well as maximizing current retail options. She is focused on communities in Texas, and California.

Lisa received her B.A. degree from Texas Wesleyan University and is a member of the International Council of Shopping Centers (ICSC). Buxton has worked with more than 650 communities nationwide, helping to recruit over 35 million square feet of retail.



**Eric Brown**, Senior Account Executive, CommunityID

[ebrown@buxtonco.com](mailto:ebrown@buxtonco.com)

As a Senior Account Executive in Buxton's public sector division, Eric guides communities through the process of implementing and maximizing Buxton's services. He is a helpful resource for communities across the United States, ensuring that they have the resources and training they need to achieve their retail economic development goals. Before joining Buxton's public sector Division, Eric was an account executive in our private sector division, assisting retail and healthcare clients with site assessment and marketing initiatives. He holds a Bachelor of Arts in Marketing from the University of Texas at Arlington.



**Janelle Guinn**, Project Manager, CommunityID

[jguinn@buxtonco.com](mailto:jguinn@buxtonco.com)

As a project manager in Buxton's public sector division, Janelle guides communities through the process of implementing and maximizing Buxton's services. She is a helpful resource for communities across the United States, ensuring that they have the resources and training they need to achieve their retail economic development goals. Before joining Buxton, Janelle was a project manager for OSM Global and brings over ten years of management experience in various roles. She holds a Bachelor of Science in Business Administration from Northwestern State University of Louisiana.



**Adrian Harvey**, Senior Vice President of Operations

[aharvey@buxtonco.com](mailto:aharvey@buxtonco.com)

As SVP of Operations, Adrian Harvey oversees all of operations, including the analytics and data integration divisions. He is responsible for the development, integration, and application of all of Buxton's solutions.

Adrian began his career at Buxton in 2009 as a research analyst and has held numerous analytical and leadership roles within the organization. He earned a bachelor's degree in entrepreneurial management as well as a master's degree in decision science from the University of North Texas.



**Nadine Grosse**, *Director of Spatial Analytics*

[ngrosse@buxtonco.com](mailto:ngrosse@buxtonco.com)

Nadine Grosse joined Buxton as an analyst in 2005 and is now the director of spatial analytics, overseeing many aspects of modeling and the thorough and accurate completion of client market studies by Buxton's team of spatial analysts. Her scope includes standardizing market studies and U.S. potential processes, increasing the quality of client deliverables, managing projects, and serving as a liaison between analysts and the sales team.

Nadine earned her Bachelor of Science in Interdisciplinary Studies in Earth/Life Science and her Master of Science in Geographic Information Systems, both from University of North Texas where she is now a guest lecturer in related classes.



**Bryan Purdy**, *Senior Vice President of Information Technology*

[bpurdy@buxtonco.com](mailto:bpurdy@buxtonco.com)

Bryan Purdy is Senior Vice President of Information Technology at Buxton. In this role, he is responsible for the operations of the entire IT department as well as the evolution of Buxton's proprietary analytics platform, SCOUT. Purdy has been with Buxton for 10 years and has led many of the company's strategic IT initiatives.

Before joining Buxton, Bryan worked for TXU/CapGemini Energy as an application developer. He has a Bachelor of Business Administration degree with a concentration in Management Information Systems from the University of Oklahoma.



**Courtney Hall**, *Vice President of Marketing & Culture*

[chall@buxtonco.com](mailto:chall@buxtonco.com)

Courtney Hall is the vice president of marketing & culture at Buxton and manages the company's marketing presence across its retail, healthcare and public sector divisions. Within the public sector division, she works with clients to publicize the proactive ways local governments are building their retail networks and helping to grow local businesses. Additionally, she manages Buxton's relationships with industry associations such as the International City/County Management Association, the Alliance for Innovation and state municipal leagues.

Before joining Buxton, Courtney worked in the advertising industry as an account executive and media buyer. She holds a bachelor's degree in marketing from Texas Tech University.



**Katie Russell**, *Senior Communications Specialist*

[krussell@buxtonco.com](mailto:krussell@buxtonco.com)

Katie Russell is a senior communications specialist at Buxton and supports the company's public relations and content development efforts. She works closely with Buxton's public sector division to announce new partnerships; profile client successes through videos, articles and case studies; produce educational workshops and webinars; and publish Buxton's Competitive Community newsletter.

Katie holds a Bachelor of Business Administration in Marketing from Texas Christian University.

## BUXTON REFERENCES

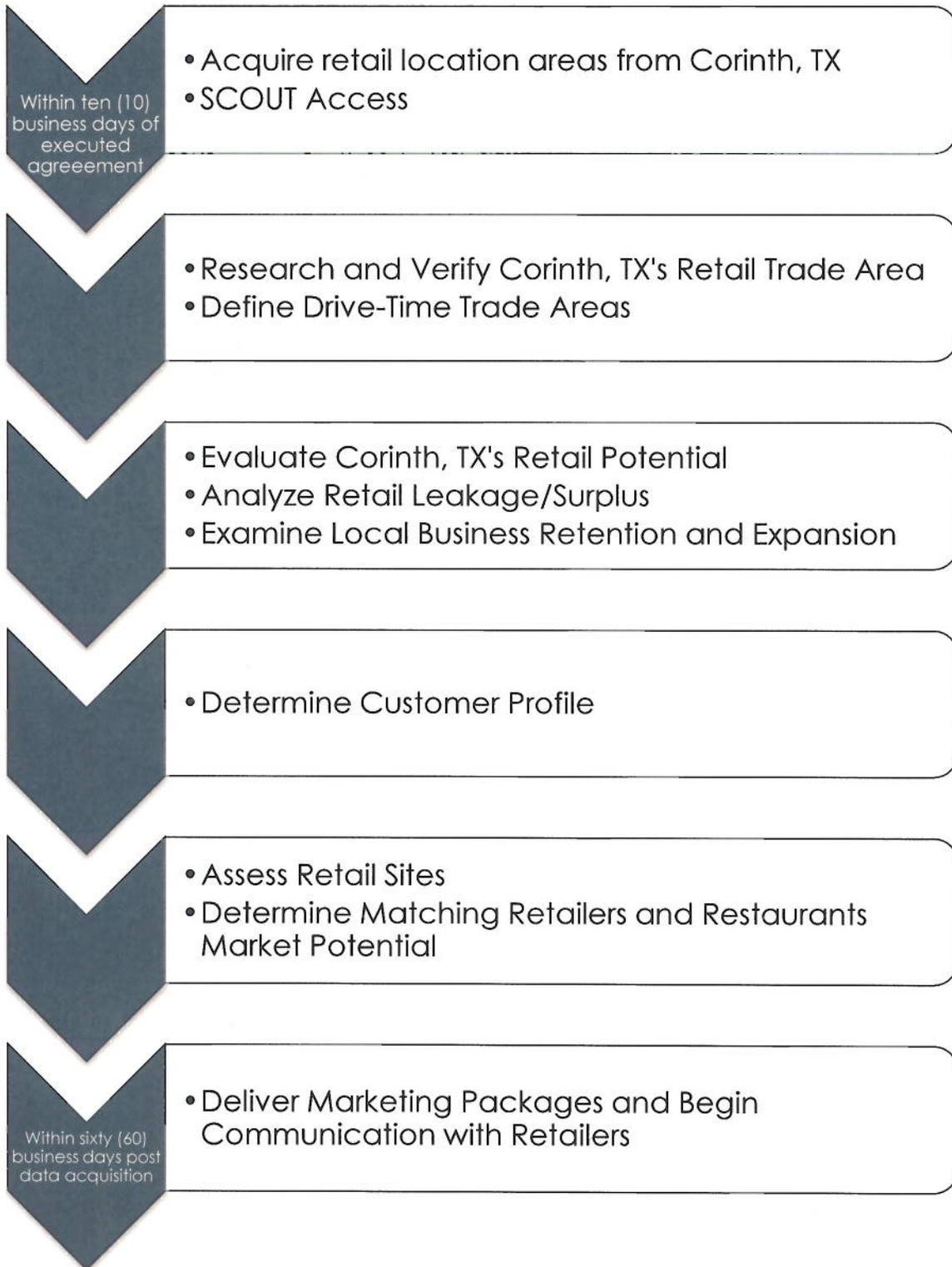
- **Celina, TX**  
Corbett Howard, Economic Development President  
corbett.howard@americogroup.com  
214-282-0732
- **Rochelle, IL**  
Peggy Friday, Director / CEO  
Rochelle Area Chamber of Commerce  
pfriday@rochelleil.us  
(815) 562-4189
- **Caribou, ME**  
Austin Bleess, City Manager  
citymanager@cariboumaine.org  
(207) 493-3324
- **Palm Springs, CA**  
Cathy Van Horn, Economic Development Administrator  
cathy.vanhorn@palmspringsca.gov  
(760) 323-8175
- **Kingsport, TN**  
Jeff Fleming, City Manager  
jefffleming@kingsporttn.gov  
(423) 229-9381
- **North Augusta, SC**  
Todd Glover, City Administrator  
tglover@northaugusta.net  
(803) 441-4202

## EXPERIENCE/SIMILAR CLIENT LIST

Buxton has worked with more than 650 public sector clients nationwide including, but not limited to:

- **North Richland Hills, Texas**  
7301 N.E. Loop 820  
North Richland Hills, TX 76180
- **Tulsa, Oklahoma**  
175 East 2nd Street  
Tulsa, OK 74120
- **South Bend, Indiana**  
1200 County-City Building  
227 West Jefferson Blvd.  
South Bend, IN 46601
- **Pasadena, California**  
100 North Garfield  
Pasadena, CA 91109
- **Irving, Texas**  
825 W. Irving Blvd.  
Irving, TX 75060
- **Columbus, Georgia**  
1200 6th Avenue  
Columbus, GA 31902
- **Durango, Colorado**  
1150A Main Avenue  
Durango, CO 81301
- **Mount Holly, North Carolina**  
400 East Central Avenue  
Mount Holly, NC 28120
- **North Augusta, South Carolina**  
100 Georgia Avenue  
North Augusta, SC 29861

## SCHEDULE OF PROJECT ACTIVITIES



## BUXTON DIFFERENTIATORS

### **Buxton Strategic Relationships**

Buxton is engaged in an agreement with the one of the largest credit card companies in the world. Buxton's customer analytics have the ability to incorporate aggregated and de-identified data to help you enhance your location and customer intelligence.

### **Best-in-Class Capabilities**

Buxton relies on its best-in-class data and technology to provide the best possible experience for all of our clients. Buxton manages ninety (90) terabytes of data maintained in-house with more than 250 national databases. Our best-in-class data sources allow us to solve the most complex questions in the retail and healthcare industries today. Our continual advances in technology, data, and methodology, including our SCOUT platform, have allowed us to outpace and out-think our competition and have kept us at the leading edge of big data analytics. Our best-in-class data and technology also provide us with unparalleled ability to scale our business and our solutions to meet our clients' ever-changing needs and to answer their most challenging business questions.

#### DATA SET INCLUDES:

- 250 Databases
- Granularity To The Household-Level With 115 Million Households
- Up To 8 Individuals Per Household
- 7,500 Data Elements
- 90 Terabytes Of Transactional Data
- Demographics
- Psychographics
- Lifestyle Characteristics
- 14 Million Business Records
- 70+ Business Data Elements

### **SCOUT**

The most technologically advanced, simple-to-use, data visualization tool in the market, SCOUT, is used by executives to execute real estate, marketing, and operational strategies and to answer complex business questions. SCOUT is web-based, extremely easy-to-use, and is accessible on any computer or iPad/tablet with an internet connection. SCOUT provides your team with access to your unique deliverables, both in the field and in the office to conduct demographic reporting with the click of a mouse or a touch of a finger on an iPad/tablet.

### **Customer Service**

There are a number of things that differentiate Buxton from its competition, but the one we are most proud of is the level of service our clients experience. We are committed to exceeding your expectations and helping you optimize your organization. As a Buxton client you will constantly be impressed by our attention to detail, our responsiveness, and our never-ending drive to assist you. Our #1 goal is to ensure you are beyond satisfied with our solutions, and that we are able to solve your most pressing and important business questions. First and foremost, at the heart of our company's culture resides a spirit of unparalleled service to our clients. We take pride in our "whatever it takes" attitude, and in making you, our client, successful. We go the extra mile to take care of our clients and to ensure their business needs are proactively met.

## EDC Special Session

7.

**Meeting Date:** 01/09/2017

**Title:** Advisory Sub-committees for the Corinth Economic Development Corporation

**Submitted By:** Jason Alexander, Director

**Finance Review:** N/A

**Legal Review:** N/A

**Approval:** Lee Ann Bunselmeyer, Acting City Manager

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### AGENDA ITEM

Consider and act on the creation of sub-committees to advance the efforts of the Corinth Economic Development Corporation in: (i) developing a Strategic Plan for Economic Development; (ii) executing a Comprehensive Branding Strategy; and (iii) implementing a Business Recruitment and Retention Strategy.

### AGENDA ITEM SUMMARY/BACKGROUND

Pursuant to Section 5.02, *Officers*, of the Bylaws of the Corinth Economic Development Corporation (the "Corporation"), the President of the Corporation is authorized to appoint sub-committees with the approval of the Board of Directors to advance the business undertakings of the Corporation. In addition, Section 4.07, *Sub-committees of the Board*, of the Bylaws allows the Board of Directors to designate no more than three directors to create (serve) on an official sub-committee. The sub-committees may only function as a recommending body, with the Board of Directors only, having the capability to exercise any official action of the Corporation. As envisioned, the Board would designate three sub-committees comprised of Board Directors and business owners and citizens interested in advancing the City's economic development efforts. Each sub-committee is charged with advancing one of the following efforts:

- **Strategic Plan.** Developing a strategic plan for to guide the actions and activities of the Economic Development Corporation and articulate both the City's and Board of Directors commitment to a strong, diverse tax base, the highest quality of life for all citizens and economic opportunity for all.
- **Comprehensive Branding.** Executing a comprehensive branding strategy that evaluates Corinth's brand and value to customers both internal and external to the City, as well as to promote an image that evokes a positive connection emotionally and visually.
- **Business Recruitment and Retention.** Implementing a business recruitment and retention program that is responsible for identifying and targeting new businesses that will grow the tax base, complement existing businesses and contribute positively to the community's quality of life while advocating for the interests of existing business operators.

With the exception of the sub-committee responsible for the implementation of Business Recruitment and Retention, it is anticipated that the sub-committees will be temporary, and at the completion of the goal, would be disbanded. The sub-committees are also envisioned as an avenue towards promoting the goals and objectives of the Corinth Economic Development Corporation while allowing residents, corporate citizens and others with Corinth's economic interests at heart, to act as influential change agents in the development and implementation of economic development policies and strategies.

### RECOMMENDATION

The Board has the discretion to create the sub-committees, as well as to nominate and appoint volunteers to the sub-committees.

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### Fiscal Impact

**Source of Funding:** N/A

**FINANCIAL SUMMARY:**

N/A.

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