



***** PUBLIC NOTICE *****

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

**Monday, February 5, 2018, 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.**

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.

CONSENT AGENDA

1. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending October 2017.
2. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending November 2017.

BUSINESS AGENDA

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

4. Consider and act on the Investment Policy for the Corinth Economic Development Corporation for Fiscal Year 2017-2018.
5. Consider and act on subscription service offered by Retail Lease Trac in the amount of \$850.00 to supplement the retail recruitment efforts of the Corinth Economic Development Corporation.
6. Consider and act on revisions to the Local Business Grants Program.
7. Discuss, consider and provide a recommendation to City Council on a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust to relocate and expand their automotive retail sales operations within the City of Corinth, Texas.
8. Consider and act on a Resolution of the Board of Directors of the Corinth Economic Development Corporation authorizing the President to execute a Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust on behalf of the Corinth Economic Development Corporation subject to amendment and approval by the City Council.

REPORTS

9. Board Members
10. 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.

A. Deliberations regarding economic development incentives to a business prospect(s).

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 _____, 2018 at ____ on the bulletin board at Corinth City Hall.

Jason Alexander, Economic Development Director
City of Corinth, Texas

EDC Regular Session

1.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending October 2017.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending October 2017.

RECOMMENDATION

N/A.

Attachments

October 2017 Financials for the Corinth Economic Development Corporation



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended October 2017

	Current Fiscal Year, 2017-2018					Prior Year
	Budget FY 2017-18	October 2017 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Oct-16 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 713,398	\$ -	\$ -	(713,398)	0.0%	\$ -
Interest Income	800	67	67	(733)	8.4%	53
Investment Income	18,000	2,925	2,925	(15,075)	16.3%	1,730
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	732,198	2,993	2,993	(729,205)	0.4%	1,783
Use of Fund Balance	22,630	313,966	313,966		0.0%	148,264
TOTAL RESOURCES	\$ 754,828	\$ 316,958	\$ 316,958	\$ (729,205)	42.0%	\$ 150,046
EXPENDITURES						
Wages & Benefits	\$ 132,469	\$ 5,806	\$ 5,806	\$ (126,663)	4.4%	5,770
Professional Fees	88,062	152	152	(87,910)	0.2%	126
Maintenance & Operations	191,063	2,000	2,000	(189,063)	1.0%	1
Supplies	1,000	-	-	(1,000)	0.0%	-
Utilities & Communication	2,961	75	75	(2,886)	2.5%	75
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,348	-	-	(30,348)	0.0%	168
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	308,925	308,925	308,925	-	100.0%	143,906
TOTAL EXPENDITURES	754,828	316,958	316,958	(437,870)	42.0%	# 150,046
EXCESS/(DEFICIT)	\$ -	\$ -	\$ -	\$ (291,336)		\$ -

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 2017 revenues are remitted to the City in December 2017. Sales Tax received in October represents August collections.

Expenditures

Transfer Out includes \$175,000 for the Lake Sharon Extension lighting, \$50,000 to the Park Development Fund and \$883 to the Tech Replacement Fund for the future purchases of computers and the \$83,042 cost allocation to the General Fund.



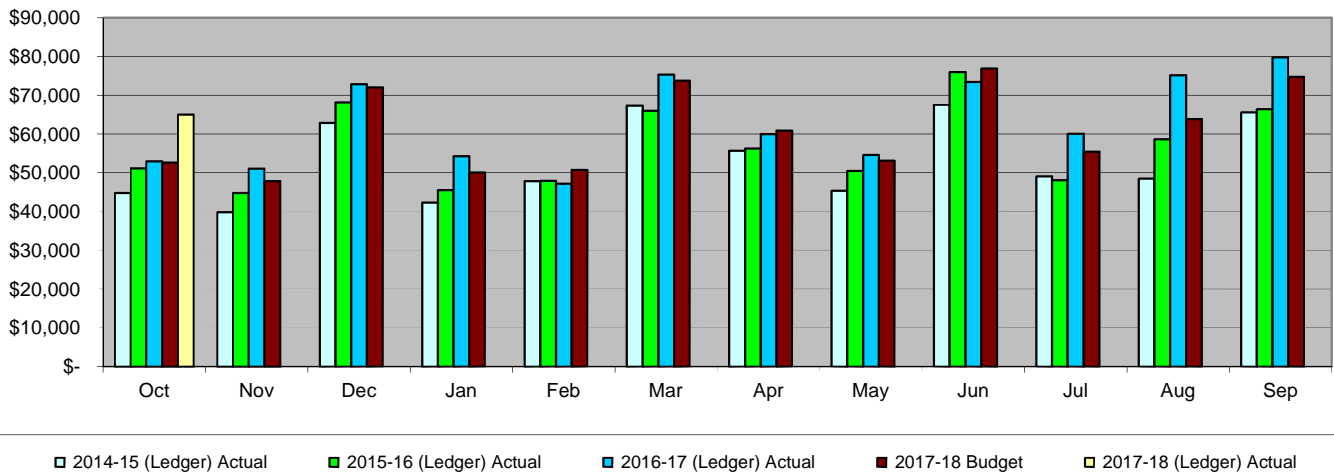
Corinth Economic Development Corporation

Economic Development Sales Tax

PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 44,779	\$ 51,148	\$ 52,974	\$ 52,621	\$ 75,148	\$ 65,029	\$ 12,408	23.6%	\$ 12,055	22.8%
Nov	39,840	44,827	51,070	47,843	79,781	-				
Dec	62,897	68,160	72,833	72,080	65,029	-				
Jan	42,350	45,500	54,300	50,088	-	-				
Feb	47,853	47,909	47,147	50,756	-	-				
Mar	67,295	66,022	75,308	73,796	-	-				
Apr	55,712	56,230	60,003	60,904	-	-				
May	45,372	50,483	54,590	53,130	-	-				
Jun	67,547	75,989	73,472	76,881	-	-				
Jul	49,072	48,076	60,100	55,461	-	-				
Aug	48,521	58,630	75,148	63,894	-	-				
Sep	65,599	66,452	79,781	74,744	-	-				
TOTAL	\$ 636,837	\$ 679,427	\$ 756,725	\$ 732,198	\$ 219,958	\$ 65,029	\$ 12,408	23.6%	\$ 12,055	22.8%

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 2017 revenues are remitted to the City in December 2017. 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).

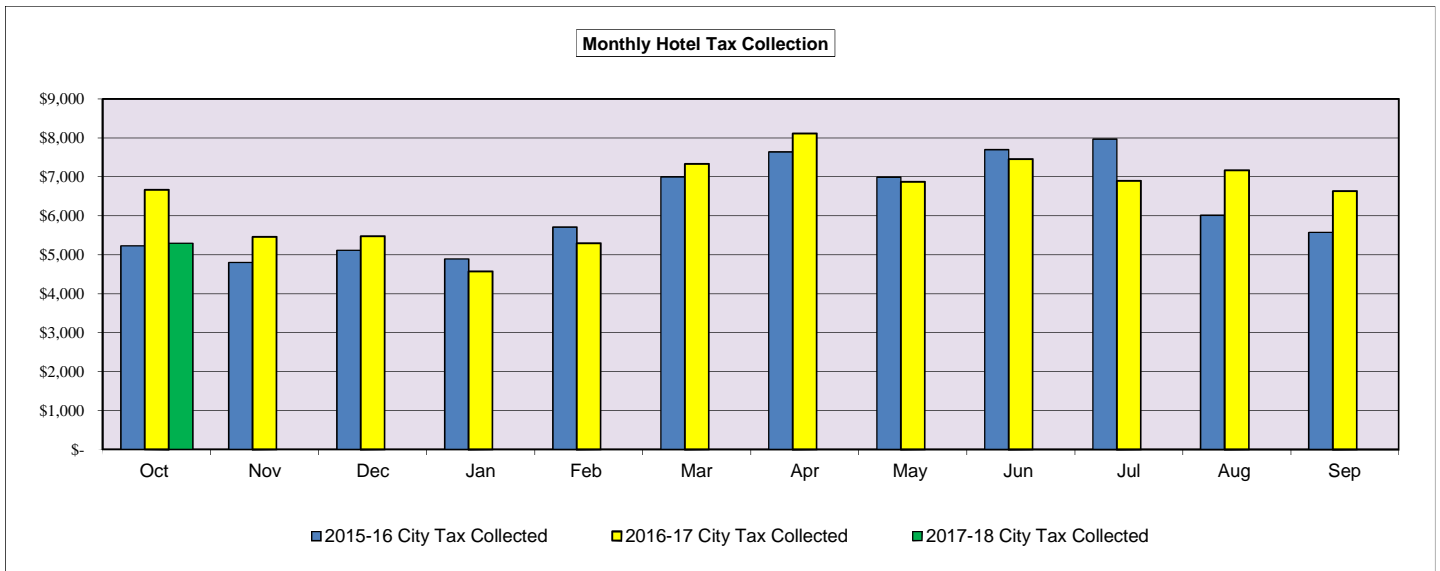


Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended October 2017

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2017-18	Date Received	% Change CY to PY	City Tax Collected FY 2016-17	City Tax Collected FY 2015-16
Oct	53%	\$ 75,917	\$ 280	\$ 75,637	\$ 5,295	\$ 5,295	\$ 5,295	11/21/2016	-20.6%	\$ 6,667	\$ 5,230
Nov										5,463	4,802
Dec										5,477	5,115
Jan										4,572	4,891
Feb										5,291	5,712
Mar										7,333	7,003
Apr										8,113	7,647
May										6,869	6,991
Jun										7,459	7,699
Jul										6,900	7,973
Aug										7,164	6,018
Sep										6,631	5,573
TOTALS		\$ 75,917	\$ 280	\$ 75,637	\$ 5,295	\$ 5,295	\$ 5,295			\$ 77,940	\$ 74,653



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: OCTOBER 31ST, 2017

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	713,398	0.00	0.00	0.00	713,398.00	0.00
INTEREST INCOME	18,800	2,992.75	2,992.75	0.00	15,807.25	15.92
MISCELLANEOUS	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	732,198	2,992.75	2,992.75	0.00	729,205.25	0.41
EXPENDITURE SUMMARY						
ECONOMIC DEVELOPMENT	754,828	316,958.36	316,958.36	294.83	437,574.81	42.03
TOTAL EXPENDITURES	754,828	316,958.36	316,958.36	294.83	437,574.81	42.03
REVENUE OVER/ (UNDER) EXPENDITURES	(22,630)	(313,965.61)	(313,965.61)	(294.83)	291,630.44	1,388.69

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2017

130-Economic Development Corp

% OF YEAR COMPLETED: 08.33

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
SALES TAXES						
130-0000-40200 SALES TAX	713,398	0.00	0.00	0.00	713,398.00	0.00
TOTAL SALES TAXES	713,398	0.00	0.00	0.00	713,398.00	0.00
INTEREST INCOME						
130-0000-41400 INVESTMENT INCOME	18,000	2,925.31	2,925.31	0.00	15,074.69	16.25
130-0000-41405 INVESTMENT GAIN/LOSS	0	0.00	0.00	0.00	0.00	0.00
130-0000-41410 INTEREST INCOME	800	67.44	67.44	0.00	732.56	8.43
TOTAL INTEREST INCOME	18,800	2,992.75	2,992.75	0.00	15,807.25	15.92
MISCELLANEOUS						
130-0000-41500 MISCELLANEOUS INCOME	0	0.00	0.00	0.00	0.00	0.00
130-0000-41530 BUSINESS DIRECTORY ADVERT	0	0.00	0.00	0.00	0.00	0.00
130-0000-41536 PROJECT INCENTIVE DEFAULT	0	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS						
130-0000-41820 TRANSFER IN	0	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	732,198	2,992.75	2,992.75	0.00	729,205.25	0.41

AS OF: OCTOBER 31ST, 2017

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
WAGES & BENEFITS						
130-1700-50100 SALARIES	97,786	3,644.62	3,644.62	0.00	94,141.38	3.73
130-1700-50115 OVERTIME	0	0.00	0.00	0.00	0.00	0.00
130-1700-50201 EDUCATION PAY	0	0.00	0.00	0.00	0.00	0.00
130-1700-50203 LONGEVITY PAY	168	0.00	0.00	0.00	168.00	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	10,091	994.24	994.24	0.00	9,096.76	9.85
130-1700-50301 DENTAL INSURANCE	351	27.90	27.90	0.00	323.10	7.95
130-1700-50302 LIFE & DISABILITY INSURAN	404	29.40	29.40	0.00	374.60	7.28
130-1700-50303 BROKER FEES	208	0.00	0.00	0.00	208.00	0.00
130-1700-50304 PHS FEES	114	0.00	0.00	0.00	114.00	0.00
130-1700-50305 TMRS EMPLOYER	16,142	596.30	596.30	0.00	15,545.70	3.69
130-1700-50310 401A	390	30.00	30.00	0.00	360.00	7.69
130-1700-50315 FSA PREMIUMS	0	0.00	0.00	0.00	0.00	0.00
130-1700-50316 EAP	19	1.59	1.59	0.00	17.41	8.37
130-1700-50317 COBRA ADMINISTRATION FEE	7	0.00	0.00	0.00	7.00	0.00
130-1700-50320 WORKERS COMP	346	26.29	26.29	0.00	319.71	7.60
130-1700-50401 MEDICARE EMPLOYER	1,463	55.75	55.75	0.00	1,407.25	3.81
130-1700-50405 TEXAS EMPLOYMENT COMM.	180	0.00	0.00	0.00	180.00	0.00
130-1700-50410 FICA	0	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	132,469	5,806.09	5,806.09	0.00	126,662.91	4.38
PROF. SERV & CONTRACTUAL						
130-1700-51100 PROFESSIONAL SERVICES	69,200	0.00	0.00	0.00	69,200.00	0.00
130-1700-51101 CONTRACT LABOR	0	0.00	0.00	0.00	0.00	0.00
130-1700-51110 ENGINEERING FEES	0	0.00	0.00	0.00	0.00	0.00
130-1700-51145 AUDIT FEES	0	0.00	0.00	0.00	0.00	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	1,662	152.27	152.27	0.00	1,509.73	9.16
TOTAL PROF. SERV & CONTRACTUAL	88,062	152.27	152.27	0.00	87,909.73	0.17
MAINTENANCE & OPERATIONS						
130-1700-52000 ADVERTISING	7,500	0.00	0.00	0.00	7,500.00	0.00
130-1700-52002 POSTAGE	0	0.00	0.00	0.00	0.00	0.00
130-1700-52003 PRINTING	400	0.00	0.00	0.00	400.00	0.00
130-1700-52004 COPIER CHARGES	200	0.00	0.00	0.00	200.00	0.00
130-1700-52010 LATE PYMT/FINANCE FEES	0	0.00	0.00	0.00	0.00	0.00
130-1700-52030 EQUIPMENT RENTAL	0	0.00	0.00	0.00	0.00	0.00
130-1700-52210 BOARDS & COMMITTE EXPENSE	0	0.00	0.00	0.00	0.00	0.00
130-1700-52215 PROMOTIONAL FEES	18,673	2,000.00	2,000.00	0.00	16,673.00	10.71
130-1700-52230 PROJECT INCENTIVES	160,000	0.00	0.00	0.00	160,000.00	0.00
130-1700-52500 DUES & SUBSCRIPTIONS	4,290	0.00	0.00	0.00	4,290.00	0.00
130-1700-52800 HIRING COST	0	0.00	0.00	0.00	0.00	0.00
TOTAL MAINTENANCE & OPERATIONS	191,063	2,000.00	2,000.00	0.00	189,063.00	1.05
SUPPLIES						
130-1700-53001 OFFICE SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
130-1700-53205 OFFICE EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2017

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
UTILITIES & COMMUNICATION						
130-1700-54100 TELEPHONE	156	0.00	0.00	0.00	156.00	0.00
130-1700-54105 INTERNET	331	0.00	0.00	0.00	331.00	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	294.83	775.17	27.55
130-1700-54200 CELLPHONE	900	75.00	75.00	0.00	825.00	8.33
TOTAL UTILITIES & COMMUNICATION	2,961	75.00	75.00	294.83	2,591.17	12.49
TRAVEL & TRAINING						
130-1700-56000 TRAINING	16,075	0.00	0.00	0.00	16,075.00	0.00
130-1700-56100 TRAVEL/MEALS/LODGING	13,500	0.00	0.00	0.00	13,500.00	0.00
130-1700-56200 MILEAGE	773	0.00	0.00	0.00	773.00	0.00
TOTAL TRAVEL & TRAINING	30,348	0.00	0.00	0.00	30,348.00	0.00
CAPITAL OUTLAY						
130-1700-57000 CAPITAL OUTLAY	0	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL OUTLAY	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS & COST ALLOC.						
130-1700-59001 COST ALLOCATION OUT-GENER	83,042	83,042.00	83,042.00	0.00	0.00	100.00
130-1700-59010 COST ALLOCATION OUT-TECH	0	0.00	0.00	0.00	0.00	0.00
130-1700-59101 TRANSFER OUT	225,000	225,000.00	225,000.00	0.00	0.00	100.00
130-1700-59105 TRANSFER OUT - GENERAL FU	0	0.00	0.00	0.00	0.00	0.00
130-1700-59111 TRANSFER OUT - TECH REPLA	883	883.00	883.00	0.00	0.00	100.00
TOTAL TRANSFERS & COST ALLOC.	308,925	308,925.00	308,925.00	0.00	0.00	100.00
TOTAL ECONOMIC DEVELOPMENT	754,828	316,958.36	316,958.36	294.83	437,574.81	42.03
TOTAL EXPENDITURES	754,828	316,958.36	316,958.36	294.83	437,574.81	42.03
REVENUE OVER/(UNDER) EXPENDITURES	(22,630)	(313,965.61)	(313,965.61)	(294.83)	291,630.44	1,388.69

EDC Regular Session

2.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending November 2017.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending November 2017.

RECOMMENDATION

N/A.

Attachments

November 2017 Financials for the Corinth Economic Development Corporation



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
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Investment Income	18,000	3,378	6,303	(11,697)	35.0%	3,450
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	732,198	3,409	6,402	(725,796)	0.9%	3,542
Use of Fund Balance	22,630	9,548	323,513		0.0%	158,611
TOTAL RESOURCES	\$ 754,828	\$ 12,957	\$ 329,915	\$ (725,796)	43.7%	\$ 162,153
EXPENDITURES						
Wages & Benefits	\$ 132,469	\$ 10,112	\$ 15,918	\$ (116,551)	12.0%	15,695
Professional Fees	88,062	2,252	2,405	(85,657)	2.7%	252
Maintenance & Operations	191,063	200	2,200	(188,863)	1.2%	696
Supplies	1,000	-	-	(1,000)	0.0%	-
Utilities & Communication	2,961	403	478	(2,483)	16.1%	225
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,348	(11)	(11)	(30,359)	0.0%	1,379
Capital Outlay	-	-	-	-	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	308,925	-	308,925	-	100.0%	143,906
TOTAL EXPENDITURES	754,828	12,957	329,915	(424,913)	43.7%	# 162,153
EXCESS/(DEFICIT)	\$ -	\$ -	\$ -	\$ (300,883)		\$ -

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 2017 revenues are remitted to the City in January 2018. Sales Tax received in November represents September collections.

Expenditures

Transfer Out includes \$175,000 for the Lake Sharon Extension lighting, \$50,000 to the Park Development Fund and \$883 to the Tech Replacement Fund for the future purchases of computers and the \$83,042 cost allocation to the General Fund.



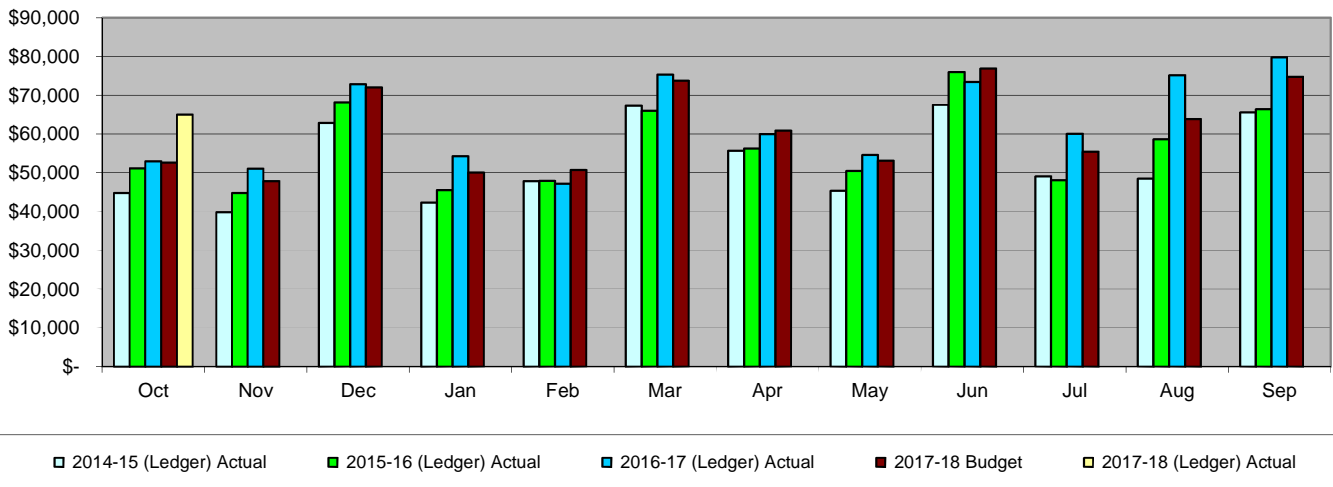
Corinth Economic Development Corporation

Economic Development Sales Tax

PY Comparison and Variance Analysis

	2014-15 (Ledger) Actual	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 Budget	2017-18 Cash Receipts	2017-18 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 44,779	\$ 51,148	\$ 52,974	\$ 52,621	\$ 75,148	\$ 65,029	\$ 12,408	23.6%	\$ 12,055	22.8%
Nov	39,840	44,827	51,070	47,843	79,781	-				
Dec	62,897	68,160	72,833	72,080	65,029	-				
Jan	42,350	45,500	54,300	50,088	-	-				
Feb	47,853	47,909	47,147	50,756	-	-				
Mar	67,295	66,022	75,308	73,796	-	-				
Apr	55,712	56,230	60,003	60,904	-	-				
May	45,372	50,483	54,590	53,130	-	-				
Jun	67,547	75,989	73,472	76,881	-	-				
Jul	49,072	48,076	60,100	55,461	-	-				
Aug	48,521	58,630	75,148	63,894	-	-				
Sep	65,599	66,452	79,781	74,744	-	-				
TOTAL	\$ 636,837	\$ 679,427	\$ 756,725	\$ 732,198	\$ 219,958	\$ 65,029	\$ 12,408	23.6%	\$ 12,055	22.8%

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. November 2017 revenues are remitted to the City in January 2018. Sales Tax received in November represents September 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).



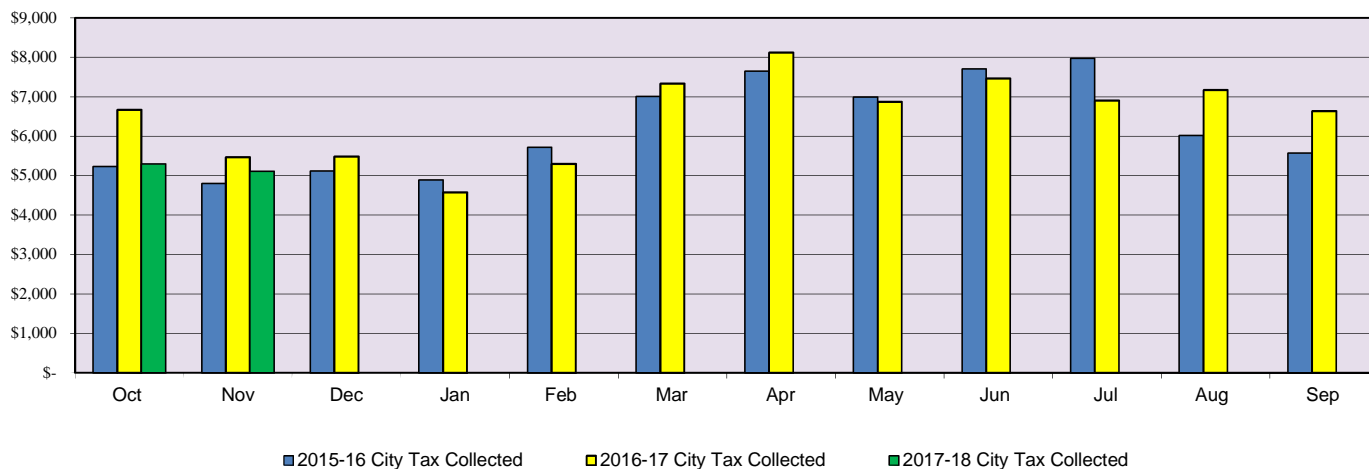
Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended November 2017

	Occupancy Rate	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2017-18	Date Received	% Change CY to PY	City Tax Collected FY 2016-17	City Tax Collected FY 2015-16
Oct	53%	\$ 75,917	\$ 280	\$ 75,637	\$ 5,295	\$ 5,295	\$ 5,295	11/21/2016	-20.6%	\$ 6,667	\$ 5,230
Nov	66%	73,289	292	72,997	5,110	5,110	5,110	12/20/2017	-6.5%	5,463	4,802
Dec										5,477	5,115
Jan										4,572	4,891
Feb										5,291	5,712
Mar										7,333	7,003
Apr										8,113	7,647
May										6,869	6,991
Jun										7,459	7,699
Jul										6,900	7,973
Aug										7,164	6,018
Sep										6,631	5,573
TOTALS		\$ 149,207	\$ 572	\$ 148,634	\$ 10,404	\$ 10,404	\$ 10,404			\$ 77,940	\$ 74,653

Monthly Hotel Tax Collection



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, 2017

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	713,398	0.00	0.00	0.00	713,398.00	0.00
INTEREST INCOME	18,800	3,409.25	6,402.00	0.00	12,398.00	34.05
MISCELLANEOUS	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	732,198	3,409.25	6,402.00	0.00	725,796.00	0.87
EXPENDITURE SUMMARY						
ECONOMIC DEVELOPMENT	754,828	12,956.78	329,915.14	17,200.00	407,712.86	45.99
TOTAL EXPENDITURES	754,828	12,956.78	329,915.14	17,200.00	407,712.86	45.99
REVENUE OVER/ (UNDER) EXPENDITURES	(22,630)	(9,547.53)	(323,513.14)	(17,200.00)	318,083.14	1,505.58

CITY OF CORINTH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: NOVEMBER 30TH, 2017

130-Economic Development Corp

% OF YEAR COMPLETED: 16.67

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
SALES TAXES						
130-0000-40200 SALES TAX	713,398	0.00	0.00	0.00	713,398.00	0.00
TOTAL SALES TAXES	713,398	0.00	0.00	0.00	713,398.00	0.00
INTEREST INCOME						
130-0000-41400 INVESTMENT INCOME	18,000	3,378.11	6,303.42	0.00	11,696.58	35.02
130-0000-41405 INVESTMENT GAIN/LOSS	0	0.00	0.00	0.00	0.00	0.00
130-0000-41410 INTEREST INCOME	800	31.14	98.58	0.00	701.42	12.32
TOTAL INTEREST INCOME	18,800	3,409.25	6,402.00	0.00	12,398.00	34.05
MISCELLANEOUS						
130-0000-41500 MISCELLANEOUS INCOME	0	0.00	0.00	0.00	0.00	0.00
130-0000-41530 BUSINESS DIRECTORY ADVERT	0	0.00	0.00	0.00	0.00	0.00
130-0000-41536 PROJECT INCENTIVE DEFAULT	0	0.00	0.00	0.00	0.00	0.00
TOTAL MISCELLANEOUS	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS						
130-0000-41820 TRANSFER IN	0	0.00	0.00	0.00	0.00	0.00
TOTAL TRANSFERS	0	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUE	732,198	3,409.25	6,402.00	0.00	725,796.00	0.87

AS OF: NOVEMBER 30TH, 2017

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
WAGES & BENEFITS						
130-1700-50100 SALARIES	97,786	7,289.24	10,933.86	0.00	86,852.14	11.18
130-1700-50115 OVERTIME	0	0.00	0.00	0.00	0.00	0.00
130-1700-50201 EDUCATION PAY	0	0.00	0.00	0.00	0.00	0.00
130-1700-50203 LONGEVITY PAY	168	168.00	168.00	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	10,091	744.24	1,738.48	0.00	8,352.52	17.23
130-1700-50301 DENTAL INSURANCE	351	27.90	55.80	0.00	295.20	15.90
130-1700-50302 LIFE & DISABILITY INSURAN	404	29.40	58.80	0.00	345.20	14.55
130-1700-50303 BROKER FEES	208	32.92	32.92	0.00	175.08	15.83
130-1700-50304 PHS FEES	114	18.00	18.00	0.00	96.00	15.79
130-1700-50305 TMRS EMPLOYER	16,142	1,230.29	1,826.59	0.00	14,315.41	11.32
130-1700-50310 401A	390	30.00	60.00	0.00	330.00	15.38
130-1700-50315 FSA PREMIUMS	0	0.00	0.00	0.00	0.00	0.00
130-1700-50316 EAP	19	1.59	3.18	0.00	15.82	16.74
130-1700-50317 COBRA ADMINISTRATION FEE	7	0.00	0.00	0.00	7.00	0.00
130-1700-50320 WORKERS COMP	346	25.75	52.04	0.00	293.96	15.04
130-1700-50401 MEDICARE EMPLOYER	1,463	115.02	170.77	0.00	1,292.23	11.67
130-1700-50405 TEXAS EMPLOYMENT COMM.	180	0.00	0.00	0.00	180.00	0.00
130-1700-50410 FICA	0	0.00	0.00	0.00	0.00	0.00
TOTAL WAGES & BENEFITS	132,469	10,112.35	15,918.44	0.00	116,550.56	12.02
PROF. SERV & CONTRACTUAL						
130-1700-51100 PROFESSIONAL SERVICES	69,200	2,100.00	2,100.00	0.00	67,100.00	3.03
130-1700-51101 CONTRACT LABOR	0	0.00	0.00	0.00	0.00	0.00
130-1700-51110 ENGINEERING FEES	0	0.00	0.00	0.00	0.00	0.00
130-1700-51145 AUDIT FEES	0	0.00	0.00	0.00	0.00	0.00
130-1700-51300 LEGAL FEES	17,200	0.00	0.00	17,200.00	0.00	100.00
130-1700-51400 P&L INSURANCE	1,662	152.27	304.54	0.00	1,357.46	18.32
TOTAL PROF. SERV & CONTRACTUAL	88,062	2,252.27	2,404.54	17,200.00	68,457.46	22.26
MAINTENANCE & OPERATIONS						
130-1700-52000 ADVERTISING	7,500	0.00	0.00	0.00	7,500.00	0.00
130-1700-52002 POSTAGE	0	0.00	0.00	0.00	0.00	0.00
130-1700-52003 PRINTING	400	0.00	0.00	0.00	400.00	0.00
130-1700-52004 COPIER CHARGES	200	0.00	0.00	0.00	200.00	0.00
130-1700-52010 LATE PYMT/FINANCE FEES	0	0.00	0.00	0.00	0.00	0.00
130-1700-52030 EQUIPMENT RENTAL	0	0.00	0.00	0.00	0.00	0.00
130-1700-52210 BOARDS & COMMITTE EXPENSE	0	0.00	0.00	0.00	0.00	0.00
130-1700-52215 PROMOTIONAL FEES	18,673	0.00	2,000.00	0.00	16,673.00	10.71
130-1700-52230 PROJECT INCENTIVES	160,000	0.00	0.00	0.00	160,000.00	0.00
130-1700-52500 DUES & SUBSCRIPTIONS	4,290	200.00	200.00	0.00	4,090.00	4.66
130-1700-52800 HIRING COST	0	0.00	0.00	0.00	0.00	0.00
TOTAL MAINTENANCE & OPERATIONS	191,063	200.00	2,200.00	0.00	188,863.00	1.15
SUPPLIES						
130-1700-53001 OFFICE SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00
130-1700-53205 OFFICE EQUIPMENT	0	0.00	0.00	0.00	0.00	0.00
TOTAL SUPPLIES	1,000	0.00	0.00	0.00	1,000.00	0.00

CITY OF CORINTH
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: NOVEMBER 30TH, 2017

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
UTILITIES & COMMUNICATION						
130-1700-54100 TELEPHONE	156	6.10	6.10	0.00	149.90	3.91
130-1700-54105 INTERNET	331	9.89	9.89	0.00	321.11	2.99
130-1700-54106 AIRCARD	504	16.99	16.99	0.00	487.01	3.37
130-1700-54107 COMPUTER LICENSING	1,070	294.83	294.83	0.00	775.17	27.55
130-1700-54200 CELLPHONE	900	75.00	150.00	0.00	750.00	16.67
TOTAL UTILITIES & COMMUNICATION	2,961	402.81	477.81	0.00	2,483.19	16.14
TRAVEL & TRAINING						
130-1700-56000 TRAINING	16,075 (	10.65) (	10.65)	0.00	16,085.65	0.07-
130-1700-56100 TRAVEL/MEALS/LODGING	13,500	0.00	0.00	0.00	13,500.00	0.00
130-1700-56200 MILEAGE	773	0.00	0.00	0.00	773.00	0.00
TOTAL TRAVEL & TRAINING	30,348 (	10.65) (	10.65)	0.00	30,358.65	0.04-
CAPITAL OUTLAY						
130-1700-57000 CAPITAL OUTLAY	0	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL OUTLAY	0	0.00	0.00	0.00	0.00	0.00
TRANSFERS & COST ALLOC.						
130-1700-59001 COST ALLOCATION OUT-GENER	83,042	0.00	83,042.00	0.00	0.00	100.00
130-1700-59010 COST ALLOCATION OUT-TECH	0	0.00	0.00	0.00	0.00	0.00
130-1700-59101 TRANSFER OUT	225,000	0.00	225,000.00	0.00	0.00	100.00
130-1700-59105 TRANSFER OUT - GENERAL FU	0	0.00	0.00	0.00	0.00	0.00
130-1700-59111 TRANSFER OUT - TECH REPLA	883	0.00	883.00	0.00	0.00	100.00
TOTAL TRANSFERS & COST ALLOC.	308,925	0.00	308,925.00	0.00	0.00	100.00
<hr/>						
TOTAL ECONOMIC DEVELOPMENT	754,828	12,956.78	329,915.14	17,200.00	407,712.86	45.99
<hr/>						
TOTAL EXPENDITURES	754,828	12,956.78	329,915.14	17,200.00	407,712.86	45.99
REVENUE OVER/ (UNDER) EXPENDITURES	(22,630) (	9,547.53) (	323,513.14) (	17,200.00)	318,083.14	1,505.58

EDC Regular Session

3.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

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

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 14, 2017.

RECOMMENDATION

Staff recommends the Board of Directors accept and approve the Annual Investment Report.

Attachments

Corinth Economic Development Corporation Investment Report



Economic Development Corp. Annual Investment Report

For the Period Ended September 30, 2017

About This Report

In accordance with Chapter 2256 of the Public Funds Investment Act Section 2256.023(a), the Quarterly Investment Report provides timely and relevant information regarding the City's Investment activities.

This report includes investment information for October 2016 through September 30, 2017, and is presented in two sections.

1. The Investment Committee Report section provides approved minutes from the most recent Investment Committee Meeting.
2. The Annual Investment Report provides a summary of the City's investment portfolio, interest earnings and a brief market outlook. This report is in compliance with the Public Funds Investment Act and the City's approved Investment Policy.

If you would like additional information, feel free to contact the Finance Department at (940) 498-3280.

Section 1

Economic Development Corp.
Annual Investment Report
September 30, 2017

INVESTMENT COMMITTEE

As required by the City Corinth Investment policy, the Investment Committee meets on a quarterly basis to determine general strategies and review the City's investment program. At it's most recent meeting on December 13, 2017, the committee took action on the following items:

- √ Approved the minutes for the August 16, 2017 Investment Committee Meeting.
- √ Unanimously approved the FY 2016-17 Annual Investment Report.

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

On this the 16th day of August 2017 the Finance Audit Committee of the City of Corinth, Texas met in a Regular Meeting at 3:00 P.M. at the Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purposes as required by Title 5, Subchapter A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Councilmembers Present:

Councilmember Lowell Johnson
Councilmember Joe Harrison

Citizen Members Present:

Dick Baker
Mike Taylor

Staff Committee Members Present:

Bob Hart, City Manager
Lee Ann Bunselmeyer, Director of Finance & Administrative Services

Staff Members Present:

Chris Rodriguez, Financial Services Manager

CALL TO ORDER

Councilmember Johnson called the meeting to order at 3:00 pm

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Chairman, a Board Member, or a citizen desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

1) Consider and act on minutes from the April 19, 2017 Regular Session.

MOTION made by Councilmember Harrison to approve the Consent Agenda as presented.

Seconded by Councilmember Johnson.

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

BUSINESS AGENDA

2) Discuss and Provide staff direction on the annual external audit and the Comprehensive Annual Financial Report (CAFR).

No Action Taken.

3) Consider and act on the Comprehensive Monthly Financial Report (CMFR) for the month ending June 30, 2017.

MOTION made by Councilmember Harrison to approve the Comprehensive Monthly Financial Report (CMFR) for the month ending June 30, 2017 as presented.

Seconded by Councilmember Johnson.

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

4) Consider and act on the Fiscal Year 2016-17 Third Quarter Investment Report.

MOTION made by Councilmember Johnson to approve the FY 2016-17 Third Quarter Investment Report.

Seconded by Councilmember Harrison.

AYES: Johnson, Harrison, Hart

NOES: None

MOTION CARRIED

ADJOURN THE REGULAR MEETING

Councilmember Johnson adjourned the Regular Meeting at 3:53 pm.

Section 2

Economic Development Corp.
Annual Investment Report
September 30, 2017

INVESTMENT REPORT

Finance Audit Committee Regular Session

Meeting Date: 12/13/2017

Title: Annual Investment Report

Submitted For: Lee Ann Bunselmeyer, Director

Submitted By: Chris Rodriguez, Financial Services Manager

Finance Review: N/A

Legal Review: N/A

AGENDA ITEM

Discuss and approve the Fiscal Year 2016-2017 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 14, 2017.

RECOMMENDATION

Staff recommends the acceptance of the Annual Investment Report.

Attachments

Annual Investment Report

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2017



Bob Hart
City Manager

Lee Ann Bunselmeyer
*Director of Finance &
Administrative Services*

Prepared By:
Chris Rodriguez
Financial Services Manager



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

December 13, 2017

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 one hundred (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 January 9, 2017, 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. Investment officials 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 (purchased in October 2017 by Independent 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. These automated services facilitate full utilization of available cash thus maximizing interest income. The NorthStar bank contract was renewed on June 1, 2014 for a two-year period with an additional option for three one-year renewals. There is one remaining renewal on the current bank contract.

III. INVESTMENT ACCOUNTING METHODOLOGY

The accounts of the City of Corinth are maintained on a funds basis 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.

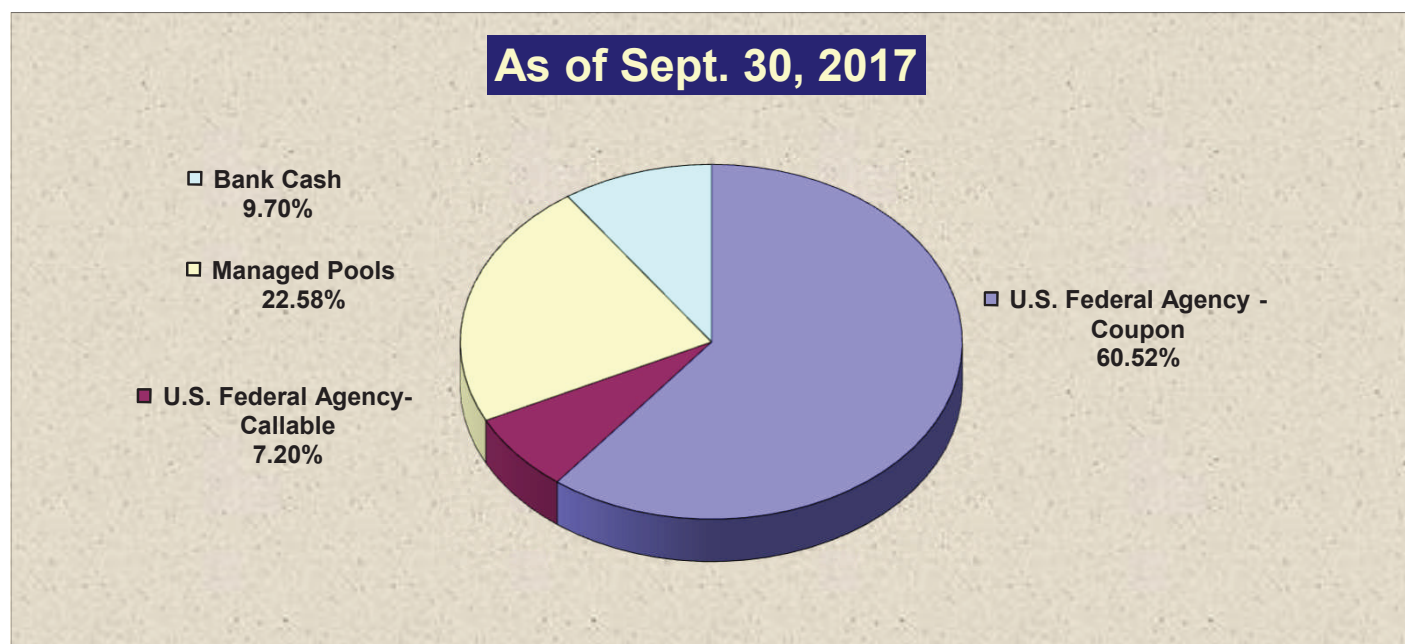
The enclosed Annual Investment Report is compliant with the investment strategies adopted by the City Council as well as in accordance with the relevant provisions of the Tex. Gov't Code Ch. 2256. The objectives adopted by the City Council will continue to drive the investment program in the next fiscal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

Lee Ann Bunselmeyer
Director of Finance & Admin Services

Chris Rodriguez
Financial Services Manager

ANNUAL INVESTMENT REPORT
Economic Development Corporation

Market Sector	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	Sept. 30, 2017
U.S. Federal Agency -Coupon	\$ 1,765,000	\$ 1,765,000	\$ 1,480,000	\$ 2,100,000
U.S. Federal Agency-Callable	750,000	750,000	750,000	250,000
Managed Pools	354,785	355,328	781,515	783,477
Bank Cash	189,436	296,220	286,473	336,545
Total Par Value:	<u>\$ 3,059,221</u>	<u>\$ 3,166,548</u>	<u>\$ 3,297,988</u>	<u>\$ 3,470,022</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, 2016	Mar. 31, 2017	June 30, 2017	Sept. 30, 2017
Average Yield to Maturity		0.889%	0.893%	1.001%	1.094%
≥ Policy Benchmark-(Six Month T-Bill)		0.625%	0.875%	1.047%	1.160%
Callable Securities ≤	30.00%	24.52%	23.69%	22.74%	7.20%
Investment By Type ≤					
U.S. Treasuries	100.00%	0.00%	0.00%	0.00%	0.00%
U.S. Agencies	100.00%	82.21%	79.42%	67.61%	67.72%
Managed Pools	100.00%	11.60%	11.22%	23.70%	22.58%
Money Market	100.00%	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	6.19%	9.35%	8.69%	9.70%
Weighted Avg. Maturity ≤	270 Days	301	220	214	230
Maturities ≤30 days ≥	5.00%	17.79%	20.58%	32.38%	32.28%

Note: The portfolio exceeds the policy benchmark for the Average Yield to Maturity for all four quarters of the fiscal year. The liquidity for the portfolio is 32% at the end of the fiscal year.

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2017



APPENDIX A

**Investment Report
For Month Ending September 30, 2017**

City of Corinth portfolio
Texas Compliance Change in Val Report
Sorted by Fund
October 1, 2016 - September 30, 2017

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									
10593	FAMC	130	09/30/2017	12.50	0.00	500,000.00	0.00	500,737.50	500,737.50
3132X0NNS6	500,000.00	0.899	02/01/2018	0.00	0.00	500,000.00	0.00	500,137.50	500,137.50
10566	FHLB	130	12/20/2016	3,578.85	0.00	350,087.50	0.00	350,053.06	350,053.06
3130AAHG6	350,000.00	1.297	12/14/2018	2,216.08	0.00	350,087.50	0.00	349,510.00	349,510.00
10007	TXPOOL	130	10/01/2016	5,061.57	953,467.85	429,684.99	599,676.04	-169,991.05	783,476.80
SYS10007	783,476.80	1.015	/ /	4,684.99	953,467.85	429,684.99	599,676.04	-169,991.05	783,476.80
10021	NTHSTR	130	10/01/2016	1,360.17	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
SYS10021	336,545.38	0.890	/ /	0.00	194,258.06	361,056.15	218,768.83	142,287.32	336,545.38
10379	NTHSTR	130	10/01/2016	0.00	0.00	0.00	0.00	0.00	0.00
SYS10379	0.00	0.250	/ /	0.00	0.00	0.00	0.00	0.00	0.00
10542	FAMC	130	03/08/2016	16,489.69	598,411.44	0.00	585,000.00	-598,411.44	0.00
30769QAA8	0.00	0.000	04/19/2017	29,981.26	599,157.00	0.00	585,000.00	-599,157.00	0.00
10541	FHLMC	130	02/25/2016	3,600.00	500,000.00	0.00	500,000.00	-500,000.00	0.00
3134G8L49	0.00	0.000	08/25/2017	4,000.00	499,200.00	0.00	500,000.00	-499,200.00	0.00
10543	FHLB	130	03/11/2016	5,275.67	381,802.31	0.00	380,000.00	-381,802.31	0.00
313378PK1	0.00	0.000	09/28/2017	5,320.00	382,090.00	0.00	380,000.00	-382,090.00	0.00
10534	FFCB	130	01/27/2016	3,937.50	450,000.00	0.00	0.00	0.00	450,000.00
3133EFWC7	450,000.00	0.875	11/27/2017	3,937.50	450,360.00	0.00	0.00	-585.00	449,775.00
10583	FHLB	130	08/15/2017	734.73	0.00	499,125.00	0.00	500,312.54	500,312.54
313381EC5	500,000.00	1.285	12/06/2018	0.00	0.00	499,125.00	0.00	500,252.08	500,252.08
10578	FFCB	130	04/17/2017	1,804.00	0.00	300,000.00	0.00	300,000.00	300,000.00
3133EHFK4	300,000.00	1.320	04/17/2019	0.00	0.00	300,000.00	0.00	299,190.00	299,190.00
10562	FNMA	130	12/08/2016	2,584.10	0.00	248,750.00	0.00	249,125.64	249,125.64
3136G2XJ1	250,000.00	1.459	08/23/2019	2,248.96	0.00	248,750.00	0.00	248,300.00	248,300.00
Sub Totals For: Fund: Economic Development				44,438.78	3,077,939.66	2,688,703.64	2,283,444.87	392,311.26	3,470,250.92
				52,388.79	3,078,532.91	2,688,703.64	2,283,444.87	388,653.85	3,467,186.76

Portfolio CITY

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2017



APPENDIX B

First Southwest Portfolio Assessment



City of Corinth, Texas
Portfolio Exceptions
Quarter Ending September 30, 2017

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:

The allocation to callable agencies slightly exceeded policy guidelines on the June 30 and September 30, 2017 reporting periods. *When market interest rates are moving higher, call options are typically not exercised. As long as this doesn't create a cashflow deficiency, the fractionally higher percentage of callables bonds shouldn't be an issue for the City.*

There were no other exceptions noted.

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

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


A handwritten date "11/14/17" in blue ink is written above a horizontal line.

Date

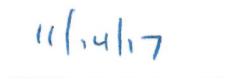
City of Corinth, Texas
Portfolio Assessment
Quarter Ending September 30, 2017

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

- The Fed was very active during the recently completed fiscal year, raising the overnight rate target by 25 bps in December 2016, March 2017 and again in June 2017. The June increase was the fifth tightening move since the Fed began “normalizing” policy in December 2015. The significance of this action is that fixed income investors can expect to see unrealized losses, and in many cases a portfolio yield below established benchmarks. This will continue to be the case as long as the Fed is tightening policy. The shorter the weighted average maturity (WAM), the smaller the unrealized loss is likely to be. This is a long way of saying that, at 191 days the overall portfolio is well positioned to minimize unrealized losses and benefit from future rate increases.
- The City’s overall portfolio yield was 1.07% at quarter end. This is 45 basis points above the average yield at the end of the last fiscal year and essentially equal to the six-month Treasury bill yield over the previous two quarters.
- There are no apparent credit risks being assumed; no direct exposure to foreign markets; no leveraging or speculation.
- Bank deposits are adequately secured through a Federal Home Loan Bank (FHLB) standby letter of credit in the amount of \$15 million maturing 8/6/2018.
- Coastal Securities was acquired by FTN Financial meaning a change is required in approved brokers.
- Portfolio strategy and investment management are prudent.
- Investment reporting is accurate.



Scott D. McIntyre, CFA
Managing Director



Date

City of Corinth, Texas

ANNUAL INVESTMENT REPORT

For Fiscal Year Ended September 30, 2017



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 or 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 Regular Session

4.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on the Investment Policy for the Corinth Economic Development Corporation for Fiscal Year 2017-2018.

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.

RECOMMENDATION

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

Attachments

Corinth Economic Development Corporation Investment Policy

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

PREFACE

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.

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.

I. PURPOSE

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

II. SCOPE

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

III. INVESTMENT OBJECTIVES

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

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the EDC. 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 with which the EDC will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the EDC’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the EDC’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 EDC’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The EDC’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 EDC 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 EDC’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.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the EDC’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.

IV. INVESTMENT STRATEGY

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

Strategy No. 1

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

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance,

security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

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

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

Strategy No. 5

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

Strategy No. 6

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

Strategy No. 7

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

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, 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 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,
 - b.** The valuation of costs and benefits requires estimates and judgments by management.

3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the EDC.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All EDC Investment Officers having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

- b. Funds received by the Investment Officer or person related to the investment officer by the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officer's gross income for the prior year; or
 - c. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the EDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the EDC's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the EDC's primary objective, only certain investments are authorized as acceptable investments for the EDC. The following list of authorized investments for the EDC intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to EDC funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the EDC is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:
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 may be used for specific investment of bond proceeds but *shall not include reverse purchase agreements*.
- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE) - These investments are authorized for the EDC to the extent that they are contained in the portfolios of

approved public funds investment pools or money market funds in which the EDC invests.

- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the EDC with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the EDC with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC. Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities** - State law specifically prohibits investment in the following securities:
1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally** - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities** - The longer the maturity of investments, the greater their price volatility. Therefore, it is the EDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The EDC will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the EDC will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The EDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

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

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

	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%

IX. SECURITY SWAPS

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

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the EDC's investment policy.
- 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 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 in an effort to preclude imprudent investment activities with the EDC. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J.** It is the policy of the City that all security transactions entered into with the EDC shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, EDC funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the

release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the EDC. The notification may be oral, but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping** - All securities owned by the EDC shall be held by a third-party safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be held in the EDC's name in the bank's trust department, in a Federal Reserve Bank account in the EDC's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City and the EDC. The City and the EDC shall contract with a bank or banks for the safekeeping of securities either owned by the EDC as part of its investment portfolio or held as collateral to secure time deposits, if collateralized time deposits are specifically authorized by the board.
- B. Collateralized Deposits** - Consistent with the requirements of State law, the EDC requires all bank deposits to be federally insured. If the board and the City do agree that collateralized accounts are acceptable in specific situations the provisions above may be amended for EDC accounts.

XII. INTERNAL CONTROL

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

XIII. PERFORMANCE

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

XIV. REPORTING

- A. Quarterly** - The Director of Finance shall prepare and submit a signed quarterly investment report to the Economic Development Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
- B. Annual Report** - 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 Economic

Development Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

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

1. A listing of individual 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 gains 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 EDC'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-day U. S. Treasury Bill auction yield during the reporting period.
10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

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.

Attachment A

CITY OF CORINTH, TEXAS
Economic Development Corporation
Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility 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 - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

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

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 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.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

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

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

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

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____

EDC Regular Session

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on subscription service offered by Retail Lease Trac in the amount of \$850.00 to supplement the retail recruitment efforts of the Corinth Economic Development Corporation.

AGENDA ITEM SUMMARY/BACKGROUND

Operating from Dahlonega, Georgia, and in business for over 25 years, Retail Lease Trac is a company that connects commercial real estate brokers, developers, economic development corporations and others with retailers seeking to expand their footprints in markets all over the country and Canada. Tina Walden, a representative with Retail Lease Trac, discussed the company's services with the Corinth Economic Development Corporation (CEDC) at the International Council of Shopping Centers (ICSC) Conference held last year in Dallas, Texas.

Among all of the services provided by Retail Lease Trac, the one that may be most advantageous to the CEDC is access to their direct retailer and tenant broker contact information. Access to this information would not only reduce the amount of time to find the contact information for the retailer and their broker, if applicable, but it would also expose the CEDC to other brands seeking to expand.

Retail Lease Trac does not enter into contracts with their clients; rather, the company offers clients subscriptions for one (1) year. Clients may renew or cancel their subscription with Retail Lease Trac at any time. Currently, the company is offering a promotion for their services at a discounted price of \$850.00 for one (1) year. The regular price for Retail Lease Trac's services is \$1,125.00. As the Company does not enter into contracts with their clients, but rather subscriptions, the CEDC will not have to request approval from City Council to secure their services, should the Board of Directors determine that it would be advantageous to secure the services of Retail Lease Trac.

A few of the economic development corporations in Texas that are clients of Retail Lease Trac include:

- Balch Springs
- Bastrop
- Buda
- Dumas
- Harlingen

RECOMMENDATION

Staff recommends the Board of Directors approve a subscription service with Retail Lease Trac for one (1) year.

Fiscal Impact

Source of Funding: Corinth Economic Development Corporation

FINANCIAL SUMMARY:

Should the Board of Directors approve the subscription service with Retail Lease Trac, the Corinth Economic Development Corporation will expend \$850.00.

EDC Regular Session

6.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on revisions to the Local Business Grants Program.

AGENDA ITEM SUMMARY/BACKGROUND

The Local Business Grants Program is sponsored by the Corinth Economic Development Corporation (CEDC) and is intended to provide economic benefits to existing businesses in the form of a reimbursement for improving the aesthetic of their properties. The Local Business Grants Program is comprised of two (2) grants: the Beautification Grant and the Signage Grant. Staff requested direction from the CEDC Board of Directors at their January 8, 2017 meeting to increase the grant amounts to reflect increases in construction costs, increase participation and reinforce the City's and the CEDC's shared commitment to fostering and sustaining thriving corridors and districts in which to conduct business in Corinth.

Under the direction of the Board of Directors, staff made multiple revisions to the Local Business Grants Programs in order to successfully achieve the aforementioned goals. The revisions are as follows:

- Increased the maximum amount awarded to qualifying projects under the Beautification Grant from \$10,000.00 to \$15,000.00;
- Increased the maximum amount awarded to qualifying projects under the Signage Grant from \$6,000.00 to \$10,000.00;
- Increased the maximum amount awarded to qualifying projects under the Beautification and Signage Grants from \$12,000.00 to \$20,000.00; **AND**
- Removed the limitations of the Signage Grant focused solely on replacing pole-mounted signs with monument signs to replacing all non-compliant signs into compliance with the City's Sign Ordinance.

The revised Local Business Grants Program is attached for the consideration of the CEDC Board of Directors.

RECOMMENDATION

Staff recommends the Board of Directors approve the revisions to the Local Business Grants Program.

Fiscal Impact

Source of Funding: Corinth Economic Development Corporation

FINANCIAL SUMMARY:

The Corinth Economic Development Corporation (CEDC) is solely responsible for funding the Local Business Grants Program. The adopted budget for the CEDC for Fiscal Year 2017-2018 includes \$60,000.00 for the Local Business Grants Program. The revised amounts for the Beautification Grant and Signage Grant are intended to provide improved flexibility with respect to the CEDC Board of Directors evaluating and considering qualified applications.

Attachments



Mission Statement

The mission of the City of Corinth's Economic Development Corporation is to continually expand our property and sales tax base, encourage creation of jobs, promote tourism, improve the quality of life, and facilitate a self-sustaining local economy for the City by attracting, assisting, and retaining a diversified mix of businesses, public/private partnerships, and infrastructure improvements as well as investing in our own community needs to foster growth and encourage tourism trade.

Disclaimer: Applications will be considered by the CEDC Board of Directors on a first come, first served basis. Grant amounts are considered on a case-by-case basis and the CEDC Board of Directors reserve the right to fund or not fund any project. The program may be terminated at any time at the discretion of the CEDC Board of Directors.

Applications may be submitted by mail, email or delivered in person:

Corinth Economic
Development Corporation
3300 Corinth Parkway
Corinth, TX 76208

Phone: 940-498-7510 • Fax: 940-498-7505
www.cityofcorinth.com

Corinth Economic Development Corporation

LOCAL BUSINESS GRANTS PROGRAM



City of Corinth

Economic Development Corporation



The Corinth Economic Development Corporation (CEDC) offers Local Business Grants to qualified Corinth businesses.

Qualifying applicants may receive Grants via reimbursement to fund projects that enhance property and provide visual improvements to the

exterior of their facilities.

These projects may include landscaping, parking improvements, painting, signage, façade improvements and screening.

Areas of Interest

The CEDC seeks to improve the aesthetic appearance of our business community. Examples of projects that the CEDC will consider funding include, but are not limited to:

- ◆ Landscaping and Tree Planting
- ◆ Paint, brick and similar building improvements
- ◆ Removal of unsightly trash and debris
- ◆ Screening of certain land uses
- ◆ Improved parking and signage

The CEDC meets regularly to consider Grant Applications for qualified projects.

A limited amount of reimbursement will be determined by the CEDC. The CEDC Board of Directors will evaluate the program annually.

Application Procedure

Each applicant is required to complete the Application for Aesthetic Improvement Grant form provided by the CEDC which will include the following information:

- ◆ Location of project
- ◆ A detailed description of the project
- ◆ The costs of the project
- ◆ Start date of project
- ◆ Completion date of project
- ◆ Designated representative contact information
- ◆ The amount of reimbursement requested
- ◆ **PLEASE NOTE:** All projects must first be approved by the City of Corinth Planning Department (940-498-3295).

Funds Reimbursement

At completion, the CEDC will inspect the project. Applicants will be required to provide copies of all project plans, estimates, invoices, receipts, photographs and other evidence of the project costs incurred by the applicant prior to the reimbursement of funds. *

Grant Limitations

Grants will be limited to one project per location once every five (5) years.

- ◆ Applicants may apply for both a Beautification Grant and Signage Grant for the same project, but CEDC reimbursements will not exceed \$20,000.
- ◆ Locations with one owner, but multiple tenants will be considered as one location under this program.
- ◆ This program does not limit the CEDC Board of Directors from undertaking other projects or expending funds for other projects to attract, retain or expand business in Corinth.

BEAUTIFICATION GRANT

The CEDC will reimburse half of the beautification project, up to a maximum of \$15,000 under this Grant.

Examples:

If the total cost for completion of a qualified project is \$10,000, the CEDC will reimburse \$5,000 or half of the cost of the project.

If the total cost for completion of a project is \$40,000 the CEDC contribution will be limited to \$15,000, the maximum amount the CEDC may expend on any beautification project under this Grant.

SIGNAGE GRANT

The CEDC will reimburse up to \$10,000 for the replacement of any existing nonconforming signs with signs in compliance with the City's Sign Ordinance. There is no fund matching requirement under this Grant.

Examples:

If the total cost for completion of a qualified project is \$5,000, the CEDC will reimburse the entire \$5,000 cost of the project.

However, if the total cost for completion of a qualified project is \$15,000, the CEDC contribution will be limited to \$10,000, the maximum amount the CEDC may expend on any signage project under the program.



* Any approved grants will be reimbursed once the project is completed.

EDC Regular Session

7.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: Yes

City Manager Review:

AGENDA ITEM

Discuss, consider and provide a recommendation to City Council on a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust to relocate and expand their automotive retail sales operations within the City of Corinth, Texas.

AGENDA ITEM SUMMARY/BACKGROUND

As one of the most tenured corporate citizens in the City, Huffines Children's Trust is in the process of constructing a new facility for relocation and expansion purposes. Although construction of the new facility commenced late 2017, Huffines Children's Trust requested economic development incentives from the City and the Corinth Economic Development Corporation (CEDC) pursuant to the City's Chapter 380 Economic Development Program Policies and Procedures on January 8, 2018. On that date, the CEDC Board of Directors authorized staff to negotiate economic development incentives to assist Huffines Children's Trust with constructing, equipping and maintaining their new facility.

The new facility is to be constructed in phases; the first phase of construction is anticipated to increase the tax base by at least \$10,250,000.00, of which an estimated \$2,000,000.00 is comprised of the addition of personal property in connection with the construction, equipping and maintenance of the new facility. The second phase of construction is anticipated to add another \$3,600,000.00 to the tax rolls at completion sometime between 2026 and 2028.

The proposed Chapter 380 Economic Development Incentive Agreement (Agreement) would incentivize the project by rebating a portion of the City's and the CEDC's sales tax revenues generated by the addition of new personal property and collected under a Texas Direct Payment Sales Tax Permit at the new facility for up to 15 years. In exchange, Huffines Children's Trust is obligated to create at least 70 full-time employment positions and maintain such level of employment for the duration of the Term by April 1, 2019 and to open the new facility for business, also by April 1, 2019. As crafted, the City (1.0 percent) and the CEDC (0.5 percent) would collectively rebate 50 percent of their sales tax revenues every calendar quarter, provided that the City and the CEDC receive such revenues from the Texas Comptroller of Public Accounts and Huffines Children's Trust is compliant with all of its obligations under the Agreement. However, dedicated sales tax revenues to the Crime Control and Prevention (0.25 percent) and Street Maintenance Funds (0.25 percent) are not included in any rebate to Huffines Children's Trust.

The Agreement represents a collaboration between the City, the CEDC and Huffines Children's Trust. Further, the Agreement would introduce an additional revenue stream that the City, the CEDC and the Crime Control and Prevention and Street Maintenance Funds would not have otherwise received.

Staff anticipates delivering the recommendation from the Board of Directors, along with the proposed Agreement, to the City Council for discussion and possible consideration and action during their Regular Session on February 15, 2018 at the earliest.

RECOMMENDATION

Staff recommends that the Board of Directors provide an affirmative recommendation on the proposed Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust to relocate and expand its automotive retail sales operations within the City of Corinth, Texas.

Fiscal Impact

Source of Funding: N/A.

FINANCIAL SUMMARY:

N/A.

EDC Regular Session

8.

Meeting Date: 02/05/2018

Title:

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

AGENDA ITEM

Consider and act on a Resolution of the Board of Directors of the Corinth Economic Development Corporation authorizing the President to execute a Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust on behalf of the Corinth Economic Development Corporation subject to amendment and approval by the City Council.

AGENDA ITEM SUMMARY/BACKGROUND

The Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and Huffines Children's Trust (Agreement), subject to amendment and approval by the City Council, requires the signature of the President of the Corinth Economic Development Corporation in order to be duly executed. The attached Resolution by the Board of Directors of the Corinth Economic Development Corporation (Resolution) authorizes the President to execute the Agreement on the behalf of the Corinth Economic Development Corporation subject to amendment and approval by the City Council.

RECOMMENDATION

Staff recommends that the Board of Directors approve the Resolution as presented.

Attachments

Resolution

RESOLUTION NO. _____ - _____ - _____ - _____

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE CITY OF CORINTH ECONOMIC DEVELOPMENT CORPORATION (CEDC) AUTHORIZING THE PRESIDENT TO EXECUTE A CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH THE CITY OF CORINTH, TEXAS AND HUFFINES CHILDREN’S TRUST, TO RELOCATE AND EXPAND THEIR AUTOMOTIVE RETAIL SALES OPERATIONS IN THE CITY OF CORINTH, TEXAS (AGREEMENT) SUBJECT TO AMENDMENT AND APPROVAL BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS; AND SETTING AN EFFECTIVE DATE.

WHEREAS, on the _____ day of _____, 20_____, the CEDC convened in Regular Session to discuss, consider and provide a recommendation to the City Council of the City of Corinth, Texas on the attached Agreement for purposes of inducing Huffines Children’s Trust to relocate and expand their automotive retail sales operations in Corinth;

WHEREAS, the CEDC discussed, considered and provided an affirmative recommendation on approval of the Agreement; **AND**

WHEREAS, the CEDC authorizes the President to execute the Agreement, subject to amendments and approval of the City Council of the City of Corinth, Texas.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CEDC:

PART 1. The President of the Corinth Economic Development Corporation is authorized to execute the Agreement on behalf of the Corinth Economic Development Corporation.

PART 2. This Resolution shall be effective immediately upon execution.

PASSED AND APPROVED by the Board of Directors of the Corinth Economic Development Corporation on this _____ day of _____, 20_____.

Tina Henderson, President

Corinth Economic Development Corporation

Grady Ray, Secretary

Corinth Economic Development Corporation