



CERTIFIED AGENDA
THURSDAY, JULY 20, 2017, 4:00 P.M.
311 W. WOODARD STREET, DENISON, TEXAS

PUBLIC NOTICE

The Denison Development Alliance will meet in a regular session beginning on Thursday, July 20, 2017, at 4:00 P.M. in the Conference Room at the Denison Development Alliance, 311 West Woodard Street, Denison, Texas. An agenda listing items to be considered at that time is as follows:

CALL TO ORDER
ORDER OF BUSINESS

- I. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD JUNE 15, 2017.**
- II. REVIEW AND CONSIDER APPROVAL OF THE MAY AND JUNE FINANCIAL REPORTS.**
- III. REVIEW MONTHLY INVESTMENT REPORT.**
- IV. REVIEW AND CONSIDER APPROVAL OF THE REVISED POLICY AND PROCEDURE MANUAL.**
- V. MONTHLY STAFF REPORTS.**

THE DENISON DEVELOPMENT ALLIANCE OF DENISON, TEXAS, RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY TEXAS GOVERNMENT CODE SECTIONS 551.071 (CONSULTATION WITH ATTORNEY), 551.072 (DELIBERATIONS ABOUT REAL PROPERTY), 551.073 (DELIBERATIONS ABOUT GIFTS AND DONATIONS), 551.074 DELIBERATIONS ABOUT PERSONNEL MATTERS), 551.075 (DELIBERATIONS ABOUT SECURITY DEVICES), 551.087 (DELIBERATIONS ABOUT ECONOMIC DEVELOPMENT).

EXECUTIVE SESSION (CLOSED SESSION), SECTION 551.087 OF THE TEXAS GOVERNMENT CODE.

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:

Consider incentives, if any, for Projects: DAN, IMAGE, JV and POPCORN.

Following the closed Executive Session, the Board will reconvene in open public session and take such action as may be desirable or necessary as a result of the closed deliberation, namely:

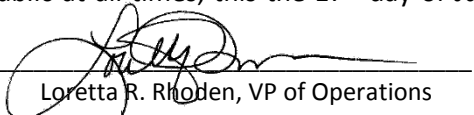
I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS:

Consider incentives, if any, for Projects: DAN, IMAGE, JV and POPCORN.

ADJOURN

CERTIFICATION

I, Loretta R. Rhoden, Vice President of Operations of the Denison Development Alliance, do hereby certify the above foregoing notice of public meeting was posted at the entrance of the Denison Development Alliance Building, 311 W. Woodard, Denison, Texas, and online at www.denisontx.org, places readily available to the general public at all times, this the 17th day of July, 2017, at 2:30 pm.


Loretta R. Rhoden, VP of Operations

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, THE DENISON DEVELOPMENT ALLIANCE WILL PROVIDE FOR REASONABLE ACCOMMODATIONS FOR PERSONS ATTENDING THE BOARD MEETING. TO BETTER SERVE YOU, REQUESTS SHOULD BE RECEIVED 48 HOURS PRIOR TO THE MEETING. PLEASE CONTACT THE VP OF OPERATION'S OFFICE AT 903.464.0883.



**MINUTES OF MEETING
THURSDAY, JUNE 15, 2017, 4:00 P.M.
DENISON DEVELOPMENT ALLIANCE
311 W. WOODARD STREET, DENISON, TEXAS**

MEMBERS PRESENT: Matthew Looney, David Spindle, Robert Sylvester

MEMBERS ABSENT: Robert Brady, Richard Munson

STAFF PRESENT: Tony Kaai, CECD – President, Loretta Rhoden – VP of Operations, William Myers – VP of Business Development

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:01 P.M.

- I. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD MAY 18, 2017:** Reviewed by members. Robert Sylvester motioned to approve the minutes as submitted. Matthew Looney seconded. Motion was unanimously approved.
- II. REVIEW MONTHLY INVESTMENT REPORT:** Loretta Rhoden reported to members the only changes to this month's investment report was the accrued interest and obligated incentive payments made during the month. Reviewed by Board members. No action needed.
- III. MONTHLY STAFF REPORT:** Presented by DDA staff members. No action needed.

ANNOUNCEMENT BY PRESIDING OFFICER: "As authorized by Article 551.087 of the Texas Government Code, the Denison Development Alliance adjourned into closed Executive Session on the 15th day of June, 2017, at 4:18 P.M. to consider the following:

- I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**
Consider incentives, if any, for Projects: DAN, SWAG, IMAGE, JV and HOUSING.

Following the closed Executive Session the Board reconvened in open and public session at 4:51 P.M.

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Consider incentives, if any, for Projects: DAN, SWAG, IMAGE, JV and HOUSING.

No action taken.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:51 P.M.

David Spindle, Chairman

Date Approved

Denison Development Alliance

Financial Statements

May 31, 2017

See Independent Accountant's Compilation Report
Veronica Brown Davis, CPA

Veronica Brown Davis, CPA

123 W. Main PO Box 1218 Denison, TX 75021-1218
Phone 903-463-3765 Fax 903-463-7262

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Denison Development Alliance
Denison, Texas

Management is responsible for the accompanying financial statements of the Denison Development Alliance (a nonprofit organization and component unit of the City of Denison, Texas), which comprise the statement of financial position as of May 31, 2017, and the related statements of activities, budgeted and actual, for the one month and year-to-date then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying budget of the Denison Development Alliance for the one month and eight months ended May 31, 2017, have not been compiled or examined by me and, accordingly, I do not express an opinion or any other form of assurance on it.

Management has elected to omit the statement of cash flows, and substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statement and disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Management has also elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the organization's budgeted information. Accordingly, these financial statements and budget information are not designed for those who are not informed about such matters.

As explained in note 2 to the financial statements, generally accepted accounting principles require that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase to reduction of a liability. The organization's management has elected to budget current year loan proceeds as income and certain capital purchases and loan payments as expenses. The effect of these departures from generally accepted accounting principles on financial position and results of operations has not been determined.

Veronica Brown Davis, CPA

Denison, Texas
June 12, 2017

**Denison Development Alliance
Statement of Financial Position
May 31, 2017**

ASSETS

Current Assets

Cash on hand	\$	174.66
Checking account		33,074.16
Money market account		1,663,900.82
MMA 4416 - Def Comp		296,059.90
Sales tax receivable		<u>134,583.33</u>

Total Current Assets

\$ 2,127,792.87

Fixed Assets

Equipment	\$	31,804.92
---less depreciation		(31,804.92)
 Furniture & fixtures		 6,125.94
---less depreciation		(6,125.94)
 Buildings		 4,243,974.77
---less depreciation		(1,264,030.40)
 Leasehold improvements		 51,916.64
---less depreciation		(20,249.73)
 Ind Park Infrs/streets		 186,608.00
---less depreciation		(26,125.15)
 Land		 437,842.73
Hwy 75/84 Property		1,250,000.00
 Land improvements		 192,564.42
--- less depreciation		<u>(11,553.86)</u>

Total Fixed Assets

5,040,947.42

Total Assets

\$ 7,168,740.29

**Denison Development Alliance
Statement of Financial Position
May 31, 2017**

LIABILITIES AND NET ASSETS

Current Liabilities

Security Deposit - Florestone	\$	67,702.46
Payroll taxes payable		8.66
Accrued Interest Payable		8,114.98
Deferred Revenue		33,851.23
Accrued Deferred Compensation		208,143.87
CP - Note Pay - ABT Florestone		388,233.81
CP- Woodforest Nat. Bank		<u>64,000.00</u>

Total Current Liabilities \$ 770,055.01

Long-term Liabilities

American Bank- Florestone Note	1,399,931.83
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(452,233.81)</u>

Total Long-term Liabilities \$ 1,516,698.02

Net Assets

Unrestricted	2,842,752.88
Restricted for long-term debt	13,352.00
Net invested in capital assets	1,767,626.00
Current yr rev over(under) expenses	<u>258,256.38</u>

Total Net Assets 4,881,987.26

Total Liabilities & Net Assets \$ 7,168,740.29

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended May 31, 2017

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
Revenues							
4a Sales Tax Revenue	\$ 134,583.33	\$ 124,329.00	\$ 10,254.33	\$ 989,177.59	\$ 994,632.00	\$ (5,454.41)	\$ 1,491,948.00
Billboard Reimbursement	1,666.00	-	1,666.00	13,328.00	-	13,328.00	-
Interest Income	332.45	181.08	151.37	1,916.69	1,448.67	468.02	2,173.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	270,809.84	270,809.33	0.51	406,214.00
Property Tax Income - Florestone		7,933.75	(7,933.75)	94,285.97	63,470.00	30,815.97	95,205.00
Total Revenues	\$ 170,433.01	\$ 166,295.00	\$ 4,138.01	\$ 1,369,518.09	\$ 1,330,360.00	\$ 39,158.09	\$ 1,995,540.00
Expenses							
Administrative							
Annual Meeting (Summit)		\$ 833.33	\$ 833.33	\$ 4,872.88	\$ 6,666.67	\$ 1,793.79	\$ 10,000.00
Audit/Accounting	475.00	1,358.33	883.33	13,761.94	10,866.67	(2,895.27)	16,300.00
Automotive Allowance	463.33	950.00	486.67	6,773.59	7,600.00	826.41	11,400.00
Bank Fees		4.17	4.17	-	33.33	33.33	50.00
Computer Expenses	104.99	333.33	228.34	2,726.41	2,666.67	(59.74)	4,000.00
Consultant Fees	7,390.00	4,166.67	(3,223.33)	20,310.00	33,333.33	13,023.33	50,000.00
Copier/Maintenance	65.52	50.00	(15.52)	540.05	400.00	(140.05)	600.00
Deferred Compensation Trust		2,083.33	2,083.33	-	16,666.67	16,666.67	25,000.00
Employee Insurance	2,176.62	2,597.50	420.88	17,090.81	20,780.00	3,689.19	31,170.00
Equip Rent/Maint/Purchase	17.99	100.00	82.01	704.69	800.00	95.31	1,200.00
Janitorial/Office Maintenance	90.00	83.33	(6.67)	1,658.60	666.67	(991.93)	1,000.00
Legal Services	7,340.90	416.67	(6,924.23)	7,340.90	3,333.33	(4,007.57)	5,000.00
Liability Insurance		441.67	441.67	2,173.00	3,533.33	1,360.33	5,300.00
Meeting Refreshments	174.67	116.67	(58.00)	1,074.58	933.33	(141.25)	1,400.00
Miscellaneous Expense		125.00	125.00	374.12	1,000.00	625.88	1,500.00
Office Furnishings	211.09	83.33	(127.76)	472.59	666.67	194.08	1,000.00
Office Lease	1,291.40	1,291.42	0.02	10,331.20	10,331.33	0.13	15,497.00
Office Supplies	81.96	458.33	376.37	2,453.04	3,666.67	1,213.63	5,500.00
Payroll Taxes	1,769.20	1,852.58	83.38	16,157.34	14,820.67	(1,336.67)	22,231.00
Postage	338.04	183.33	(154.71)	1,878.52	1,466.67	(411.85)	2,200.00
Professional Development	434.80	1,083.33	648.53	9,271.62	8,666.67	(604.95)	13,000.00
Retirement	3,869.29	3,204.67	(664.62)	15,384.79	25,637.33	10,252.54	38,456.00
Salaries	23,888.53	23,890.33	1.80	175,905.13	191,122.67	15,217.54	286,684.00
Subscriptions/Dues	315.25	129.58	(185.67)	1,627.23	1,036.67	(590.56)	1,555.00
Telephone/Communications	404.53	710.25	305.72	5,784.79	5,682.00	(102.79)	8,523.00
Travel	115.13	250.00	134.87	1,861.95	2,000.00	138.05	3,000.00
Utilities	393.04	575.50	182.46	2,944.16	4,604.00	1,659.84	6,906.00
Workers Comp	817.00	81.42	(735.58)	817.00	651.33	(165.67)	977.00
Subtotal Administrative	52,228.28	47,454.07	(4,774.21)	324,290.93	379,632.68	55,341.75	569,449.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended May 31, 2017

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
Program Expenses							
Briefing Center Equipment/Presentations		\$ 291.67	\$ 291.67	\$ 5,128.28	\$ 2,333.33	\$ (2,794.95)	\$ 3,500.00
ESRI Business Analyst		250.00	250.00	3,600.00	2,000.00	(1,600.00)	3,000.00
Geographic Information System		729.17	729.17	-	5,833.33	5,833.33	8,750.00
Retail Lease Trac		100.00	100.00	-	800.00	800.00	1,200.00
Retail Market Analysis		416.67	416.67	-	3,333.33	3,333.33	5,000.00
Workforce Development	3,132.50	8,041.67	4,909.17	19,098.45	64,333.33	45,234.88	96,500.00
Subtotal Program Exp.	3,132.50	9,829.18	6,696.68	27,826.73	78,633.32	50,806.59	117,950.00
Property Mgmt. Expenses							
Business Park Note (75/84)		-	-	-	-	-	-
Florestone Building (Interest on Note)	8,347.93	39,489.92	31,141.99	81,690.15	315,919.33	234,229.18	473,879.00
Florestone Insurance (Liability)		32.92	32.92	-	263.33	263.33	395.00
Florestone Bldg. Taxes (Property)		7,933.75	7,933.75	94,285.97	63,470.00	(30,815.97)	95,205.00
Industrial Park/30 Acres Maint.	3,300.00	583.33	(2,716.67)	8,380.00	4,666.67	(3,713.33)	7,000.00
Subtotal Property Mgmt. Exp.	11,647.93	48,039.92	36,391.99	184,356.12	384,319.33	199,963.21	576,479.00
Marketing							
Materials/Activities							
Advertising	174.62	1,666.67	1,492.05	4,362.08	13,333.33	8,971.25	20,000.00
Behavioral Marketing		2,083.33	2,083.33	4,500.00	16,666.67	12,166.67	25,000.00
Billboard (Hwy 75)	175.25	25.00	(150.25)	175.25	200.00	24.75	300.00
Business Retention Activities		250.00	250.00	325.14	2,000.00	1,674.86	3,000.00
Corporate Visitation		250.00	250.00	-	2,000.00	2,000.00	3,000.00
Direct Mail Program		166.67	166.67	-	1,333.33	1,333.33	2,000.00
Mailing Lists		166.67	166.67	-	1,333.33	1,333.33	2,000.00
Maps & Photos		416.67	416.67	325.51	3,333.33	3,007.82	5,000.00
Meeting Expense	54.15	250.00	195.85	914.57	2,000.00	1,085.43	3,000.00
Meeting Sponsorship		208.33	208.33	774.62	1,666.67	892.05	2,500.00
NTRA Cooperative Advertising		2,750.00	2,750.00	16,500.00	22,000.00	5,500.00	33,000.00
PR Firm	361.90	833.33	471.43	2,823.57	6,666.67	3,843.10	10,000.00
Prospect Hosting	89.84	250.00	160.16	994.59	2,000.00	1,005.41	3,000.00
Recruitment Missions		5,000.00	5,000.00	1,186.07	40,000.00	38,813.93	60,000.00
Special Events	678.86	416.67	(262.19)	4,167.27	3,333.33	(833.94)	5,000.00
Team Texas/DFW Marketing		1,666.67	1,666.67	4,813.23	13,333.33	8,520.10	20,000.00
Trade Shows		250.00	250.00	1,788.36	2,000.00	211.64	3,000.00
Website Update		2,083.33	2,083.33	-	16,666.67	16,666.67	25,000.00
Website/Email Hosting	39.80	133.33	93.53	1,303.50	1,066.67	(236.83)	1,600.00
Subtotal Marketing	1,574.42	18,866.67	17,292.25	44,953.76	150,933.33	105,979.57	226,400.00
Total Admin, Prog., Mgmt, & Mkt	68,583.13	124,189.84	55,606.71	581,427.54	993,518.66	412,091.12	1,490,278.00
Revenue over (under) expenses after administration, property management, and marketing	101,849.88	42,105.16	59,744.72	788,090.55	336,841.34	451,249.21	505,262.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended May 31, 2017

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
One-Time Expenses/Obligated Incentives							
Downtown TIF/Planning		\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	\$ 40,000.00	\$ (20,000.00)	\$ 60,000.00
Gas Line Extension (75/91)		6,676.17	6,676.17	200.00	53,409.33	53,209.33	80,114.00
Infrastructure (Morton Overpass)	305,050.00	33,333.33	(271,716.67)	318,508.77	266,666.67	(51,842.10)	400,000.00
Facade Incentive		4,166.67	4,166.67	7,232.51	33,333.33	26,100.82	50,000.00
Bent Leaf, LLC		1,516.67	1,516.67	8,550.00	12,133.33	3,583.33	18,200.00
Hilton Garden Inn/Texoma Event Center		4,166.67	4,166.67	-	33,333.33	33,333.33	50,000.00
National Govt. Services Incentive		6,419.58	6,419.58	24,581.40	51,356.67	26,775.27	77,035.00
Novo1/Dialog Direct Incentives		2,160.42	2,160.42	-	17,283.33	17,283.33	25,925.00
Ruiz Foods Incentive		2,170.00	2,170.00	-	17,360.00	17,360.00	26,040.00
Texas Turbines, Inc. Incentive		-	-	-	-	-	-
US Aviation Group Incentives		2,799.00	2,799.00	33,587.89	22,392.00	(11,195.89)	33,588.00
Subtotal one-time expenses	305,050.00	68,408.51	(236,641.49)	452,660.57	547,268.00	94,607.42	820,902.00
Revenue (over) under before other non-budgeted items	(203,200.12)	(26,303.35)	(176,896.77)	335,429.98	(210,426.66)	545,856.63	(315,640.00)
Depreciation	10,128.11	-	(10,128.11)	77,173.60	-	(77,173.60)	-
Revenue(over) under expenses	\$ (213,328.23)	\$ (26,303.35)	\$ (187,024.88)	\$ 258,256.38	\$ (210,426.66)	\$ 468,683.03	\$ (315,640.00)

DENISON DEVELOPMENT ALLIANCE
Selected Information
Substantially All Disclosures Required by Accounting Principles
Generally Accepted in the United States are Not Included
May 31, 2017

Note 1 - Organization and Business

Business and Industrial Corporation of Denison, Inc. is a component unit of the City of Denison, Texas, doing business as Denison Development Alliance. Their mission is to stimulate growth of the local economy by locating, inducing and assisting businesses making investment decisions.

Note 2 - Accounting Policies

The financial statements have been prepared on the accrual basis of accounting.

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The basis of accounting used by the organization requires that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase in or reduction of a liability. The organization's budgeted revenues and expenses include loan proceeds as revenue and capital improvements and loan payments as expenses.

Denison Development Alliance

Financial Statements

June 30, 2017

Veronica Brown Davis, CPA

123 W. Main PO Box 1218 Denison, TX 75021-1218
Phone 903-463-3765 Fax 903-463-7262

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Denison Development Alliance
Denison, Texas

Management is responsible for the accompanying financial statements of the Denison Development Alliance (a nonprofit organization and component unit of the City of Denison, Texas), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, budgeted and actual, for the one month and year-to-date then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying budget of the Denison Development Alliance for the one month and nine months ended June 30, 2017, have not been compiled or examined by me and, accordingly, I do not express an opinion or any other form of assurance on it.

Management has elected to omit the statement of cash flows, and substantially all of the disclosures required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted statement and disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Management has also elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the organization's budgeted information. Accordingly, these financial statements and budget information are not designed for those who are not informed about such matters.

As explained in note 2 to the financial statements, generally accepted accounting principles require that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase to reduction of a liability. The organization's management has elected to budget current year loan proceeds as income and certain capital purchases and loan payments as expenses. The effect of these departures from generally accepted accounting principles on financial position and results of operations has not been determined.

Veronica Brown Davis, CPA

Denison, Texas
July 12, 2017

**Denison Development Alliance
Statement of Financial Position
June 30, 2017**

ASSETS

Current Assets

Cash on hand	\$	174.66
Checking account		86,917.71
Money market account		1,614,081.33
MMA 4416 - Def Comp		296,092.75
Accounts Receivable		240.00
Sales tax receivable		<u>137,083.36</u>

Total Current Assets \$ 2,134,589.81

Fixed Assets

Equipment	\$	31,804.92
---less depreciation		(31,804.92)
Furniture & fixtures		6,125.94
---less depreciation		(6,125.94)
Buildings		4,243,974.77
---less depreciation		(1,272,872.01)
Leasehold improvements		51,916.64
---less depreciation		(20,417.90)
Ind Park Infrs/streets		186,608.00
---less depreciation		(26,280.66)
Land		437,842.73
Hwy 75/84 Property		1,250,000.00
Land improvements		192,564.42
--- less depreciation		<u>(12,516.68)</u>

Total Fixed Assets 5,030,819.31

Total Assets \$ 7,165,409.12

**Denison Development Alliance
Statement of Financial Position
June 30, 2017**

LIABILITIES AND NET ASSETS

Current Liabilities

Security Deposit - Florestone	\$	67,702.46
Payroll taxes payable		202.85
Accrued Interest Payable		8,114.98
Accrued Deferred Compensation		208,143.87
CP - Note Pay - ABT Florestone		390,498.51
CP- Woodforest Nat. Bank		<u>64,000.00</u>

Total Current Liabilities \$ 738,662.67

Long-term Liabilities

American Bank- Florestone Note	1,368,886.48
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(454,498.51)</u>

Total Long-term Liabilities \$ 1,483,387.97

Net Assets

Unrestricted	2,842,752.88
Restricted for long-term debt	13,352.00
Net invested in capital assets	1,767,626.00
Current yr rev over(under) expenses	<u>319,627.60</u>

Total Net Assets 4,943,358.48

Total Liabilities & Net Assets \$ 7,165,409.12

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended June 30, 2017

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
Revenues							
4a Sales Tax Revenue	\$ 137,083.36	\$ 124,329.00	\$ 12,754.36	\$ 1,126,260.95	\$ 1,118,961.00	\$ 7,299.95	\$ 1,491,948.00
Billboard Reimbursement	1,666.00	-	1,666.00	14,994.00	-	14,994.00	-
Interest Income	213.36	181.08	32.28	2,130.05	1,629.75	500.30	2,173.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	304,661.07	304,660.50	0.57	406,214.00
Property Tax Income - Florestone	-	7,933.75	(7,933.75)	94,285.97	71,403.75	22,882.22	95,205.00
Total Revenues	\$ 172,813.95	\$ 166,295.00	\$ 6,518.95	\$ 1,542,332.04	\$ 1,496,655.00	\$ 45,677.04	\$ 1,995,540.00
Expenses							
Administrative							
Annual Meeting (Summit)	\$ -	\$ 833.33	\$ 833.33	\$ 4,872.88	\$ 7,500.00	\$ 2,627.12	\$ 10,000.00
Audit/Accounting	475.00	1,358.33	883.33	14,236.94	12,225.00	(2,011.94)	16,300.00
Automotive Allowance	1,568.19	950.00	(618.19)	8,341.78	8,550.00	208.22	11,400.00
Bank Fees	-	4.17	4.17	-	37.50	37.50	50.00
Computer Expenses	57.34	333.33	275.99	2,783.75	3,000.00	216.25	4,000.00
Consultant Fees	-	4,166.67	4,166.67	20,310.00	37,500.00	17,190.00	50,000.00
Copier/Maintenance	51.74	50.00	(1.74)	591.79	450.00	(141.79)	600.00
Deferred Compensation Trust	-	2,083.33	2,083.33	-	18,750.00	18,750.00	25,000.00
Employee Insurance	2,322.51	2,597.50	274.99	19,413.32	23,377.50	3,964.18	31,170.00
Equip Rent/Maint/Purchase	35.98	100.00	64.02	740.67	900.00	159.33	1,200.00
Janitorial/Office Maintenance	90.00	83.33	(6.67)	1,748.60	750.00	(998.60)	1,000.00
Legal Services	-	416.67	416.67	7,340.90	3,750.00	(3,590.90)	5,000.00
Liability Insurance	-	441.67	441.67	2,173.00	3,975.00	1,802.00	5,300.00
Meeting Refreshments	174.72	116.67	(58.05)	1,249.30	1,050.00	(199.30)	1,400.00
Miscellaneous Expense	8,020.35	125.00	(7,895.35)	8,394.47	1,125.00	(7,269.47)	1,500.00
Office Furnishings	58.54	83.33	24.79	531.13	750.00	218.87	1,000.00
Office Lease	1,291.40	1,291.42	0.02	11,622.60	11,622.75	0.15	15,497.00
Office Supplies	1,925.27	458.33	(1,466.94)	4,378.31	4,125.00	(253.31)	5,500.00
Payroll Taxes	1,869.00	1,852.58	(16.42)	18,026.34	16,673.25	(1,353.09)	22,231.00
Postage	444.00	183.33	(260.67)	2,322.52	1,650.00	(672.52)	2,200.00
Professional Development	1,100.98	1,083.33	(17.65)	10,372.60	9,750.00	(622.60)	13,000.00
Retirement	3,157.30	3,204.67	47.37	18,542.09	28,842.00	10,299.91	38,456.00
Salaries	24,226.78	23,890.33	(336.45)	200,131.91	215,013.00	14,881.09	286,684.00
Subscriptions/Dues	377.00	129.58	(247.42)	2,004.23	1,166.25	(837.98)	1,555.00
Telephone/Communications	1,044.26	710.25	(334.01)	6,829.05	6,392.25	(436.80)	8,523.00
Travel	307.64	250.00	(57.64)	2,169.59	2,250.00	80.41	3,000.00
Utilities	708.85	575.50	(133.35)	3,653.01	5,179.50	1,526.49	6,906.00
Workers Comp	-	81.42	81.42	817.00	732.75	(84.25)	977.00
Subtotal Administrative	49,306.85	47,454.07	(1,852.78)	373,597.78	427,086.75	53,488.97	569,449.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended June 30, 2017

	Current Month	Current Month Budget	Variance	YTD Actual	YTD Budget	YTD Variance	Annual Budget
Program Expenses							
Briefing Center Equipment/Presentations	\$ -	\$ 291.67	\$ 291.67	\$ 5,128.28	\$ 2,625.00	\$ (2,503.28)	\$ 3,500.00
ESRI Business Analyst	-	250.00	250.00	3,600.00	2,250.00	(1,350.00)	3,000.00
Geographic Information System	-	729.17	729.17	-	6,562.50	6,562.50	8,750.00
Retail Lease Trac	-	100.00	100.00	-	900.00	900.00	1,200.00
Retail Market Analysis	-	416.67	416.67	-	3,750.00	3,750.00	5,000.00
Workforce Development	5,493.97	8,041.67	2,547.70	24,592.42	72,375.00	47,782.58	96,500.00
Subtotal Program Exp.	5,493.97	9,829.18	4,335.21	33,320.70	88,462.50	55,141.80	117,950.00
Property Mgmt. Expenses							
Business Park Note (75/84)	-	-	-	-	-	-	-
Floestone Building (Interest on Note)	8,444.54	39,489.92	31,045.38	90,134.69	355,409.25	265,274.56	473,879.00
Floestone Insurance (Liability)	-	32.92	32.92	-	296.25	296.25	395.00
Floestone Bldg. Taxes (Property)	-	7,933.75	7,933.75	94,285.97	71,403.75	(22,882.22)	95,205.00
Industrial Park/30 Acres Maint.	-	583.33	583.33	8,380.00	5,250.00	(3,130.00)	7,000.00
Subtotal Property Mgmt. Exp.	8,444.54	48,039.92	39,595.38	192,800.66	432,359.25	239,558.59	576,479.00
Marketing							
Materials/Activities							
Advertising	449.34	1,666.67	1,217.33	4,811.42	15,000.00	10,188.58	20,000.00
Behavioral Marketing	-	2,083.33	2,083.33	4,500.00	18,750.00	14,250.00	25,000.00
Billboard (Hwy 75)	-	25.00	25.00	175.25	225.00	49.75	300.00
Business Retention Activities	-	250.00	250.00	325.14	2,250.00	1,924.86	3,000.00
Corporate Visitation	-	250.00	250.00	-	2,250.00	2,250.00	3,000.00
Direct Mail Program	-	166.67	166.67	-	1,500.00	1,500.00	2,000.00
Mailing Lists	-	166.67	166.67	-	1,500.00	1,500.00	2,000.00
Maps & Photos	336.66	416.67	80.01	662.17	3,750.00	3,087.83	5,000.00
Meeting Expense	151.27	250.00	98.73	1,065.84	2,250.00	1,184.16	3,000.00
Meeting Sponsorship	-	208.33	208.33	774.62	1,875.00	1,100.38	2,500.00
NTRA Cooperative Advertising	8,250.00	2,750.00	(5,500.00)	24,750.00	24,750.00	-	33,000.00
PR Firm	-	833.33	833.33	2,823.57	7,500.00	4,676.43	10,000.00
Prospect Hosting	321.31	250.00	(71.31)	1,315.90	2,250.00	934.10	3,000.00
Recruitment Missions	-	5,000.00	5,000.00	1,186.07	45,000.00	43,813.93	60,000.00
Special Events	86.80	416.67	329.87	4,254.07	3,750.00	(504.07)	5,000.00
Team Texas/DFW Marketing	-	1,666.67	1,666.67	4,813.23	15,000.00	10,186.77	20,000.00
Trade Shows	-	250.00	250.00	1,788.36	2,250.00	461.64	3,000.00
Website Update	-	2,083.33	2,083.33	-	18,750.00	18,750.00	25,000.00
Website/Email Hosting	125.49	133.33	7.84	1,428.99	1,200.00	(228.99)	1,600.00
Subtotal Marketing	9,720.87	18,866.67	9,145.80	54,674.63	169,800.00	115,125.37	226,400.00
Total Admin, Prog., Mgmt, & Mkt	72,966.23	124,189.84	51,223.61	654,393.77	1,117,708.50	463,314.73	1,490,278.00
Revenue over (under) expenses after administration, property management, and marketing	99,847.72	42,105.16	57,742.56	887,938.27	378,946.50	508,991.77	505,262.00

Denison Development Alliance
Statement of Activities - Budgeted and Actual
For the One Month and Year to Date Periods Ended June 30, 2017

	Current Month	Current Month <u>Budget</u>	<u>Variance</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD <u>Variance</u>	Annual <u>Budget</u>
One-Time Expenses/Obligated Incentives							
Downtown TIF/Planning	-	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	\$ 45,000.00	\$ (15,000.00)	\$ 60,000.00
Gas Line Extension (75/91)	-	6,676.17	6,676.17	200.00	60,085.50	59,885.50	80,114.00
Infrastructure (Morton Overpass)	-	33,333.33	33,333.33	318,508.77	300,000.00	(18,508.77)	400,000.00
Facade Incentive	3,000.00	4,166.67	1,166.67	10,232.51	37,500.00	27,267.49	50,000.00
Bent Leaf, LLC	-	1,516.67	1,516.67	8,550.00	13,650.00	5,100.00	18,200.00
Hilton Garden Inn/Texoma Event Center	-	4,166.67	4,166.67	-	37,500.00	37,500.00	50,000.00
National Govt. Services Incentive	25,348.39	6,419.58	(18,928.81)	49,929.79	57,776.25	7,846.46	77,035.00
Novo1/Dialog Direct Incentives	-	2,160.42	2,160.42	-	19,443.75	19,443.75	25,925.00
Ruiz Foods Incentive	-	2,170.00	2,170.00	-	19,530.00	19,530.00	26,040.00
Texas Turbines, Inc. Incentive	-	-	-	-	-	-	-
US Aviation Group Incentives	-	2,799.00	2,799.00	33,587.89	25,191.00	(8,396.89)	33,588.00
Subtotal one-time expenses	28,348.39	68,408.51	40,060.12	481,008.96	615,676.50	134,667.54	820,902.00
Revenue (over) under before other non-budgeted items	71,499.33	(26,303.35)	97,802.68	406,929.31	(236,730.00)	643,659.31	(315,640.00)
Depreciation	10,128.11	-	(10,128.11)	87,301.71	-	(87,301.71)	-
Revenue(over) under expenses	\$ 61,371.22	\$ (26,303.35)	\$ 87,674.57	\$ 319,627.60	\$ (236,730.00)	\$ 556,357.60	\$ (315,640.00)

DENISON DEVELOPMENT ALLIANCE
Selected Information
Substantially All Disclosures Required by Accounting Principles
Generally Accepted in the United States are Not Included
June 30, 2017

Note 1 - Organization and Business

Business and Industrial Corporation of Denison, Inc. is a component unit of the City of Denison, Texas, doing business as Denison Development Alliance. Their mission is to stimulate growth of the local economy by locating, inducing and assisting businesses making investment decisions.

Note 2 - Accounting Policies

The financial statements have been prepared on the accrual basis of accounting.

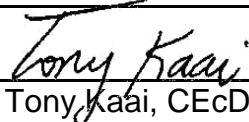
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

The basis of accounting used by the organization requires that fixed assets be capitalized and depreciated over their estimated useful lives, and that loan proceeds and repayments be reported as an increase in or reduction of a liability. The organization's budgeted revenues and expenses include loan proceeds as revenue and capital improvements and loan payments as expenses.

**Investment Report
Denison Development Alliance
June 30, 2017**

Bank/Money Market	Type	Date Opened	Maturity Date	Current Yield	Beginning Balance	Accrued Interest	Ending Balance
American Bank Checking	Commercial Checking			0.000	\$347,373.41	\$0.00	\$91,715.18
American Bank of Texas	Money Market	10/27/03		0.150	\$1,663,900.82	\$180.51	\$1,614,081.33
American Bank of Texas	Deferred Comp Trust MM	10/01/11		0.150	\$296,059.90	\$32.85	\$296,092.75
Total							\$2,001,889.26

<i>October 2016 Total</i>	<i>\$1,936,828.02</i>
<i>November 2016 Total</i>	<i>\$1,984,268.74</i>
<i>December 2016 Total</i>	<i>\$1,882,995.48</i>
<i>January 2017 Total</i>	<i>\$2,091,753.00</i>
<i>February 2017 Total</i>	<i>\$1,933,106.58</i>
<i>March 2017 Total</i>	<i>\$2,060,898.38</i>
<i>April 2017 Total</i>	<i>\$2,174,138.72</i>
<i>May 2017 Total</i>	<i>\$2,307,334.13</i>
<i>June 2017 Total</i>	<i>\$2,001,889.26</i>
<i>July 2017 Total</i>	
<i>August 2017 Total</i>	
<i>September 2017 Total</i>	


 Tony Kaai, CECD
 President



The logo features a stylized green leaf above a blue wave, with the word "Denison" in a large, black, cursive font and "DEVELOPMENT ALLIANCE" in a smaller, green, sans-serif font below it.

Denison

DEVELOPMENT ALLIANCE

Employee Handbook



Revised: July 2017

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EMPLOYEE ACKNOWLEDGEMENT FORM

The Denison Development Alliance (the "DDA") Employee Handbook describes important information about the DDA's personnel policies and procedures, and I understand that I should consult the VP of Operations and/or the President regarding any questions not answered in the Employee Handbook. I have entered into my employment relationship with DDA voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or DDA can terminate the relationship at will, with or without cause, at any time.

With the exception of the DDA's employment-at-will policy, all of the information, policies, and benefits described in the Employee Handbook are subject to change. I understand that revised information may supersede, modify, or eliminate existing policies. In the event of a conflict, I understand that the Employee Handbook supersedes all department policies. I agree that any conflicts or ambiguities in DDA policies and procedures will be decided by the President.

I have received the Employee Handbook, and I understand that it is my responsibility to read and comply with the policies contained in it and any revisions made to it. I also understand that the policies in this Employee Handbook supersede all prior written and/or oral DDA policies.

I also acknowledge receipt of the following items:

- | | |
|--|---|
| <input type="checkbox"/> RETIREMENT PROGRAM SUMMARY (If Applicable) | <input type="checkbox"/> DRUG FREE WORKPLACE FORM |
| <input type="checkbox"/> EMERGENCY PROCEDURES | <input type="checkbox"/> WORKMAN'S COMPENSATION SUMMARY |
| <input type="checkbox"/> KEY TO FACILITIES (If Applicable) | <input type="checkbox"/> EMPLOYEE HANDBOOK |
| <input type="checkbox"/> MEDICAL INSURANCE CERTIFICATION (If Applicable) | <input type="checkbox"/> EMPLOYEE ACKNOWLEDGMENT FORM |
| <input type="checkbox"/> MEDICAL PLAN SUMMARY (If Applicable) | <input type="checkbox"/> CONFIDENTIALLY AGREEMENT |
| <input type="checkbox"/> PROGRAM OF WORK | <input type="checkbox"/> ANNUAL BUDGET |

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (TYPED OR PRINTED)

VP OF OPERATION'S SIGNATURE

DATE

SECTION I

GOVERNING PRINCIPLES OF EMPLOYMENT

1.1 INTRODUCTION

This Employee Handbook is designed to acquaint you with the Denison Development Alliance (the "DDA") and provide you with information about working conditions, employee benefits, and some of the other policies affecting your employment. You are expected to read, understand, and comply with all provisions of the Employee Handbook. It describes many of your responsibilities as an employee and outlines many of the programs provided by the DDA to benefit employees.

The policies set forth in this Employee Handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between the DDA and any of its employees. Furthermore, nothing herein may be construed to constitute a waiver of employment at-will and the Denison Development Alliance specifically expresses its intent to continue its status as an at-will employer. The provisions of the Employee Handbook have been developed at the discretion of Board of Directors and, except for its policy of employment at will, may be amended or canceled at any time, at the Board's sole discretion. The policies in this Employee Handbook supersede all prior written and/or oral DDA policies. If you have any questions about any of DDA's policies, please ask the VP of Operations or the President.

The policies in this Handbook are established by the Denison Development Alliance Board of Directors and any amended, revised, or new policies must be approved by the Board of Directors. These policies apply to all DDA employees unless specified otherwise by the policy itself, by State or Federal law, or official Board action.

A copy of the Employee Handbook shall be issued to each full-time DDA employee. Part-time, temporary, and seasonal employees are not eligible for full-time benefits or classified pay plan status. All employees are required to be knowledgeable and familiar with the policies contained in this Handbook. This Handbook shall supersede all previous publications of the Denison Development Alliance Personnel Policy Manual. Each employee shall sign a form acknowledging receipt of this policy and the signed form shall be retained in the employee's personnel file.

1.2 MISSION STATEMENT

The mission of the Denison Development Alliance is to stimulate growth of the area economy by locating, inducing and assisting businesses making investment decisions. Success will provide investment and job opportunities, equitable income for area residents, and enhance the community's ability to provide quality public services. Together, this will provide a climate for a better quality of life for the citizens of the Denison area.

1.3 THE ORGANIZATION

The Denison Development Alliance (DDA) is a public instrumentality and a nonprofit corporation created under Section 4A of the Development Corporation Act of 1979, Article 5190.6 of the Revised Civil Statutes of Texas, as amended.

The DDA is organized exclusively for the purpose of benefiting the City of Denison, Texas by promoting, assisting and enhancing industrial development activities for the City. It shall develop and implement a competitive industrial development program for Denison which will: encourage expansion of existing industries and establishment of new industries; maintain existing jobs and create new permanent jobs; increase the number and size of minority and women-owned industries; and strengthen the technical skills of the labor force. The Corporation has no members and is a non-stock corporation.

The Denison Development Alliance works in a public/private partnership with the Denison Development Foundation promoting commercial and industrial progress. In general terms, the DDA is a clearinghouse of community, state, and business information. Any individual or company who desires information about any aspect of doing business in Texas or Denison can contact the DDA.

A five member Board of Directors appointed by the Mayor and City Council manages the affairs of the DDA. All voting rights shall be vested solely in the Board, whose members serve without compensation.

The policies of the Denison Development Alliance shall be administered with a positive attitude. It is the responsibility of the President to ensure affirmative implementation of these policies to avoid any discrimination in employment.

DDA maintains an office location at 311 West Woodard Street, Denison, Texas 75020. The Postal Service requests that DDA's address look like this:

DENISON DEVELOPMENT ALLIANCE
311 W WOODWARD ST
DENISON, TX 75020

1.4 EMPLOYMENT AT WILL

Employees who do not have a written, individual employment contract, approved by the DDA Board of Directors are employed at will. As an at-will employee, either the employee or DDA may terminate the employment relationship at any time, for any reason, without notice or cause.

Although adherence to these policies is considered a condition of continued employment, nothing in these policies alters an employee's at-will status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the DDA retains the right to terminate any employee at any time, for any or no reason.

The President, with the approval of the Board, has the sole responsibility for hiring.

1.5 TRAINING PERIOD

Each employee will serve in a training period for the first three calendar months of employment. The initial three month period following employment or placement in a new position is considered an evaluation period. This is a period of adjustment and adaptation on a personal level and a job requirement level. The employee is expected to meet or exceed minimal requirements of the position during this period. If, during this period, the employee fails to meet the minimal requirements of the position, the employee will be terminated.

1.6 POLITICAL ACTIVITY

Denison Development Alliance employees will not be appointed or retained on the basis of their political support or activities. DDA employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies. DDA employees may not:

- Publicly endorse or campaign in any manner for any person seeking public office for the City of Denison while on duty.
- Use his or her position or office to coerce political support from employees or citizens.
- Use his or her official authority or influence to interfere with or affect the result of a campaign issue, an election or nomination for public office.
- Make, solicit or receive any contribution to the campaign funds of any candidate, directly or indirectly through an organization or association, for the DDA or take any part in the management, affairs or political campaign of any such candidate while providing services in course of scope of their duties. This includes federal and state political activity and campaigning. Nothing herein is intended to infringe upon the constitutional rights of an employee to express his or her opinions and to cast his/her vote.
- Use working hours or DDA property to be in any way concerned with soliciting or receiving any subscription, contribution or political service to circulate petitions or campaign literature on behalf of an election issue or candidate for public office in any jurisdiction.
- Contribute money, labor, time or other valuable thing to any person for DDA election purposes.
- Hold an appointive or elective office of public trust where service would constitute a direct conflict of interest with DDA employment, e.g. City of Denison City Council or Grayson County governmental office. Upon becoming a candidate or otherwise deciding to seek or assume such an office, an employee must immediately resign or will be terminated upon failure to do so.

1.7 CONFLICT OF INTEREST

It is the policy of the Denison Development Alliance that all employees conduct their business affairs in such a manner and with such ethics and integrity that no conflict of interest, real or implied, could be misconstrued.

A conflict of interest shall be deemed to exist whenever an employee has a financial interest, direct or indirect, with a supplier or other principal dealing with the DDA in which that interest is of such extent or nature that it might reasonably affect judgment on decisions exercised on behalf of the DDA and its activities.

Violations of this policy may result in disciplinary action up to and including termination of employment.

1.8 SOLICITATION OF FUNDS

Solicitation of funds or anything of value for any purpose whatsoever shall be permitted by DDA employees on work time only with the approval of the President and/or his or her designee. No employee may be required to make any contribution nor may an employee be penalized in any way concerning his or her employment according to his or her response to a solicitation.

SECTION 2

OPERATIONAL POLICIES

2.1 JOB DESCRIPTIONS

The President is responsible for creating and updating written job descriptions for each position within the organization, and providing a copy of each job description to the VP of Operations. All job descriptions must be written in a standard format adopted and approved by the President. The President will periodically review the duties and responsibilities of each position within DDA and set pay levels commensurate with the duties and responsibilities, skill, educational requirements and experience level associated with each position.

2.2 BASIC EMPLOYMENT QUALIFICATIONS

In addition to the qualifications applicable to each position, an applicant for employment with the DDA must:

- Full time employees must have at least a high school diploma/G.E.D. Part-time, temporary, seasonal positions must meet the requirements under any federal and state child labor laws;
- Provide authorization for pre-employment background and criminal history checks (if needed);
- Consent to conditional pre-employment physical evaluation and drug testing (if needed);
- Be at least 18 years of age;
- Be of good moral character;
- Have a social security number;
- Be a citizen of the United States or possess a valid resident alien work card;
- Agree to be fingerprinted (if needed);
- Not be addicted to the use of narcotics or alcohol;

2.3 PROOF OF EMPLOYMENT ELIGIBILITY AND IDENTITY

The DDA is committed to employing only those individuals who are authorized to work in the United States and who comply with the requirements of the Immigration Reform and Control Act of 1986 (IRCA). Under IRCA, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form (I-9 Form) and present legally acceptable documentation establishing identity and employment eligibility. This must be done within 3 days of beginning employment. Failure to provide the necessary documentation within 3 days will result in termination of employment. Former employees who are rehired must also complete an

I-9 Form if they have not completed an I-9 Form with the DDA within the past 3 years, or if their previous I-9 Form is no longer retained or valid.

2.4 PERSONNEL RECORDS

Important events in each employee's history with the DDA will be recorded and kept in the employee's official personnel file. Performance reviews, change of status records, commendations, disciplinary actions, and educational and professional attainment records are examples of records maintained in your file.

Employees must promptly inform the VP of Operations of any changes in name, address, home phone number, and family status (births, marriage, death, divorce, legal separation), and name and address of dependents (for benefits and tax withholding purposes only), beneficiary designations, persons to be notified in an emergency, educational accomplishments, and relevant certifications or licenses. This responsibility also applies to employees on leaves of absence.

The DDA relies on the accuracy of information provided by individuals in their resume and employment application, as well as other data provided throughout the hiring process and during employment. Any misrepresentations, falsifications, or material and/or purposeful omissions in any of this information may result in the exclusion of the applicant from further consideration for employment or, if the person has been hired, termination from employment.

Personnel files of employees are the property of the DDA and access to the information they contain is restricted. However, access to the information in an employee's personnel file may be subject to disclosure in accordance with the Texas Public Information Act.

2.5 OTHER EMPLOYMENT

Employees may not accept outside or self-employment that conflicts with the effective performance of the employee's duties with the DDA, or conflicts in any way with the best interests of the City of Denison. Other outside activities, such as volunteer activities, that might similarly detract from an employee's ability to perform his or her job with the DDA are also prohibited.

An employee will not be covered by the DDA's workers' compensation insurance while working for another employer or while self-employed.

Approval for outside or self-employment as set out in this policy does not authorize an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an unpaid leave of absence, to engage in any outside or self-employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an unpaid leave of absence, engage in outside or self-employment, as defined in this policy, unless expressly authorized in writing by the President.

For purposes of this policy, outside or self-employment includes a job, activity, or enterprise which constitutes a form of employment or business outside the responsibilities of employment with the DDA. This policy is not intended to cover volunteer work with a non-profit organization, such as United Way, Boy Scouts, Girl Scouts, American Heart Association, faith based activities or similar activities, which do not interfere with an employee's performance of his or her job duties and where compensation is neither expected nor paid in the ordinary course of operations.

2.6 EMERGENCY CLOSING/INCLEMENT WEATHER

During inclement weather, DDA employees should assume the DDA offices will be open unless notified otherwise by the President. All instructions regarding inclement weather and/or emergency closings will be issued by the President.

In the event of inclement weather, employees are expected to use their good judgment and are asked not to take unnecessary risks. If you feel that you are unable to drive due to weather conditions or are otherwise unable to get to work because of the weather, you must call the President. (You must make this call no later than the time you would normally leave home for your commute to work, or as otherwise directed by the President.)

Under certain circumstances, the President may close the office. If the President makes the decision to close DDA offices, affected employees will have an excused absence with pay. If the office is not officially closed, absences due to weather will not be excused and any employee who fails to report to work will be charged vacation time for the day(s) missed. If an exempt employee has no accrued vacation time, he or she will be required to make up the missed time at a later date. If a nonexempt employee has no accrued vacation or compensatory time available during the pay period, he or she will not be paid for the time missed. The excused absence for inclement weather, emergency, or other DDA office closings would not apply to employees on sick leave.

2.7 PROFESSIONAL DEVELOPMENT/TRAINING

From time to time, the DDA offers training to its employees to enhance or acquire new skills for the performance of their jobs or future advancement. Training may include seminars, conferences, institutes, in-house training, and courses offered for credit at local colleges/universities.

The President may require employees to participate in appropriate training from time to time. Employees may also request that they be allowed to participate in appropriate training. Work load, training topic and appropriateness to job duties, budget constraints, cost of training, and other factors will be considered by the President in determining if requested training will be approved.

Time Spent in Training. Time spent by nonexempt employees attending mandatory training will be considered work time and employees will be compensated. Attendance at training, lectures, meetings, etc., will not be counted as working time if:

- (A) Attendance is voluntary, or;

(B) The President did not approve the training, prior to the employee's attendance;

Prior Authorization. All requests for outside training must be approved in advance by the President.

2.8 PURCHASING PROCEDURES

When an employee's position requires spending DDA funds or incurring any reimbursable personal expenses, that individual must use good judgment on the DDA's behalf to ensure that good value is received for each expenditure. DDA funds and all assets are for DDA purposes only and are not for personal benefit. For example, this includes but is not limited to the personal use of the DDA's assets such as equipment and computers.

The Vice-President of Operations will process purchasing of supplies. All purchases not authorized in the budget must be approved by the President.

All checks over \$1,500 require two signatures. The President and the DDA Board of Directors are the only authorized signatories for all DDA accounts.

The DDA will use Denison Chamber members and business located in Denison whenever possible, but the item may be purchased, if available, from non-members at substantial savings.

2.9 TRAVEL AND TRAVEL RELATED REIMBURSEMENT

Employees should use the most economical means of travel available when expending DDA funds.

It is DDA's policy to pay for, or reimburse all reasonable and necessary expenses incurred by an employee when traveling on DDA related business. Business expenses covered include both those incurred within the Denison area, which are not considered normal living expenses, as well as expenses resulting from business travel outside of the area.

The DDA reimburses for approved automobile mileage driven on company business at the current IRS rate per mile. Employees who receive mileage reimbursements are required to submit their mileage for reimbursement on a monthly basis on the approved Mileage Reimbursement Form as provided by the VP of Operations.

2.10 BACKGROUND CHECKS

The DDA retains the right to perform background checks on applicants and employees to the extent necessary to determine their eligibility for employment or ongoing employment, as the case may be. Background checks may include, but are not necessarily limited to, review of criminal conviction record; verification of educational degree, license, or certificate required for the position; review of driving record; drug testing; outstanding warrant check; and credit history. The extent of the background check will be consistent with the employee's position and duties. The DDA may also conduct periodic background checks on existing employees. As a condition of

employment or continued employment, applicants and employees are required to give DDA the necessary authorization to perform such checks.

2.11 PERSONAL APPEARANCE

The professional culture and image of our organization are maintained, in part, by the appearance that employees present to business contacts, residents, visitors, vendors and others. Employees represent a marketing tool for the DDA. Our appearance should reflect pride in our work and in ourselves.

Employees must, at all times, dress appropriately and present a clean and neat appearance while at work and while representing the DDA or conducting DDA business. Employees are expected to report to work well-groomed and dressed in professional business attire appropriate for the job. Clothing must be clean, pressed and in good repair. All employees are expected to practice common sense in rules of good taste and to dress in a manner that promotes a safe, productive, non-hostile work environment that discourages harassment of any kind.

Reasonable accommodation will be made for employees' religious beliefs and for disabilities whenever possible, consistent with the business necessity to present a professional appearance to the public.

Changes to the Dress Code. The President may approve changes to the dress code for special events, occasions, fund raising events, or as he/she deems necessary.

DDA also reserves the right to send home an employee whose attire is considered unacceptable for work. Under these circumstances, non-exempt employees will not be paid for work time missed and exempt employees will be required to make up the work time missed. Employees whose grooming or personal appearance violates this policy may be disciplined, up to and including termination of employment.

2.12 ELECTRONIC COMMUNICATIONS AND SYSTEMS ACCESS USE

The Denison Development Alliance provides computer networks, Internet access, email, telephones, digital cameras, and voice mail communication systems for use by DDA employees in the performance of their job duties. These communication devices are referred to collectively in this policy as "electronic communications systems" or "systems."

These electronic communications systems are designed to support and enhance the communication, research and information capabilities of DDA employees and to encourage work related communication and sharing of information resources. DDA's electronic communications systems access must be used in a professional, responsible, efficient, ethical and legal manner.

This policy governs user behavior pertaining to access and usage of DDA's electronic communications systems and applies to all DDA employees, contractors, volunteers and other affiliates who use the DDA's electronic communications systems.

Acceptable Use of Electronic Communications Systems. Acceptable uses of DDA's electronic communications systems are limited to those activities that support reference, research, internal/external communication and conducting DDA business in conjunction with the user's job responsibilities. The DDA prohibits connections to sites, or forwarding of information, that contain materials that may be offensive to others including, but not limited to, sites or information containing sexually explicit material, racially offensive material, material that makes fun of others based on political or religious beliefs, gender, sexuality or cultural practices.

Employees shall understand that use of any DDA-provided, publicly-accessible computer network such as the internet and email is a privilege. Minimal personal use of the Internet, email or other electronic communications systems is allowed under this policy as long as such use does not impede job performance or the performance of DDA business. DDA is not responsible for personal communications sent on its electronic communications system, however any personal use of the DDA's electronic communication system may be subject to the Texas Open Records Act.

No Right of Privacy/Monitoring. Users of DDA electronic communications systems may not assume they are provided any degree of anonymity and employees have no right to privacy with regard to such systems. Personal passwords are not an assurance of confidentiality. To ensure proper use of its communications systems, DDA has the right to monitor all use, as needed.

Copyright Restriction. Authorization from the President and/or the VP of Operations is required before introducing any software into the DDA's computer system. Employees may not download entertainment software, games or any other software, either related or unrelated to their work, without permission of the President and/or the VP of Operations. Any software or other material, including music, downloaded into a DDA computer may be used only as consistent with the licenses and copyrights of the vendor, author or owner of the material.

2.13 WIRELESS COMMUNICATIONS POLICY

It is the policy of the Denison Development Alliance to provide wireless communication devices in a manner most cost effective to the DDA to designated employees in order to improve productivity.

Decisions regarding the use of DDA wireless communication devices, which are not explicitly stated herein shall be left to the discretion of the President.

Privacy. The Denison Development Alliance maintains the right of access and the right to disclose any and all messages communicated through electronic means when DDA owned equipment is used. Regardless of the intent of the message (business or personal), an employee has no right to privacy, or to the expectation of privacy concerning the content of any message or the intended destination of any message on DDA owned equipment.

If an employee uses a personal phone for DDA related business, that phone may be subject to search and disclosure under the Open Records Act of the State of Texas. The DDA therefore discourages personal cell phone use for DDA related business.

Disclosure of Information. The DDA will disclose the contents of retrievable wireless communications messages, upon receipt of a valid court order or legal request, including Public Information (open records) requests. The DDA may disclose the contents of retrievable wireless communication messages if the information will assist in official internal or criminal investigations.

2.14 DDA PROPERTY AND EQUIPMENT USE

General Rules for Property/Equipment Issuance and Use. The DDA shall provide employees with adequate tools, equipment, and facilities for the jobs being performed. The DDA also requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Employees are responsible for items formally issued to them by the DDA, as well as for items otherwise in their possession or control or used by them in the performance of their duties. Employees must notify the President and/or the VP of Operations immediately if any vehicle, equipment, machine, tool, etc. appears to be damaged or defective, or is in need of repair.

Personal Use Prohibited. DDA property, materials, supplies, tools, or equipment may not be removed from the premises or used for personal business without prior written approval by the President and/or VP of Operations.

Tobacco Use Prohibited. The use of all tobacco products (including smokeless) is prohibited on the DDA owned/leased premises.

Personal Property. All employees shall be solely responsible for their personal property at all times.

2.15 ACCIDENTS

Employees must immediately report to the President any accident, no matter how slight, which occurs during normal working hours, on company property or while engaged in business for the DDA. A record of the injury and statement from the employee as to the incident and its results will be placed on file in order to be covered by Workers' Compensation. Medical arrangements will be made if necessary.

2.16 CONFIDENTIALITY

Confidentiality is the cornerstone of the DDA's business. Employees must never discuss any information to which they are privy because of their employment here. It is advisable not to discuss any of the DDA's current or former business matters even casually. A casual comment, on what employees may consider a harmless subject, could have serious repercussions for the DDA.

The DDA is entrusted with many confidential matters and employees are required to keep such matters in strict confidence. Violation will result in immediate termination of the employee.

2.17 PERSONAL BUSINESS

If employees must handle personal business during office hours, they should make the appointments at an hour permitting the least amount of time away from the company, such as early in the morning, late in the afternoon, or just before or after lunch. See "Attendance."

2.18 PERSONAL CHARGES

Employees must pay for their postage, telephone charges, photocopies, or other company goods or services. Employees should give a check to cover those charges to the VP of Operations. If employees have not paid all charges within thirty days, the DDA will deduct the charges from their paycheck.

2.19 PERSONAL PROBLEMS

The DDA expects its employees to conduct themselves in a business-like manner. The DDA strives to maintain a healthy and pleasant working relationship among employees. The DDA encourages employees to discuss any problems, which may affect them, other DDA employees, or the DDA with the President.

2.20 LEAVING THE OFFICE

When a staff member is carrying out assigned duties outside of the office, they must make sure another member of the staff knows of the absence, the destination and the approximate time of return. Any absences for personal business must be approved by the President. The last employee to leave the office should secure all exit doors.

2.21 STAFF MEETINGS

All members of the staff will participate in a weekly staff meeting scheduled by the President. The purpose of these meetings is to permit staff members to recommend improvements, discuss problem areas, exchange ideas, and make a short report of current projects.

2.22 SOLICITATIONS

Persons who are not employees of the DDA will not be permitted to come upon or remain on the DDA premises for the purpose of soliciting, posting or distributing cards, literature, notices or other material of any kind without prior written approval of the President. The DDA does not purchase program advertising or tickets for social events. All solicitations shall be referred to the President.

2.23 PUBLICITY

All publicity having reference to the DDA and its activities, its officers, directors and personnel is to be approved by the President or the DDA Board. No information concerning the DDA will be

released by members of the staff to the media without prior approval. Discretion should be used at all times when processing information or handling paperwork.

2.24 PETTY CASH

This fund is to be used for miscellaneous expense items, i.e., minor office supplies, postage due, small payments to vendors, etc. Receipts are to be attached to Petty Cash Records. No cash is to be drawn without the President's or Vice President of Operations' knowledge.

2.25 PARKING

Parking is provided in front of the DDA office. Parking elsewhere may subject the automobile owner to ticketing or towing. Reserved employee parking is located behind the DDA office. The Denison Chamber of Commerce also provides additional parking for DDA employees free of charge.

SECTION 3

EMPLOYMENT STATUS POLICIES

3.1 EQUAL EMPLOYMENT OPPORTUNITY

The Denison Development Alliance is firmly committed to providing employees with a work environment where all individuals are treated with respect and dignity. No officer or employee of the DDA shall discriminate in employment practices based on race, creed, color, religion, veteran status, national origin, sex, age, sexual orientation, or the existence of a physical or mental disability. This equal opportunity policy of the DDA applies to all areas of employment, including, but not limited to recruitment, hiring, job assignments, pay, training, promotions, privileges, and conditions of employment.

3.2 EMPLOYMENT CATEGORIES

It is the intent of the DDA to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. Each employee is designated as either nonexempt or exempt from federal and state wage and hour laws. Employees are informed of their status as exempt or nonexempt at the time of their initial employment, or subsequently, if their classification changes for any reason. The President and VP of Operations will receive written notification of any change in an employee's status as exempt or nonexempt.

Nonexempt Employees. Nonexempt employees are subject to the overtime provisions of the Fair Labor Standards Act. Nonexempt employees are entitled to overtime pay for all hours actually worked in excess of 40 in a 7- day work week, under the specific provisions of federal and state laws.

Exempt Employees. Exempt employees are those who are not covered by applicable wage and hour laws found in the Fair Labor Standards Act. Accordingly, exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a work week. Exempt employees are expected to put in the number of hours necessary to complete their assignments in a timely and quality basis.

In addition to the above categories, each employee will belong to one of the following employment categories:

Full-Time Employees. Full-time employees are employees who are not in a temporary or part-time status, and who are regularly scheduled to work 40 hours or more per week in a classified or unclassified position and receive DDA benefits as approved by the DDA Board of Directors, and in accordance with the DDA Employee Handbook subject to the terms, conditions, limitations, and waiting periods of each benefit program. Full-time employees are required to participate in the ICMA-RC 401(a) Defined Contribution Retirement Plan.

Part-Time Employees. Part-time employees are employees who are not assigned to a temporary status, and who are regularly scheduled to work less than 35 hours per week. Part-time employees are not entitled to benefits and do not accrue vacation or sick leave. If part-time employees are normally scheduled to work a holiday, they will receive holiday pay.

Temporary/Seasonal Employees. Temporary employees are employees whose employment is scheduled to last less than six months; who hold seasonal positions, even though the employment may last more than six months; hold a position which, by DDA policy and practice, is intended to give introductory work experience to a person preparing for entry into the work force; or are in a position scheduled to work 40 hours per week but on a temporary basis. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing by the President. While temporary employees who work directly for the DDA (as opposed to a temporary staffing agency) receive all legally mandated benefits (such as workers' compensation insurance coverage and Social Security), they are generally ineligible for DDA's other benefit programs. In addition, temporary employees have no right to appeal disciplinary action. Temporary employees who are placed with the DDA, but who are actually employed by a temporary staffing agency must look to the temporary staffing agency to determine what benefits they are provided. Such employees are not eligible for benefits from the DDA and are not eligible for participation in the ICMA-RC 401(a) Defined Contribution Retirement Plan.

Volunteers. Volunteers are not employed by the DDA in any capacity. Volunteers choose to donate their time and services for the benefit of the community without any expectation of compensation or benefits.

Use of Leave for New Hires An employee is eligible to use sick leave for qualifying illnesses or injuries, with the approval of the President.

Employees will be allowed time off for holidays, as scheduling permits and as approved by the Board of Directors.

3.3 SEPARATION

The Denison Development Alliance designates all employee separations as one of the following types:

Resignation. An employee who intends to resign is requested to notify in writing the President at least two weeks prior to the last day of work. Employees who fail to give a two week notice are typically not eligible for rehire. The President is responsible for immediately notifying the Board of Directors when he or she is notified of a resignation.

Retirement. An employee who intends to retire is requested to notify, in writing, the President 30 days prior to the date of retirement to ensure that all required paperwork is timely prepared and submitted.

Reductions in Force/Reorganization. An employee may be separated from DDA service when it is deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material change in the duties of the organization.

Termination. DDA may terminate any employee for any reason and at any time, with or without cause. Any separation of employment that does not fall under one of the other defined categories in this policy will be considered a termination.

Reference Policy for Separated Individuals. In the absence of a signed release by the former employee, the DDA's policy is to provide neutral references for former employees, regardless of the reason for their departure. Neutral references consist of verification of hiring and termination dates, position held and salary. All inquiries concerning former employees shall be referred to the President and Vice President of Operations.

Death. If a DDA employee dies, his or her designated beneficiary or estate will be paid all earned pay and payable benefits.

3.4 REDUCTION IN FORCE

In circumstances where it becomes necessary to reduce the number of employees, such as budget constraints, elimination of certain responsibilities or for any other reason, every effort will be made to determine the positions to be eliminated in the most fair and equitable method possible. Consideration will be given to a number of job related variables, including specific duties performed, anticipated staffing levels, job performance and attendance, and longevity. If a reduction in force is necessary, the President will notify the affected employees if any severance will be provided and, if so, the amount of severance pay and benefits.

If an employee loses his position through no fault of his or her own, he or she may be eligible for consideration for another unfilled position for which he or she is qualified or he or she may be eligible for rehire at another date.

The Denison Development Alliance is an at-will employer which means the DDA maintains the right to terminate employment at any time, with or without notice, and with or without cause.

SECTION 4

BENEFITS

4.1 SUMMARY OF BENEFITS

In general, full-time employees as approved by the Board of Directors are eligible for DDA benefits. Part-time, temporary, and seasonal are not eligible for DDA benefits.

Benefit programs available to eligible employees include, but are not limited to the following:

- Paid Holidays
- Workers' Compensation
- Texas Municipal Retirement System
- Group Life, Long Term Disability, and Accident Insurance
- Group Medical Insurance
- Voluntary Dental Insurance
- Voluntary Vision Insurance
- Flexible Spending Plan
- Bereavement Leave
- Deferred Compensation
- Vacation/Sick Accruals

While the DDA pays the full cost of most of these benefits, some of the benefit programs require contributions from participating employees.

4.2 TIME OFF TO VOTE

The DDA encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. The DDA will grant up to one hour of paid time off to vote. If their balloting place is far away, more time may be granted. If employees furnish proof that they voted, this time will be paid time off. This policy does not apply to school board or bond elections.

In order to receive time off to vote, employees must request time off to vote from the President on the working day that precedes the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the workday; whichever provides the least disruption to the normal work schedule.

4.3 HOLIDAYS

It is the policy of the DDA to permit full-time employees to enjoy a day off without loss of pay on holidays. However, any or all employees may be required to work on a holiday.

Scheduling of Holidays. Holidays occurring on Saturday normally will be observed on the preceding Friday and holidays occurring on Sunday will normally be observed on the following Monday.

Definition of Holiday Time. A holiday is a period of seven and a half (7.5) hours, paid at the employee's regular rate.

Official Holidays. The DDA observes the holidays listed below, plus one personal holiday. When a holiday falls on a Saturday or Sunday, the holiday will be observed on the day designated by the federal government (i.e., the Friday before or the Monday following.) Holiday leave does not carryover from year to year.

New Year's Day	January 1
Martin Luther King, Jr. Day	Third Monday in January
Good Friday	Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving Day	Fourth Friday in November
Christmas Eve	December 24
Christmas Day	December 25
Personal Day	Floating – Credited on October 1 of each year

Temporary and Seasonal Employees. Temporary and seasonal employees are not eligible for holiday pay. Temporary and seasonal employees will be paid their regular hourly rates for a holiday only if required to work on the holiday.

Holiday Occurring During Sick Leave. A holiday that falls within an employee's sick leave period will be counted as holiday in lieu of a day of sick leave.

Holiday Occurring During Vacation Leave. A holiday that falls within an employee's vacation period will be counted as holiday in lieu of a day of vacation.

Holiday Occurring During Workers' Compensation Leave. An employee on worker's compensation leave will not receive holiday pay, unless otherwise allowed for in State statutes.

Separating Employees. Except in extraordinary situations, separating employees will not be allowed to use a holiday as their final day of employment. Exceptions must be scheduled and authorized in advance by the President.

Other Religious Holidays. Employees may request an approved absence to celebrate a religious holiday that is not a scheduled DDA holiday. If approved, the employee must charge the time to vacation, paid personal leave, accrued holiday leave or time off without pay.

4.4 WORKER'S COMPENSATION

Coverage. The Denison Development Alliance provides workers' compensation coverage for all employees. This insurance provides for medical expenses and partial compensation to employees injured on the job. The cost of such coverage is paid by the DDA and covers most injuries sustained on the job. Neither the DDA nor its workers' compensation insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the DDA. Such injuries, however, may be covered under your personal medical insurance plan.

Report of Accidents and Injuries. All employees must comply with any initial reporting requirements established by the DDA. The President, in turn, will complete the DWC-1 form within 24 hours of the time and date of the incident. Thereafter, an employee on worker's compensation leave must report to the DDA on a weekly basis, or as otherwise directed by the President. An employee must immediately notify the DDA when released to return to work.

Filing Claims. All workers' compensation claims must be filed with the President and the VP of Operations.

Salary Continuation Benefits. Temporary, part-time, and seasonal employees are ineligible for salary continuation benefits and will only receive the benefits afforded to them under the Texas workers compensation system. When a full-time employee incurs an on-the-job injury or illness that is covered by the DDA's workers' compensation carrier and requires the employee to take workers' compensation leave, the employee is eligible for salary continuation benefits until sick and/or vacation in lieu of sick leave is exhausted. Employees receiving temporary income benefit payments may use a combination of sick and/or vacation in lieu of sick leave to receive a full pay check. While using accrued leave to receive a full pay check, accrual balances will be adjusted accordingly. To receive salary continuation benefits, the injured employee is required to exchange his/her workers' compensation temporary income benefit payments for the employee's regular pay checks.

Under no circumstances will an employee on workers' compensation leave receive paid benefits (e.g., workers' compensation, salary benefits, salary continuation benefits, disability insurance benefits, or paid leave time) in excess of the amount the employee would normally receive in base salary/wages (excluding overtime, shift differential, or any other type of extra compensation) if the employee was not injured and able to return to work.

Modified Duty. Every effort will be made to return injured employees to the workplace as soon as they are medically released. The President will coordinate the employee's return to work. Modified duty will be offered if a work assignment exists within the DDA which meets the abilities documented by the employee's attending physician or DDA physician; and a modified duty work assignment would enhance the recovery of an injured or ill employee and facilitate the employee's return to the regular duty work assignment held before the injury or illness. A modified duty work assignment may last until the time that the attending physician or DDA physician has set as the expected date of return to the employee's previous work assignment,

but not to exceed 90 days unless the President gives written approval for a longer period. As a condition of continuing in a modified duty work assignment, an employee must adhere to prescribed treatment and make reasonable efforts toward rehabilitation; accept progressively more demanding assignments as the employee's condition improves; and make visible progress in returning to full performance capability.

An employee's modified duty work assignment will be terminated immediately if:

- (A) the employee is found performing beyond the modified duty restrictions;
- (B) the work assignment is completed;
- (C) the employee performs unsatisfactorily in the position;
- (D) budgetary constraints do not allow continuation of the position; or
- (E) does not follow the prescribed treatment and/or follow up doctor appointments as required

An employee who does not agree or accept a bona fide offer of employment, including a modified duty work assignment that has been approved by his/her physician may be subject to disciplinary action (e.g., termination) and/or a reduction in income benefits, as allowed by the Texas Workers' Compensation Act. Medical certification will be required to support any leave that may meet the criteria under the Family Medical Leave Act (FMLA).

Use of Accrued Leave to Supplement Compensation Benefits. Employees who do not qualify for salary continuation benefits or who do not wish to be bound by the restrictions imposed for salary continuation benefits, may use any available paid leave time to supplement their worker's compensation salary benefits.

Temporary or Permanent Replacement. While an employee is unable to work due to an on the job or off the job injury, a temporary employee may be hired to replace the injured employee if it is deemed necessary by the President.

Regular duty is described as duty where the employee can perform all the essential functions of the position with no restrictions. After 90 calendar days from the original injury or date of leave the employee is still unable to return to regular duty, the employee may be placed on inactive status and a permanent replacement for the position may be made. If the injured employee reaches maximum medical improvement after 90 calendar days but before one calendar year, the DDA would consider the employee for employment in a capacity that the employee was qualified, should a position be available. After one calendar year from the original injury or date of leave, if the employee is unable to return to work, the employee will be terminated due to business necessity. FMLA leave will run concurrently as mandated by the federal Act. Any leave without pay must be approved by the President.

4.5 GROUP INSURANCE BENEFITS

Group Life/Voluntary Optional Life Insurance. The DDA presently provides group life and voluntary optional life insurance coverage for all full-time employees through the City of Denison. The DDA provides a Group Life amount at no cost to the employee. Voluntary Optional Life coverage is provided and can be purchased at the employee's expense. Part-time, temporary, and seasonal employees are not eligible for participation. Employee dependents may also be eligible for participation under the DDA's Voluntary Optional Life insurance plan. Voluntary Optional Life and Dependent Life insurance must be paid for by the employee through payroll deduction.

Group Health, Voluntary Dental and Vision Insurance. Full-time employees are presently provided group health insurance at no cost to the employee. Voluntary Dental and vision insurance are offered at the employee's expense. Part-time, temporary, and seasonal employees are not eligible for participation. Coverage begins the 1st of month following the date of hire. Employees may elect to cover their current spouse and/or dependent children under the DDA's group health, dental, and vision plans, provided the premiums are paid for by the employee through payroll deduction.

Supplemental Insurance. Eligible employees may elect to purchase life, accident, and cancer insurance for themselves or their dependents from a company, which has made arrangements with the DDA, through payroll deduction. Additional information may be obtained from the VP of Operations.

Additional Information. This is only a general description of available group insurance coverage. For additional information regarding the DDA's group insurance policies, you may contact the VP of Operations.

4.6 FLEXIBLE SPENDING PLAN

The flexible spending plan is authorized under Section 125 of the Internal Revenue Code and has been approved as an employee benefit by the DDA Board. Benefited employees may elect an annual amount, which will be deducted pro-rata on a pre-tax basis each payroll period, to pay for eligible health and child care expenses. Generally, qualifying health care expenses are those not reimbursable from any other source, which may include medical or dental insurance deductibles, co-payments and out-of-pocket costs.

Participation in the flexible spending plan is voluntary. Enrollment in the plan is allowed during the annual open enrollment period to become effective the following January 1. Unless the employee experiences a "qualifying event," participation in the plan will continue until December 31.

In compliance with the IRS regulations on flexible spending plans, eligible expenses must be incurred between January 1 and December 31 of the enrollment year. Employees are allowed a three month grace period, until March 31, to submit the receipts and request reimbursement.

Any balance remaining in the account at that time must be forfeited in accordance with federal regulations.

Please contact the VP of Operations for additional information.

4.7 TUITION REIMBURSEMENT

The Denison Development Alliance strongly believes that a well-educated workforce results in higher performance, better service and efficiency and increases professionalism throughout the organization. As such, the DDA offers a progressive tuition reimbursement program to encourage employees to pursue higher education and job specific certifications.

This program is subject to availability of funds, approval of the President and the business and operational needs of the Denison Development Alliance.

Eligibility. Full-time employees are eligible for tuition reimbursement for classes at any accredited college or university for which the employee earns a grade of “C” or better for undergraduate coursework or a grade of “B” or better for graduate coursework. Coursework must be part of a program that culminates in a degree or certificate being awarded. A degree plan must be submitted with the application for tuition reimbursement. Only coursework on the degree plan is eligible for reimbursement. The President must approve all tuition reimbursement plans as being beneficial to the DDA and applicable to the employee’s current position.

Textbook Reimbursement. Full-time employees enrolled in an approved tuition reimbursement plan shall receive a textbook reimbursement. Employees must submit a paid receipt in order to receive reimbursement.

Coursework Reimbursement. Upon submittal of satisfactory proof of completion for all coursework enrolled for the semester, full-time employees are eligible for tuition reimbursement as follows:

<u>Grade Received</u>	<u>Percentage Reimbursed</u>
A	100%
B	75%
C	50%
Pass/Fail	50%

Employees must submit a paid receipt in order to receive reimbursement.

Approval Required. Approval from the President is required prior to enrollment in a class for which tuition/textbook reimbursement will be requested. College hours received from colleges and universities will be recognized only if the institution is accredited by a national accrediting organization in the United States.

Part-time, temporary, and seasonal employees are not eligible for tuition reimbursement. Classes taken during any portion of the probationary period will not qualify for this benefit.

Tuition and reimbursement is not available for expenses already covered by other types of assistance or benefits, such as scholarships, tuition waivers, grants, or other programs.

4.8 RETIREMENT

The Denison Development Alliance is a member of the ICMA-RC 401(a) Defined Contribution Retirement Plan, which provides retirement benefits to eligible employees. Participation in the program is a condition of employment for all benefited employees.

DDA's current ICMA-RC plan requires a contribution of 7% of the salary of each employee member to be deducted from each paycheck. DDA matches employee contributions at a rate of two to one. ICMA-RC sends the employee member an annual statement of service credit and the account balance of employee contributions.

Changes to the employee's contribution rate, the DDA's contribution rate or other optional benefits may be authorized by the DDA Board of Directors, as long as such changes are within the guidelines established by ICMA-RC.

Employees may obtain more information about retirement benefits from the ICMA-RC Handbook with the VP of Operations or by visiting the ICMA-RC website at <http://www.icmarc.org/>.

Survivor Benefits. Should an employee die, his or her beneficiary or estate will receive all of the member contributions and interest in the employee's ICMA-RC account.

Sick Leave Accrual. Upon retirement, an employee is eligible to receive payment for up to 720 hours of unused and accrued sick leave in addition to any other accrued paid leave they are normally eligible to receive upon separation of employment.

4.9 SOCIAL SECURITY

All employees of the DDA are covered under the Federal Insurance Contributions Act (FICA) in accordance with Federal law.

4.10 HEALTH PLANS

The Denison Development Alliance, through the City of Denison, currently participates with the Texas Municipal League Intergovernmental Employee Benefits Pool for our Group Health Benefits. We currently have two (2) different health plans that an employee may choose from. The DDA offers one of these plans at no expense to the employee. The employee may elect to "buy up" to a plan that offers better deductibles and out of pocket amounts. The employee must pay for any dependent coverage's if applicable. Please refer to the VP of Operations for any questions you may have regarding these health benefit plan options.

4.11 EMPLOYEE ASSISTANCE PROGRAMS

The Denison Development Alliance, through the City of Denison, has adopted an Employee Assistance Program (EAP) for all employees and their dependents. The EAP benefit covers up to 6 confidential short-term counseling visits and is at no cost to employees and their families. The DDA's EAP service provider partners offer unique experience and training in dealing with the full range of emotional, behavioral, and interpersonal difficulties that many individuals are facing today. Among the different types of problems covered under the program are stress, depression, anxiety, workplace difficulties, substance abuse, marital problems, family and parenting conflicts, child and adolescent issues, violence, and unhealthy lifestyles. The EAP can also provide assistance with, and referrals for, community resources, financial and legal issues, and child and elder care resources. For more information please contact the VP of Operations or the Employee Services Division at the City of Denison.

SECTION 5

COMPENSATION

5.1 EMPLOYEE COMPENSATION PLAN

Subject to approval by the DDA Board of Directors, the President will establish the compensation for all DDA employees. In establishing the compensation, consideration will be given to prevailing rates of pay among public and private employers; the duties, responsibilities and qualifications required for the position; and other relevant factors.

5.2 METHOD OF PAYMENT

Regular Payroll. Payroll is prepared semi-monthly and distributed via direct deposit. The pay day is the 1st and 15th of each month. If the pay day falls on a Saturday, employees will be paid the previous Friday. If the pay day falls on Sunday, the employees will be paid the following Monday.

Employees are responsible for ensuring that the VP of Operations has the most current information for direct deposit. Those employees who choose not to have a checking or savings account for direct deposit will receive a check on pay days.

First Paycheck. The employee will receive his or her first paycheck, full or partial, on the first regular payday which covers any time period in which the employee worked.

Final Paycheck. An employee who is separating employment with the DDA, will receive a final paycheck to include payment for all unused accrued vacation, unused accrued holidays, and earned longevity pay. An employee who meets the definition of retirement will receive payment for up to 720 hours of unused accrued sick leave. The value of lost or damaged DDA property and all other lawful offsets will be deducted from the employee's final paycheck pursuant to the employee's written authorization.

The "last day worked" will be the last business day the employee actually worked and will not be a holiday, vacation, sick day or any other paid non-working day. If an employee resigns immediately following an extended illness or maternity leave, the "last day worked" will be the day the employee's physician determines the employee was able to return to work.

Wages in Lieu of Notice. At the DDA's discretion, employees who are terminated or laid off may be paid wages in lieu of notice instead of providing a two week resignation notice. If an employee voluntarily resigns his or her position and provides a two-week severance notice, the President may choose to offer wages in lieu of the severance notice. DDA Board of Directors and the President must approve all requests for wages in lieu of notice. When the reason for termination is a violation of DDA rules, regulations or policies, or the conviction of a criminal offense, no wages in lieu of notice will be authorized. In addition, no vacation or sick leave accruals will be paid out for these types of violations, unless authorized under a separate statute.

5.3 OVERTIME AND TIME MANAGEMENT

Overtime Compensation. Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Overtime pay is calculated using an employee's regular rate of pay, which FLSA defines as all remuneration for employment paid to, or on behalf of, the employee. Employees who make less than \$47,476 a year will automatically become eligible for overtime pay under FLSA, even if they are salaried employees with management responsibilities.

Non-Exempt Employees. When the DDA's operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of the President. When possible, advance notification of mandatory overtime assignments will be provided.

All non-exempt employees must receive the President's prior authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor.

Overtime pay for non-exempt employees is at the rate of one and one-half times the employee's regular hourly rate of pay for hours actually worked in excess of the employee's regular work week. (The DDA's work week begins at 8:30 a.m. on Monday and ends at 5:00 p.m. the following Friday.)

Exempt Employees. Exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a workweek.

Exempt employees are expected to work the hours necessary to complete their assignments with an acceptable level of quality in a timely manner. They must record all hours worked for each pay period.

5.4 VEHICLE ALLOWANCE

An employee may be given a monthly allowance for consistently using his or her own vehicle for DDA business, if the use is deemed necessary by the DDA Board of Directors. The amount of the allowance shall be determined by the President and DDA Board of Directors.

5.5 PAYROLL DEDUCTIONS

Payroll deductions are authorized for the following reasons:

- Income withholding taxes;
- Federal payroll tax deductions;
- Contributions to the ICMA-RC 401(a) Defined Contribution Retirement Plan;
- Contributions to a deferred compensation plan;

- Authorized medical insurance premiums;
- Authorized supplemental insurance premiums;
- Social Security contributions;
- United Way contributions;
- Association dues;
- Child support judgments and other court ordered payroll deductions; and
- IRS judgments

No other payroll deduction privileges are authorized at this time and no future payroll deduction privilege will be granted without approval of the President and/or VP of Operations, except as otherwise provided by law.

5.6 COMPENSATORY TIME IN LIEU OF OVERTIME PAY

At the DDA's option, a nonexempt employee may be given compensatory time off in lieu of monetary overtime pay. Compensatory time off is accrued at the rate of one and one-half (1 ½) hours comp time for each hour of overtime worked. Averaging of hours worked over workweeks is prohibited under the Fair Labor Standards Act (FLSA). The use of compensatory time off is subject to the approval of the President. The President may require the use of compensatory time in lieu of overtime pay to reduce potential payment obligations by the DDA at his or her discretion.

5.7 INTENT TO COMPLY WITH THE FAIR LABOR STANDARDS ACT

It is DDA's policy to comply with the salary basis requirements of the FLSA. Therefore, improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA.

If you believe an improper deduction has been made to your base salary, you should immediately report this information to the VP of Operations.

Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

SECTION 6

ATTENDANCE AND WORK HOURS

6.1 REGULAR WORK HOURS

The regular workday normally begins at 8:30 a.m. and ends at 5:00 p.m. In times of disaster or emergency, working hours shall be determined by the President.

37.5 Hour Employees. Non-exempt employees of the DDA normally work 37.5 hours in a five-day work week, Monday - Friday. Exempt employees may be required to work in excess of 37.5 hours in certain weeks.

6.2 ADJUSTMENT TO WORK HOURS

In order to assure the continuity of DDA services, it may be necessary for the President to establish other operating hours. Work hours and work shifts must be arranged to provide continuous service to the public. Employees are expected to cooperate when asked to work overtime or a different schedule.

6.3 MEAL PERIODS

Full-time employees are provided a one hour meal break near the middle of the workday.

6.4 BREAKS

Full-time employees may take up to two fifteen minute, paid breaks each day, one during the first part of the work day and the other during the latter part of the work day.

6.5 ATTENDANCE AND PUNCTUALITY

Employees are expected to be at their workstations and ready to work at their scheduled start time. All non-exempt employees are required to record the number of hours worked each day.

As an essential function of each job, the DDA requires employees to be reliable and punctual in reporting to work. Absenteeism and tardiness are disruptive and make for a greater burden on the DDA and on co-workers to maintain a safe and productive work environment. Either absenteeism or tardiness may lead to disciplinary action, up to and including termination of employment.

In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, the employee must personally notify the President and/or VP of Operations as soon as possible in advance of the anticipated tardiness or absence. The employee must disclose to the President and/or VP of Operations the reason for the absence or tardiness and the date and time of his/her anticipated arrival. For absences of a day or more the employee must personally

notify the President and/or VP of Operations on each day of his absence unless the President expressly waives this requirement.

In most instances, an employee who fails to properly notify the President in advance of an absence or tardy will be subject to disciplinary action up to and including termination of employment. An employee who fails to notify the President of an absence of three days or more may be presumed to have voluntarily resigned his/her employment.

Absences are recorded and are classified as one of the following types:

- **ARRANGED ABSENCES** -- Employees get permission from the President to take time off (preferably in advance). Examples: vacation, medical or dental appointment, funeral leave, religious observance, military duty, jury duty, or other important personal business, which cannot be delayed. These absences (with the following exceptions) will be charged against vacation days available. Military leave and jury duty are covered by these policies although employees do not need to use vacation for jury duty.
- **EXCUSED ABSENCES** -- Any reason recognized by the DDA as valid but not anticipated in advance. Examples: personal illness, unanticipated medical or dental appointment, or death in the immediate family. The DDA will charge excused absences for personal illness or accident, immediate family illness or death, first against any sick leave available and then against any vacation time accrued. The DDA will charge all other excused absences to accrued vacation. The DDA does not pay for any other excused absences.
- **UNEXCUSED ABSENCES** -- Any absence, for whatever reason, whether the company has been notified in advance or not that the DDA does not accept as valid. The DDA does not pay for unexcused absences. Excessive unexcused absences will result in termination.

Employees are responsible for providing accurate and timely records of their attendance, and for the accuracy of all records of their hours worked, time off, reasons for time off and eligibility for sick leave or vacations.

The DDA expects employees to report to work on time and to work all of their scheduled hours. If employees are unable to report to work, they must notify their supervisor by 8:30 A.M. Employees should state why they will be absent or late, when they expect to return to work, and where they can be reached. If employees are unable to call themselves, they must have someone call for them. An absence will not be considered as excused unless they notify the DDA in a timely manner and the President approves the reason for the absence.

6.6 VACATION LEAVE

Vacation leave is an earned benefit intended to provide employees with paid time away from the work environment to pursue activities that will promote the well-being of the individual. Vacation leave may also be used for purposes of attending to personal business, extension of sick leave when accrued sick leave is exhausted, and inability to travel to work because of inclement weather or for other purposes.

Scheduling Vacation Leave. Employees are expected to submit their preferred vacation schedule to the President as far in advance as possible to avoid any scheduling problems that may develop. Whenever possible, vacation time will be granted at the convenience of the employee; however, the President must be certain that vacations do not interfere with the normal functions and activities of operations.

Vacation leave may be taken in full days or in ¼ hour increments of time.

Vacation Accrual Rate. All full-time employees accrue vacation leave for each complete payroll period in which at least one hour was actual work time. Vacation hours will not accrue in any pay period during which an employee is not getting paid due to insufficient leave accrual balances.

Accrual rates are based on length of service with the DDA and number of hours worked in a regular workweek. Please see the chart below for accrual rates by years of service.

Length of Service	Days per Year	Accrual Per Month	Max Carryover
First Four Years of Service	10 days (80 hrs)	6.68 hours	240 hours
Five to Nine Years of Service	13 days (104 hrs)	8.68 hours	240 hours
Ten to Fourteen Years of Service	15 days (120 hrs)	10.0 hours	240 hours
Fifteen to Nineteen Years of Service	18 days (144 hrs)	12.0 hours	240 hours
Twenty Years or More of Service	20 days (160 hrs)	13.34 hours	240 hours

Maximum Vacation Accrual. The maximum annual; carryover of vacation leave is 240 hours for employees. Annual leave begins to accrue the first day of employment and ends the last day of employment.

Compensation for Vacation leave. Vacation is paid at the employee’s regular rate of pay at the time vacation leave is used and is paid only for hours the employee would ordinarily have worked.

Upon an employee’s resignation, termination, separation, or retirement, an employee shall be paid for accrued unused vacation leave at the rate of pay the employee was receiving at the time of separation up to their maximum accrual limitation, less any legal and authorized deductions. Upon the death of an employee, payment for accrued unused vacation leave shall be made to the employee’s beneficiary. Pay shall be at the employee’s last regular rate of pay.

Temporary, and Seasonal Employees. Temporary and Seasonal employees are not eligible to accrue vacation leave.

Holidays During Vacation. If a holiday falls during an employee’s scheduled vacation, the time will be considered holiday leave and not vacation leave.

6.7 SICK LEAVE

Sick leave is paid time away from work due to an employee’s bona fide illness or injury that prevents him/her from working, for visits to the doctor or dentist, or to care for certain family

members who are ill or injured. Employees who are unable to work due to illness or injury or other situations covered by this policy must immediately notify the President.

Sick leave must be taken in increments of 1/4 hour.

Accrual Rate and Eligibility. All regular full-time employees accrue 8.0 hours of sick leave each month (12 days per year).

Sick leave allowance begins to accrue the first day of employment and ends the last day of employment. Sick leave may not be taken in advance and shall not be used for annual leave, however, if an absence because of illness or injury extends beyond the sick leave accrued, such additional time may be charged to accrued annual leave. If all accrued sick and annual leave is exhausted and the employee does not return to duty, the employee may be granted leave without pay or terminated at the employer's discretion.

Maximum Accrual. Sick leave earned and not used shall accumulate with a maximum of 60 workdays per employee and may be carried over from year to year.

Payment of Sick Leave upon Retirement. All employees who meet the definition of retirement at time of separation will receive a lump sum payment of accrued, but unused sick leave not to exceed 720 hours.

Authorized Use of Sick Leave. Accrued sick leave may be used for absences due to the employee's bona fide personal illness, accident, injury that prevents him or her from working, or birth of a child (if the employee physically gave birth; otherwise use of sick leave for the birth of a child falls under the section below.) Sick leave may also be used by an employee for his or her own scheduled doctor and dentist appointments.

Authorized Use of Sick for Employee's Immediate Family. Sick leave may also be used for absences when the employee is needed to care for a member of his or her immediate family who is ill or injured and requires the employee's personal care or presence. An employee can use up to three days (see Accrual Rate and Eligibility above for definition of work day) for each such dependent illness or injury. A medical certification will be required to support the need for additional sick leave use which meets the criteria under the Family Medical Leave Act (FMLA).

In the event of a life-threatening illness or injury of an employee's family member who does not meet the definition of "immediate family," the President may allow the employee to use up to three days of accrued sick leave in a twelve month period.

Failure to Report Absence/Abuse of Sick Leave. The President may closely monitor use of sick leave. It is anticipated that employees using paid DDA sick time for their own illness/injury or that of a family member will use their sick leave time to recuperate or care for their family member. Trips to the doctor or hospital stays which take the employee away from the home are acceptable, but other personal pursuits during paid sick leave will be considered an abuse of this policy. Abuse of sick leave, including use of sick leave for anything other than an illness, injury, or doctor/dentist, appointment as provided for in this policy, may result in immediate disciplinary action, up to and including termination of employment, and may also render the employee

ineligible for paid sick leave benefits. Maternity and paternity are covered under sick leave benefits for qualifying FMLA purposes. Similarly, employees who fail to timely report an absence or tardiness due to illness, injury, or doctor/dentist appointment may be disqualified from using sick leave for their absence.

Other Employment During Sick Leave. Employees on sick leave, whether paid or unpaid, may not work a second job, including self-employment or participate in volunteer work, during the period of leave. Exceptions to this policy may be obtained in writing from the President. See Outside and Self-Employment Policy.

Family and Medical Leave Act. Any absence that qualifies for both sick leave and leave under the Family and Medical Leave Act will follow the guidelines set out in this policy and will typically run concurrently, as both FMLA leave and sick leave.

6.8 FAMILY AND MEDICAL LEAVE ACT (FMLA)

The DDA provides leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of unpaid leave each year for specified family and medical reasons.

Definition of Serious Health Condition. For purposes of this policy, a "serious health condition" means an illness, injury, impairment, or physical or mental condition that involves any period of incapacity or treatment connected with inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, and any period of incapacity or subsequent treatment in connection with such inpatient care.

Employees shall contact the President if they have questions concerning the definition of a "serious health condition."

Employee Eligibility. To be eligible for FMLA leave, an employee must have worked for the DDA:

- for at least 12 months, and
- for at least 1,250 hours during the 12 months preceding the start of the leave.

Leave Entitlement. Eligible employees may take FMLA leave for one or more of the following reasons:

- for the birth or placement of a child for adoption or foster care;
- to care for a spouse, child, or parent with a serious health condition; or
- when the employee is unable to perform the functions of his/her position because of his/her own serious health condition.

To determine eligibility for leave, the DDA uses a rolling 12-month period measured backward from the date of any FMLA leave.

Employee's Notice Requirements. In order for the DDA to accommodate an employee's workload during his or her absence, an employee seeking to take FMLA leave must provide the

President with at least 30 days' advance notice, when the leave is foreseeable. If the leave is not foreseeable, an employee is expected to provide the President with as much advance notice as possible. In the event of medical leave for planned medical treatment for the employee or for the employee's spouse, child or parent, the employee is required to make a reasonable effort to schedule the treatment so as not to unduly disrupt DDA's operations.

Medical Certification and Other Required Documentation. An employee must provide the DDA with a medical certification supporting the need for FMLA leave due to a serious health condition affecting the employee or the employee's spouse, child or parent. The certification must set forth the beginning and expected ending dates of the leave. In the case of intermittent leave, the certification must also provide the dates and duration of the treatments necessitating the intermittent leave.

An employee must also provide periodic reports during FMLA leave as to his status and intent to return to work, and may be required to submit a "fitness-for-duty" certification before the employee can return to work. In some cases the DDA may require a second or third medical opinion (at the DDA's expense) and periodic recertification of the serious health condition, and when the leave is a result of the employee's own serious health condition, a fitness for duty report to return to work. If an employee fails to provide any required certification within 15 days, the DDA may deny leave until the certification is provided. If an employee elects to take FMLA leave in order to care for a family member, the employee may be required to provide reasonable documentation confirming a family relationship.

Intermittent Leave. An eligible employee may take FMLA leave on an intermittent or reduced schedule basis only if "medically necessary," or otherwise approved by the President. When intermittent leave is needed, the employee must try to schedule the leave so as not to unduly disrupt DDA's operations.

FMLA Leave Runs Concurrently With Other Types of Leave. FMLA leave is unpaid leave (although employees may be eligible for disability payments and/or workers' compensation benefits under those insurance plans). If FMLA leave is requested because of birth, adoption, or foster care placement of a child then any accrued vacation leave, and/or holiday leave first will be substituted for unpaid FMLA leave. If FMLA leave is requested because of an employee's own serious health condition, or to care for a covered relation with a serious health condition, any accrued sick leave first will be substituted for any unpaid FMLA leave. Following the exhaustion of all accrued sick leave, accrued vacation leave and holiday leave will be substituted for unpaid FMLA leave. The substitution of paid leave time runs concurrently with the unpaid FMLA leave. Further, in no case can the substitution of paid leave time for unpaid leave time result in an employee's receipt of more than 100 percent of his/her salary. FMLA leave runs concurrently with any time off work covered by workers' compensation and with other types of leave, i.e. vacation leave.

Benefits During FMLA Leave. During any period of FMLA leave, the DDA will continue to pay its portion of any group health insurance coverage for the employee on the same terms as if the employee had continued to work. Where applicable, the employee must timely pay his share of health insurance premiums while on FMLA leave. The DDA may recover premiums it paid to

maintain health coverage for an employee who fails to return to work from FMLA leave, unless the employee is unable to return due to a serious health condition or something else beyond the employee's control. Medical certification is required under such circumstances.

The employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave, nor will seniority be affected. However, benefit accruals, such as vacation and sick leave, will be suspended during any unpaid leave.

Job Restoration After FMLA Leave. Upon timely return from FMLA leave, an employee will be restored to his original job or to an equivalent job with equivalent pay, benefits, and other terms and conditions.

Leave Due To Birth/Adoption. FMLA leave for birth or placement for adoption or foster care must conclude within 12 months of the birth or placement.

FLSA Considerations. Salaried executive, administrative, professional and other employees of the DDA who meet the Fair Labor Standards Act (FLSA) criteria for exemption from overtime do not lose their FLSA-exempt status by using any unpaid FMLA leave.

Other Employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, or workers' compensation leave engage in outside employment, as defined in the Outside and Self-Employment Policy, unless expressly authorized in writing in advance by the President.

Military Family Leave. The DDA provides leave to eligible employees in accordance with FMLA regulations as related to employees who have family members in military service. Please see the Military Family Leave policy.

Other Provisions. The FMLA does not affect any federal or state law prohibiting discrimination. This policy is intended to explain benefits available to eligible employees under the FMLA. It is not intended to create any rights to leave beyond those created by the FMLA. If additional information is needed on the FMLA, please contact the VP of Operations. When an employee gives notice of the need for FMLA leave, the employee will be given additional information as to his rights and responsibilities under the FMLA.

6.9 MILITARY LEAVE AND DIFFERENTIAL MILITARY PAY

The Denison Development Alliance shall comply with all regulations and requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA), as well as any other state and federal laws relating to employees in reserve or active military service, and does not discriminate against employees who serve in the military. This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis, including active duty, active duty for training, initial active duty for training, inactive duty training and full-time National Guard duty. The DDA shall notify employees of their rights under USERRA by displaying the notice entitled "Your Rights Under USERRA."

6.10 MILITARY FAMILY LEAVE

The DDA provides leave to eligible employees in accordance with the family and Medical Leave Act (FMLA) as it relates to employees who have family members in military service.

Employee Eligibility. To be eligible for Military Family Leave, an employee must fall into one of the protected categories, as identified below:

- (A) **Active Duty Family Leave.** Employees who have a spouse, parent, child or next of kin that is on or has been called to active duty or who has been notified of an impending call to active duty status in support of a contingency operation may take up to 12 weeks of leave in one 12 month period, in combination with regular FMLA leave.
- (B) **Injured Service Member Family Leave.** Employees who are the spouse, parent, child or next of kin of a service member who incurred a serious injury or illness on active duty in the Armed Forces may take up to 26 weeks of leave to care for the injured service member in one 12 month period, in combination with regular FMLA leave.

6.11 JURY DUTY

The Denison Development Alliance provides paid leave to full-time employees who are required to serve on jury duty or are requested by the DDA to testify as a witness in a DDA related civil, criminal, legislative or administrative proceeding. Jury duty leave is paid at the employee's base rate at the time of the leave and does not include overtime or any other forms of compensation.

The employee must provide documentation of the requirement for jury duty, if requested. If employees should be called for jury duty or summoned as a witness, they should advise the President immediately.

Employees on jury duty should keep up with their job responsibilities, if possible. An employee who is on jury duty typically must report for their regular DDA duties for the remainder of the day upon completion of court or jury service, or request approval for use of other available paid time off. Any payment for jury duty received by the employee may be retained by the employee.

Court appearances for testimony, investigation and court preparation as a result of official duties as a DDA employee are compensated as actual hours worked and are not classified as paid leave.

In all other cases, involving court appearances for testimony, investigations, court preparation and any other non-employment related reason, employees are required to use accrued vacation or holiday leave. If a non-exempt employee has no accrued vacation or holiday leave, the employee's time off for these non-employment related reasons will be considered a leave without pay and exempt employees may be required to make up the work time lost. For unusual or extended jury or subpoena circumstances that are not covered herein, the President may authorize an alternative leave provided in these policies that doesn't adversely impact the employee.

6.12 BEREAVEMENT LEAVE

In case of death to an employee's spouse, mother, father, daughter, son, brother, or sister an employee shall be granted leave of absence with pay for days occurring in the first five (5) scheduled work days (37.5 hours) following date of death. This includes "step" relations, legal guardians or wards, and primary caregivers for these relationships.

In case of death to an employee's grandparent, grandchild, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, or nephew an employee shall be granted leave of absence with pay for days occurring in the first three (3) scheduled work days (24 hours) immediately following date of death. This includes "step" relations.

Employees may attend co-worker funerals with pay.

In all cases of bereavement leave, the President may require evidence of death at his or her discretion. Any additional time off for bereavement leave may be granted by use of sick leave for extenuating circumstances, vacation leave, or leave without pay at the discretion of the President. The President may extend the use of bereavement leave at times other than immediately following the date of death at his or her discretion if the circumstances warrant it.

6.13 ADMINISTRATIVE LEAVE

The DDA may grant Administrative Leave with pay to an employee, as a matter of discretion by the President when no other paid leave category is available or applicable and leave without pay would not be appropriate. This discretion includes granting Administrative Leave with pay when a disciplinary decision is pending. The DDA may also authorize Administrative Leave without pay.

The authorization of Administrative Leave to an employee will be put in writing and forwarded to the VP of Operations for proper payroll processing and placement in the employee's personnel file.

6.14 UNPAID LEAVE OF ABSENCE

In extraordinary circumstances, the DDA may grant employees an unpaid leave of absence (LOA). All requests for LOA must be submitted in writing and must fully explain the reasons for the request. Whenever possible, an employee must request leaves of absence at least thirty days in advance of the beginning date of LOA.

A LOA of up to or beyond 30 days may be authorized by the President. LOA is authorized in 30 day increments and may be extended at the request of the employee and with approval by the President for a period not to exceed 180 total days away from work.

This policy will be administered consistently with the DDA's obligations under the Americans with Disabilities Act. A LOA will not be authorized unless there is a reasonable expectation that the employee will return to employment with the DDA at the end of the approved leave period and the LOA will not create an undue hardship on the DDA.

Use of All Other Available Leave. All of the employee's accrued vacation and holiday leave and/or leave authorized under FMLA must be used prior to authorizing a LOA. If the LOA is due to illness or injury, all sick leave must also be used prior to authorizing a LOA.

Criteria. Factors considered by the DDA in granting a LOA include the reason for the leave, departmental work requirements, employee's length of service with the DDA, work performance and disciplinary history.

Reasons for LOA. A LOA may be considered in the following circumstances:

- Recovery from extended illness, injury or temporary disability
- Extended care for immediate family members
- Educational purposes when successful completion will contribute to the best interests of the DDA
- Public service assignment
- Personnel exchange programs which emphasize intergovernmental relations

Documentation. The need for a medical LOA must be supported by documentation acceptable to the DDA, including but not limited to a doctor's explanation of why the employee cannot perform his duties, when he is expected to return to work and periodic updates regarding the employee's ability or inability to return to work.

The employee on leave will contact the President at least weekly to report on his condition or status. Before returning to work from a medical LOA, the employee will be required to submit documentation from his or her doctor stating that the employee is able to resume his normal job duties.

Other Employment During Leave. Under no circumstances may an employee on an authorized LOA without pay work another job, whether for pay, as a volunteer or as self-employment, unless expressly authorized in writing by the President.

Reinstatement. Employees returning from an authorized LOA will be reinstated to their same position or one of similar pay and status, provided DDA's circumstances have not changed to the extent that it would be unreasonable to provide reinstatement or causes an undue hardship. If the same job or one of similar pay and status is not available, reinstatement may, at the DDA's discretion, be deferred until a position is available. Usually an employee who fails to return to work at the conclusion of an approved LOA will be considered to have voluntarily resigned his employment with the DDA.

Benefits and Premium Payments. All LOA's are unpaid. Vacation, sick leave, holiday pay and other benefits do not accrue during an unpaid LOA. Any benefit continuation during a LOA must be approved in advance by the President.

Any insurance premiums, or partial premiums, normally paid on behalf of the employee by the DDA will not be paid by the DDA beginning the first day of the month following the starting date of a LOA. Employees who have group health or any other kind of insurance through the DDA

continue to be responsible for paying their portion of the premiums while on a LOA. An employee's failure to pay his or the DDA's portion of insurance premiums during a LOA may result in termination of coverage.

Revocation. The President may revoke authorized leave without pay at any time. Failure to return to work after the expiration of an authorized LOA or failure to provide required medical status reports, physician's statements or to contact the DDA per the regular schedule will likely result in revocation of the LOA and/or disciplinary action up to and including termination.

SECTION 7

STANDARDS OF CONDUCT

7.1 EMPLOYEE CONDUCT

Every employee is expected to satisfactorily perform the job duties assigned to his position, to maintain a high level of personal conduct on the job, to render courteous and efficient service to the public and to other employees, to be mindful of safety practices, and to exercise care in the use of DDA property.

To ensure orderly and productive operations and provide the best possible work environment, the DDA requires employees to follow rules of conduct that will protect the interests and safety of the DDA, the public, and employees.

Prohibited Activities. The DDA expects its employees to conduct themselves in a businesslike manner. Disciplinary action will be imposed for violations of DDA policies and procedures, codes of conduct, rules and regulations, either written or verbal. Disciplinary action may also be imposed for acts which are not specifically addressed in policies and procedures, codes of conduct, and rules and regulations, but which may adversely affect the DDA or put the health and safety of fellow employees or public at risk.

7.2 EMPLOYEE REVIEWS

The DDA normally gives employees performance evaluations in conjunction with any consideration of salary adjustments.

If the DDA identifies problems or determines an employee's performance is not satisfactory, the DDA may give employees a review or counseling session at that time. If it becomes necessary to conduct a counseling session with employees regarding job performance or conduct detrimental to performance of the job, they will be presented with a written acknowledgment. The DDA will furnish a copy. Employees must sign the DDA's copy, acknowledging receipt. The DDA will give employees an opportunity to note in writing any comments regarding the issues under discussion.

The DDA may terminate anyone's employment at any time, with or without prior notice and with or without cause.

7.3 EMPLOYEE DISCIPLINE

In certain instances, the DDA will use a progressive disciplinary system. The DDA is not obligated to use all of the progressive disciplinary steps available and may begin the disciplinary process at any level, up to and including immediate discharge, depending upon the severity of the conduct, the employee's prior work performance and disciplinary history, the employee's length of

service, and any mitigating circumstances. Depending on the circumstances of each individual case, disciplinary action may consist of one or more of the following:

- Counseling Session
- Documented Oral Warning
- Written Reprimand
- Probation
- Suspension Without Pay
- Demotion
- Discharge

Appeal Rights. Where a disciplinary action involves a suspension of one day or more, demotion and/or termination, the employee will normally be given an opportunity to respond to the allegations prior to disciplinary action being taken. Please see Grievance and Appeal Policy.

7.4 GRIEVANCE AND APPEAL POLICY

Any employee who has a complaint concerning disciplinary action, termination, demotion, denial of promotion or merit increase, layoff, or discrimination based on a category- i.e., race, age disability- recognized by Civil Rights Laws has the right to file a grievance according to procedures outlined in this policy.

It shall be the policy of the DDA to attempt to prevent the occurrence of grievances and to deal promptly with those, which do occur. Whenever an employee has a complaint or grievance, the employee should discuss the matter informally with the President and attempt to resolve the matter in an equitable fashion.

If a solution cannot be reached, the employee may present a formal grievance, in writing, to the President within five (5) business days of said occurrence. The President and the Board of Directors shall, within five (5) business days of the formal complaint, provide a response in writing to the employee involved. If an extension of the time limit becomes necessary for the representatives of the DDA, all parties will be notified.

No employee will be discriminated against, harassed, intimidated, or suffer any reprisal as a result of filing a grievance or participating in the investigation of a grievance. If an employee feels that he/she is being subjected to any of the above, that employee has the right to appeal directly to the DDA Chairman.

7.5 SEXUAL AND UNLAWFUL HARASSMENT

The DDA is an equal opportunity employer. Employment discrimination on the basis of race, religion, color, sex, national origin, age, disability, marital status, veteran status, citizenship, or any other characteristic protected by law, is prohibited. All DDA employees are entitled to a workplace free of unlawful harassment by management, supervisors, co-workers, citizens and vendors. DDA employees are also prohibited from harassing citizens, vendors and all other third parties.

Sexual Harassment. One form of unlawful discrimination is sexual harassment. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or

- Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different sex. Conduct prohibited by this policy includes, but is not limited to: sexual advances; requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body; sexual prowess, sexual preference or sexual deficiencies; leering, whistling or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal or visual conduct of a sexual nature.

Other Prohibited Harassment. In addition to the DDA's prohibition against sexual harassment, harassment on the basis of any other protected characteristic is also prohibited. This means that verbal or physical conduct that singles out, denigrates or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, veteran status, citizenship or any other characteristic protected by law is also prohibited.

Prohibited conduct includes, but is not limited to: epithets, slurs and negative stereotyping; threatening, intimidating or hostile conduct; denigrating jokes and comments; and writings or pictures that single out, denigrate or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments or innuendoes that may be perceived by others as offensive are wholly inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including, but not limited to via facsimile, e-mail and/or the Internet. Harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, will not be tolerated. This policy applies to DDA employees, citizens, vendors and other visitors to the workplace.

Mandatory Reporting. The DDA requires that employees report all perceived incidents of harassment, regardless of the offender's identity or position. Any employee who observes or otherwise learns of possible harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately to:

- The President; or
- DDA Board of Directors.

In addition, the DDA encourages employees who believe they are being subjected to conduct prohibited by this policy and who feel comfortable doing so, to promptly advise the offender that his behavior is unwelcome and request that it be discontinued. Often this action will resolve the problem.

Investigation. All reports of prohibited conduct will be investigated promptly by the President and DDA Board Members in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, when necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with the investigation.

Retaliation Prohibited. Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.

Responsive Action. Misconduct constituting harassment or retaliation will be dealt with appropriately. Discipline, up to and including termination, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were fabricated or exaggerated.

7.6 SOCIAL MEDIA POLICY

Access to the Internet through the DDA's electronic communications systems is a privilege and carries responsibilities reflecting responsible and ethical use. The DDA may monitor access to the Internet, blogs, and/or chat rooms to ensure compliance with internal policies, support the performance of internal investigations, and assist management of information systems. Further, the DDA expects all employees to follow ethical guidelines when posting information on the Internet, regardless if done before, during or after work hours.

This Social Media Policy should be read and interpreted in conjunction with the DDA's policies including, but not limited to, policies prohibiting harassment, discrimination, offensive conduct or inappropriate behavior. Violations of the DDA's Social Media Policy may lead to disciplinary action, up to and including termination of employment.

The Denison Development Alliance, in an ongoing effort to maintain effective communication to and with residents and other audiences, uses Social Networking Outlets as a way to deliver messages directly to users and to encourage resident involvement, interaction and feedback. This policy sets guidelines for use of Social Networking Outlets in an effort to ensure timely, accurate and appropriate use of those outlets to deliver clear, concise and consistent messages on behalf of the DDA.

Application.

- (A) This policy applies to the use of Social Networking Outlets as described below. The lack of explicit reference to a specific site does not limit the extent of the application of this policy.
1. Networking sites (such as LinkedIn and Facebook) that primarily encourage static-posting communication between users with individual profiles.
 2. Bulletin sites (such as Twitter and Nixle) that primarily encourage active-posting communication between users and defined user groups.
 3. Multimedia sites (such as YouTube, Flickr, PhotoBucket and Picasa) that provide on-line storage of photos, videos and other multimedia materials and allow public access to those materials.
 4. Blogs and Message Boards, either operated by the DDA or by a third-party with comments related to the DDA.
- (B) Any new Social Networking Outlets implemented by the DDA shall be operated in compliance with this policy, as determined by the VP of Operations.

General Rules of Use.

- (A) DDA presence on Social Networking Outlets will be administered by the VP of Operations.
- (B) Information posted by staff on official DDA pages must be factual and cannot impair the public's confidence in the operation of city economic development or the performance of the individual employee.
- (C) As public forums, DDA-administered pages will accept Connection requests from the public. DDA-administered pages will not submit Connection requests to individual users with the following exceptions:
1. Elected or appointed officials of the DDA or other governing body
 2. DDA/City employees
 3. Other government administered user profiles (e.g. cities, counties, state, etc.)
 4. Partner agencies approved by the President
 5. News media outlets and their representatives
- (D) Bulletins and Comments containing any of the following shall not be allowed for posting, or shall be removed by the DDA if posted:
1. Profane language or other content
 2. Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability or sexual orientation
 3. Sexual content or links to sexual content
 4. Threats of violence

5. Solicitations of commerce
 6. Conduct or encouragement of illegal activity
 7. Information that may tend to compromise the safety or security of the public or public systems
 8. Content that violate proprietary or copyrighted information of any other party
- (E) DDA staff authorized to post material on DDA administered sites will receive training on the content and application of this policy before being granted access.
- (F) Hyperlinks to DDA administered sites may be placed on the homepage of the DDA's official Website (www.denisontx.org). Social site addresses may be used in appropriate marketing materials, but only in conjunction with and subordinate to the DDA's official web address.

Site Administration.

- (A) The DDA retains intellectual rights to content placed on DDA-Administered sites by employees.
- (B) The VP of Operations will maintain a current list of all DDA-administered sites, access information for each site, and employees who have been provided that access information.
- (C) If an employee with access to any of the DDA-administered sites leaves the organization for any reason, the VP of Operations will change the access information for all DDA-administered sites and distribute new access information to authorized employees.

Third Party Sites.

- (A) Only the President and Board of Directors are authorized to respond to information about the DDA that is posted to sites not maintained by the DDA. The VP of Operations should be notified of any proposed response prior to posting in order to ensure an appropriate and consistent message.
- (B) Employees who become aware of incorrect, inflammatory or potentially damaging information about the DDA that is posted to a publicly accessible site are encouraged to notify the President or VP of Operations.
- (C) When responding to material posted on a publicly accessible site, the responder must be clearly identified as being a DDA representative and content cannot impair the public's confidence in the operation of city economic development or the performance of the individual employee.

Employee Sites.

- (A) The DDA recognizes that many individual employees use Social Networking Outlets for their own purposes. This policy does not extend to individual employees sites, except that employees may be subject to disciplinary action for internet postings that could impair the public's confidence in the operation of city economic development or the performance of the individual employee.

(B) Personal sites may not be designed in such a way as to cause users to believe the site is DDA-administered or endorsed by the DDA, including unauthorized use of DDA logos and trademarks. Connections with DDA-administered sites are permitted.

Advertising and Sponsorship. The DDA will not solicit or accept paid advertising in association with its presence on Social Networking Outlets, without approval of the President.

Disclaimer. The DDA reserves the right to change, modify, amend, revoke or rescind all or part of this policy at any time.

User Rules of Conduct. Employees shall abide by the following rules of conduct at all times:

- Blogging, or posting information on the Internet not relevant to DDA business, is not allowed during work hours.
- Employees must never disclose any proprietary or confidential information concerning the Denison Development Alliance or an employee of the DDA in a blog or other posting to the Internet, regardless if done before, during or after work hours. Posting of proprietary or confidential information may violate state law and subject the user to criminal penalty.
- Employees must abide by all federal and state laws with regard to information sent through the Internet.
- Employees must respect coworkers and the DDA. Employees must not put anything on a blog or post any information on the Internet that will defame, embarrass, insult, demean or damage the reputation of the DDA or any of its employees.
- Employees must not post any pornographic pictures or other pictures of any type that could identify the posting individual as an employee of the DDA.
- An employee must not post pictures of himself or herself, or others containing images of Denison Development Alliance uniforms or insignia, DDA equipment or DDA work sites.
- The DDA prohibits the unauthorized release or disclosure of any employee information through the Internet or through other means that may be considered private and/or confidential by law.
- The DDA prohibits the unauthorized posting of information on the Internet that could adversely impact the DDA and/or an employee of the DDA.

7.7 VIOLENCE PREVENTION POLICY

The Denison Development Alliance strives to provide a safe and secure working environment for its employees. This policy is designed to help prevent incidents of violence from occurring in the workplace and to provide for the appropriate response when and if such incidents do occur.

Zero Tolerance. Harassment, intimidation, threats, threatening behavior, violent behavior or acts of violence between employees or such action between an employee and another person that arises from or is in any manner connected to the employee's employment with the DDA, whether the conduct occurs on duty or off duty, is prohibited.

DDA's Response to Threats or Acts of Violence. The DDA will attempt to respond appropriately to any person who threatens use of force or violence or threatens an unlawful act, exhibits threatening behavior or engages in violent acts. The DDA's response will normally be coordinated by the President and, where applicable, the City of Denison's Police Department or other appropriate law enforcement agency.

The President will evaluate the severity of the situation and the need for additional resources to minimize risk and further violence (e.g., law enforcement, emergency medical services) in an effort to ensure that appropriate administrative actions are taken. If such conduct occurs on DDA property, the offending person will typically be removed from the premises pending the outcome of an investigation. The DDA may also suspend and/or terminate the employment relationship, reassign job duties, mandate counseling with a psychologist or other mental health care provider of the DDA's choosing, initiate criminal prosecution of the person or persons involved, and/or other actions as determined by the DDA to be appropriate under the circumstances.

Mandatory Reporting. Each DDA employee must immediately notify the President or Board of Director of any act of violence or of any threat involving a DDA employee that the employee has witnessed, received or has been told that another person has witnessed or received. Even without an actual threat, each DDA employee must also report any behavior that the employee regards as threatening or violent when that behavior is job related or might be carried out on DDA property, a DDA controlled site or DDA job site, or when that behavior is in any manner connected to DDA employment or activity.

Each employee is responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons threatened or the target of the threatening behavior.

7.8 SEARCHES

To safeguard the property of our employees, our citizens, and the DDA and to help prevent the possession, sale, and use of illegal drugs on DDA premises, in keeping with the DDA's drug-free workplace policy, the DDA reserves the right to question employees and all other persons entering and leaving the work site, and to inspect any packages, parcels, purses, handbags, briefcases, lunchboxes, or any other possessions or articles carried to and from the work site. DDA may also at any time conduct unannounced searches or inspections of the work site including, but not limited to DDA property used by employees, such as lockers, file cabinets,

computer and electronic devices and files, desks, offices, whether secured, unsecured or secured by a lock provided by the employee. In this connection, it should be noted that all offices, desks, files, lockers and so forth, are the property of DDA and are issued for the use of employees only during their employment with DDA.

If reasonable suspicion exists, DDA may also conduct unannounced searches or inspections of the employee's personal property located on DDA's premises, including vehicles parked in DDA parking lots.

NOTE: DDA's authority to conduct unannounced searches is not limited to situations involving reasonable suspicion of possession and/or use of drugs or alcohol.

All searches must be authorized and conducted under the direction of the President and/or Board of Director. Employees who refuse to cooperate with a search may be subject to disciplinary action up to and including termination of employment.

The DDA assumes no responsibility for loss of employees' personal belongs stored on DDA property.

7.9 DRUG AND ALCOHOL USE

It is the DDA's goal to provide a drug free, healthful and safe work place. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory and safe manner.

Prohibition Against Alcohol and Illegal and Unauthorized Drugs. While on duty on the premises of the DDA, while conducting DDA related business or other activities off premises, an employee may not use, possess, distribute, sell or be under the influence of alcohol (except under the limited circumstances described below), inhalants, illegal drugs, including drugs which are legally obtainable but which were not legally obtained, and prescribed or over the counter drugs which are not being used as prescribed or as intended by the manufacturer.

Prohibition Against Illegal and Unauthorized Drug Related Paraphernalia. This policy also prohibits the use, possession, distribution and sale of drug related paraphernalia while on the premises of the Denison Development Alliance, while on duty, or while conducting DDA related business or other activities off premises. Drug related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

Permissive Use of Prescribed and Over the Counter Drugs. The legal use of prescribed and over the counter drugs is permitted while on the premises of the Denison Development Alliance, while on duty, while conducting DDA related business or other activities off premises ***only if*** it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion or feeling unsteady.

Rehabilitation/Treatment. It is the DDA's desire to assist employees who voluntarily request assistance with their alcohol or drug dependency. For DDA support and assistance, however, an employee must acknowledge his problem and seek and accept counseling and/or rehabilitation before it impairs his job performance and/or jeopardizes his employment.

An employee, who has successfully completed the probationary period, who has a drug or alcohol problem that has not resulted in, and is not the immediate subject of, disciplinary action may request approval to take a leave of absence to participate in a rehabilitation or treatment program. An employee may not enroll in a rehabilitation or treatment program in lieu of disciplinary action.

Note: Under certain circumstances, treatment for substance abuse may be covered under the DDA's Family Medical Leave Act Policy.

The cost of any rehabilitation or treatment may be covered under the DDA's group health insurance policy. In any case, the employee is responsible for all costs associated with any rehabilitation or treatment program.

During time off for a DDA approved rehabilitation or treatment program, the employee must use any available vacation leave, sick leave, accrued holiday or other accrued paid leave time. If the employee has no paid time off available, the time away from work will be unpaid. Where applicable, any time off for rehabilitation or treatment under this policy will also be designated as leave under the DDA's Family and Medical Leave Act policy.

If the employee successfully completes his prescribed rehabilitation or treatment, the DDA will make reasonable efforts to return the employee to his prior position or one of similar pay and status. However, employment with the DDA following a DDA approved leave for rehabilitation or treatment is conditioned on the following:

- Initial negative test for drugs and/or alcohol before returning to work;
- A written release to return to work from the DDA approved rehabilitation or treatment facility/program;
- Periodic and timely confirmation of the employee's continuing cooperation and successful participation in any follow-up or on-going counseling, testing or other treatment required in connection with the DDA approved rehabilitation or treatment program, if applicable;

7.10 DRUG AND ALCOHOL TESTING

Testing of Applicants. All applicants, to whom a conditional offer of employment has been made, may be required to submit to testing for alcohol and illegal and unauthorized drugs. A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment or future employment with the DDA.