



DEVELOPMENT ALLIANCE

**CERTIFIED AGENDA**

**THURSDAY, AUGUST 17, 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, August 17, 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 JULY 20, 2017.**
- II. REVIEW AND CONSIDER APPROVAL OF THE JULY FINANCIAL REPORTS.**
- III. REVIEW MONTHLY INVESTMENT REPORT.**
- IV. REVIEW AND CONSIDER APPROVAL OF THE 2017/2018 DRAFT BUDGET TO BE SUBMITTED TO CITY COUNCIL FOR APPROVAL.**
- 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, SECTION 551.072, AND SECTION 551.074 OF THE TEXAS GOVERNMENT CODE.**

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

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

**II. DELIBERATION REGARDING REAL PROPERTY**

**III. PERSONNEL MATTERS**

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 and POPCORN.

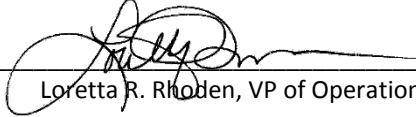
**II. DELIBERATION REGARDING REAL PROPERTY**

**III. PERSONNEL MATTERS**

**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](http://www.denisontx.org), places readily available to the general public at all times, this the 14<sup>th</sup> day of August, 2017, at 11:30 am.

  
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, JULY 20, 2017, 4:00 P.M.  
DENISON DEVELOPMENT ALLIANCE  
311 W. WOODARD STREET, DENISON, TEXAS**

**MEMBERS PRESENT:** Matthew Looney, Richard Munson, David Spindle, Robert Sylvester

**MEMBERS ABSENT:** Robert Brady

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

**VISITOR PRESENT:** Mayor Jared Johnson

**MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:04 P.M.**

- I. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD JUNE 15, 2017:** Reviewed by members. Richard Munson motioned to approve the minutes as submitted. Matthew Looney seconded. Motion was unanimously approved.
- II. REVIEW AND CONSIDER APPROVALS OF THE MAY AND JUNE FINANCIAL REPORTS:** Robert Sylvester moved to approve the May and June financial reports as submitted by Veronica Davis, CPA. Matthew Looney seconded, and the motion was unanimously approved.
- III. 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.
- IV. REVIEW AND CONSIDER APPROVAL OF THE REVISED POLICY AND PROCEDURE MANUAL:** Richard Munson moved to approve the revisions recommended by staff on the updated/revised policy and procedure manual presented to the Board by VP of Operations, Loretta Rhoden. The motion was seconded by Matthew Looney, and unanimously approved.

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**V. 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 20<sup>th</sup> day of July, 2017, at 4:24 P.M. to consider the following:

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

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

Following the closed Executive Session the Board reconvened in open and public session at 5:05 P.M.

**I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

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

No action taken.

**THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 5:05 P.M.**

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David Spindle, Chairman

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Date Approved

**Denison Development Alliance**

**Financial Statements**

**July 31, 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 July 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 ten months ended July 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  
August 9, 2017

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

**ASSETS**

**Current Assets**

Cash on hand	\$	174.66
Checking account		146,850.64
Money market account		1,614,293.60
MMA 4416 - Def Comp		296,131.69
Sales tax receivable		<u>164,013.03</u>

**Total Current Assets** \$ 2,221,463.62

**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		(1,281,713.62)
 Leasehold improvements		 51,916.64
---less depreciation		(20,586.07)
 Ind Park Infrs/streets		 186,608.00
---less depreciation		(26,436.17)
 Land		 437,842.73
Hwy 75/84 Property		1,250,000.00
Land improvements		192,564.42
--- less depreciation		<u>(13,479.50)</u>

**Total Fixed Assets** 5,020,691.20

**Total Assets** \$ 7,242,154.82

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

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Security Deposit - Florestone	\$	67,702.46
Payroll taxes payable		2.36
Accrued Interest Payable		8,114.98
Deferred Revenue		1,666.00
Accrued Deferred Compensation		208,143.87
CP - Note Pay - ABT Florestone		392,776.41
CP- Woodforest Nat. Bank		<u>64,000.00</u>

**Total Current Liabilities** \$ 742,406.08

**Long-term Liabilities**

American Bank- Florestone Note	1,337,381.76
Woodforest Nat. Bk. Loan	569,000.00
Less current portion	<u>(456,776.41)</u>

**Total Long-term Liabilities** \$ 1,449,605.35

**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>426,412.51</u>

**Total Net Assets** 5,050,143.39

**Total Liabilities & Net Assets** \$ 7,242,154.82



**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended July 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>
<b>Revenues</b>							
4a Sales Tax Revenue	\$ 164,013.03	\$ 124,329.00	\$ 39,684.03	\$ 1,290,273.98	\$ 1,243,290.00	\$ 46,983.98	\$ 1,491,948.00
Billboard Reimbursement	1,841.25	-	1,841.25	16,835.25	-	16,835.25	-
Interest Income	251.21	181.08	70.13	2,381.26	1,810.83	570.43	2,173.00
Lease Income - Florestone	33,851.23	33,851.17	0.06	338,512.30	338,511.67	0.63	406,214.00
Property Tax Income - Florestone		7,933.75	(7,933.75)	94,285.97	79,337.50	14,948.47	95,205.00
<b>Total Revenues</b>	<b>\$ 199,956.72</b>	<b>\$ 166,295.00</b>	<b>\$ 33,661.72</b>	<b>\$ 1,742,288.76</b>	<b>\$ 1,662,950.00</b>	<b>\$ 79,338.76</b>	<b>\$ 1,995,540.00</b>
<b>Expenses</b>							
<b>Administrative</b>							
Annual Meeting (Summit)	\$ -	\$ 833.33	\$ 833.33	\$ 4,872.88	\$ 8,333.33	\$ 3,460.45	\$ 10,000.00
Audit/Accounting	475.00	1,358.33	883.33	14,711.94	13,583.33	(1,128.61)	16,300.00
Automotive Allowance	796.88	950.00	153.12	9,138.66	9,500.00	361.34	11,400.00
Bank Fees	-	4.17	4.17	-	41.67	41.67	50.00
Computer Expenses	50.00	333.33	283.33	2,833.75	3,333.33	499.58	4,000.00
Consultant Fees	3,055.00	4,166.67	1,111.67	23,365.00	41,666.67	18,301.67	50,000.00
Copier/Maintenance	89.36	50.00	(39.36)	681.15	500.00	(181.15)	600.00
Deferred Compensation Trust	-	2,083.33	2,083.33	-	20,833.33	20,833.33	25,000.00
Employee Insurance	2,174.67	2,597.50	422.83	21,587.99	25,975.00	4,387.01	31,170.00
Equip Rent/Maint/Purchase	-	100.00	100.00	740.67	1,000.00	259.33	1,200.00
Janitorial/Office Maintenance	90.00	83.33	(6.67)	1,838.60	833.33	(1,005.27)	1,000.00
Legal Services	12,221.26	416.67	(11,804.59)	19,562.16	4,166.67	(15,395.49)	5,000.00
Liability Insurance	-	441.67	441.67	2,173.00	4,416.67	2,243.67	5,300.00
Meeting Refreshments	156.96	116.67	(40.29)	1,406.26	1,166.67	(239.59)	1,400.00
Miscellaneous Expense	(7,920.35)	125.00	8,045.35	474.12	1,250.00	775.88	1,500.00
Office Furnishings	-	83.33	83.33	531.13	833.33	302.20	1,000.00
Office Lease	1,291.40	1,291.42	0.02	12,914.00	12,914.17	0.17	15,497.00
Office Supplies	-	458.33	458.33	4,378.31	4,583.33	205.02	5,500.00
Payroll Taxes	1,653.44	1,852.58	199.14	19,679.78	18,525.83	(1,153.95)	22,231.00
Postage	-	183.33	183.33	2,322.52	1,833.33	(489.19)	2,200.00
Professional Development	218.00	1,083.33	865.33	10,590.60	10,833.33	242.73	13,000.00
Retirement	3,105.63	3,204.67	99.04	21,647.72	32,046.67	10,398.95	38,456.00
Salaries	23,286.28	23,890.33	604.05	223,418.19	238,903.33	15,485.14	286,684.00
Subscriptions/Dues	-	129.58	129.58	2,004.23	1,295.83	(708.40)	1,555.00
Telephone/Communications	697.13	710.25	13.12	7,526.18	7,102.50	(423.68)	8,523.00
Travel	97.37	250.00	152.63	2,266.96	2,500.00	233.04	3,000.00
Utilities	101.88	575.50	473.62	3,754.89	5,755.00	2,000.11	6,906.00
Workers Comp	-	81.42	81.42	817.00	814.17	(2.83)	977.00
<b>Subtotal Administrative</b>	<b>41,639.91</b>	<b>47,454.07</b>	<b>5,814.16</b>	<b>415,237.69</b>	<b>474,540.82</b>	<b>59,303.13</b>	<b>569,449.00</b>

**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended July 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>
<b>Program Expenses</b>							
Briefing Center Equipment/Presentations	\$ -	\$ 291.67	\$ 291.67	\$ 5,128.28	\$ 2,916.67	\$ (2,211.61)	\$ 3,500.00
ESRI Business Analyst	-	250.00	250.00	3,600.00	2,500.00	(1,100.00)	3,000.00
Geographic Information System	-	729.17	729.17	-	7,291.67	7,291.67	8,750.00
Retail Lease Trac	-	100.00	100.00	-	1,000.00	1,000.00	1,200.00
Retail Market Analysis	-	416.67	416.67	-	4,166.67	4,166.67	5,000.00
Workforce Development	-	8,041.67	8,041.67	24,592.42	80,416.67	55,824.25	96,500.00
Subtotal Program Exp.	-	9,829.18	9,829.18	33,320.70	98,291.68	64,970.98	117,950.00
<b>Property Mgmt. Expenses</b>							
Business Park Note (75/84)	-	-	-	-	-	-	-
Florestone Building (Interest on Note)	7,985.17	39,489.92	31,504.75	98,119.86	394,899.17	296,779.31	473,879.00
Florestone Insurance (Liability)	-	32.92	32.92	-	329.17	329.17	395.00
Florestone Bldg. Taxes (Property)	-	7,933.75	7,933.75	94,285.97	79,337.50	(14,948.47)	95,205.00
Industrial Park/30 Acres Maint.	-	583.33	583.33	8,380.00	5,833.33	(2,546.67)	7,000.00
Subtotal Property Mgmt. Exp.	7,985.17	48,039.92	40,054.75	200,785.83	480,399.17	279,613.34	576,479.00
<b>Marketing</b>							
<b>Materials/Activities</b>							
Advertising	19.90	1,666.67	1,646.77	4,831.32	16,666.67	11,835.35	20,000.00
Behavioral Marketing	-	2,083.33	2,083.33	4,500.00	20,833.33	16,333.33	25,000.00
Billboard (Hwy 75)	-	25.00	25.00	175.25	250.00	74.75	300.00
Business Retention Activities	-	250.00	250.00	325.14	2,500.00	2,174.86	3,000.00
Corporate Visitation	515.27	250.00	(265.27)	515.27	2,500.00	1,984.73	3,000.00
Direct Mail Program	-	166.67	166.67	-	1,666.67	1,666.67	2,000.00
Mailing Lists	-	166.67	166.67	-	1,666.67	1,666.67	2,000.00
Maps & Photos	-	416.67	416.67	662.17	4,166.67	3,504.50	5,000.00
Meeting Expense	53.90	250.00	196.10	1,119.74	2,500.00	1,380.26	3,000.00
Meeting Sponsorship	-	208.33	208.33	774.62	2,083.33	1,308.71	2,500.00
NTRA Cooperative Advertising	-	2,750.00	2,750.00	24,750.00	27,500.00	2,750.00	33,000.00
PR Firm	-	833.33	833.33	2,823.57	8,333.33	5,509.76	10,000.00
Prospect Hosting	16.76	250.00	233.24	1,332.66	2,500.00	1,167.34	3,000.00
Recruitment Missions	-	5,000.00	5,000.00	1,186.07	50,000.00	48,813.93	60,000.00
Special Events	-	416.67	416.67	4,254.07	4,166.67	(87.40)	5,000.00
Team Texas/DFW Marketing	-	1,666.67	1,666.67	4,813.23	16,666.67	11,853.44	20,000.00
Trade Shows	-	250.00	250.00	1,788.36	2,500.00	711.64	3,000.00
Website Update	-	2,083.33	2,083.33	-	20,833.33	20,833.33	25,000.00
Website/Email Hosting	-	133.33	133.33	1,428.99	1,333.33	(95.66)	1,600.00
Subtotal Marketing	605.83	18,866.67	18,260.84	55,280.46	188,666.67	133,386.21	226,400.00
Total Admin, Prog., Mgmt, & Mkt	50,230.91	124,189.84	73,958.93	704,624.68	1,241,898.34	537,273.66	1,490,278.00
<b>Revenue over (under) expenses after administration, property management, and marketing</b>	<b>149,725.81</b>	<b>42,105.16</b>	<b>107,620.65</b>	<b>1,037,664.08</b>	<b>421,051.66</b>	<b>616,612.42</b>	<b>505,262.00</b>

**Denison Development Alliance**  
**Statement of Activities - Budgeted and Actual**  
**For the One Month and Year to Date Periods Ended July 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>
<b>One-Time Expenses/Obligated Incentives</b>							
Downtown TIF/Planning		\$ 5,000.00	\$ 5,000.00	\$ 60,000.00	\$ 50,000.00	\$ (10,000.00)	\$ 60,000.00
Gas Line Extension (75/91)	8,193.19	6,676.17	(1,517.02)	8,393.19	66,761.67	58,368.48	80,114.00
Infrastructure (Morton Overpass)	15,846.06	33,333.33	17,487.27	334,354.83	333,333.33	(1,021.50)	400,000.00
Facade Incentive		4,166.67	4,166.67	10,232.51	41,666.67	31,434.16	50,000.00
Bent Leaf, LLC		1,516.67	1,516.67	8,550.00	15,166.67	6,616.67	18,200.00
Hilton Garden Inn/Texoma Event Center	8,773.54	4,166.67	(4,606.87)	8,773.54	41,666.67	32,893.13	50,000.00
National Govt. Services Incentive		6,419.58	6,419.58	49,929.79	64,195.83	14,266.04	77,035.00
Novo1/Dialog Direct Incentives		2,160.42	2,160.42	-	21,604.17	21,604.17	25,925.00
Ruiz Foods Incentive		2,170.00	2,170.00	-	21,700.00	21,700.00	26,040.00
Texas Turbines, Inc. Incentive		-	-	-	-	-	-
US Aviation Group Incentives		2,799.00	2,799.00	33,587.89	27,990.00	(5,597.89)	33,588.00
Subtotal one-time expenses	32,812.79	68,408.51	35,595.72	513,821.75	684,085.00	170,263.26	820,902.00
<b>Revenue (over) under before other non-budgeted items</b>	<b>116,913.02</b>	<b>(26,303.35)</b>	<b>143,216.37</b>	<b>523,842.33</b>	<b>(263,033.34)</b>	<b>786,875.68</b>	<b>(315,640.00)</b>
Depreciation	10,128.11	-	(10,128.11)	97,429.82	-	(97,429.82)	-
<b>Revenue(over) under expenses</b>	<b>\$ 106,784.91</b>	<b>\$ (26,303.35)</b>	<b>\$ 133,088.26</b>	<b>\$ 426,412.51</b>	<b>\$ (263,033.34)</b>	<b>\$ 689,445.86</b>	<b>\$ (315,640.00)</b>

**DENISON DEVELOPMENT ALLIANCE**  
**Selected Information**  
**Substantially All Disclosures Required by Accounting Principles**  
**Generally Accepted in the United States are Not Included**  
**July 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.

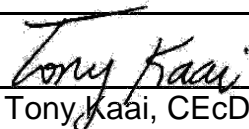
The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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.

**Investment Report  
Denison Development Alliance  
July 31, 2017**

<b>Bank/Money Market</b>	<b>Type</b>	<b>Date Opened</b>	<b>Maturity Date</b>	<b>Current Yield</b>	<b>Beginning Balance</b>	<b>Accrued Interest</b>	<b>Ending Balance</b>
American Bank Checking	Commercial Checking			0.000	\$91,715.18	\$0.00	\$196,779.32
American Bank of Texas	Money Market	10/27/03		0.150	\$1,614,081.33	\$212.27	\$1,614,293.60
American Bank of Texas	Deferred Comp Trust MM	10/01/11		0.150	\$296,092.75	\$38.94	\$296,131.69
<b>Total</b>							<b>\$2,107,204.61</b>

<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>\$2,107,204.61</i>
<i>August 2017 Total</i>	
<i>September 2017 Total</i>	

  
 Tony Kaai, CECD  
 President

400 · 4A Sales Tax Revenue

2014/2015			2015/2016			2016/2017			Annual
Date	Memo	Amount	Date	Memo	Amount	Date	Memo	Amount	Difference
09/23/14	September	\$ 110,004.61	09/21/15	September	\$ 109,408.44	09/20/16	September	\$ 123,027.32	\$ 13,618.88
10/27/14	October	\$ 109,964.86	10/20/15	October	\$ 112,579.97	10/21/16	October	\$ 135,352.31	\$ 22,772.34
11/14/14	November	\$ 136,973.86	11/19/15	November	\$ 145,108.38	11/28/16	November	\$ 162,960.47	\$ 17,852.09
12/23/14	December	\$ 128,575.42	12/02/15	December	\$ 118,014.96	12/21/16	December	\$ 131,531.77	\$ 13,516.81
01/26/15	January	\$ 103,633.45	01/20/16	January	\$ 108,636.35	01/31/17	January	\$ 135,541.01	\$ 26,904.66
02/27/15	February	\$ 163,146.55	02/22/16	February	\$ 155,624.88	02/23/17	February	\$ 178,724.07	\$ 23,099.19
03/23/15	March	\$ 100,425.77	03/21/16	March	\$ 110,058.49	03/21/17	March	\$ 125,555.52	\$ 15,497.03
04/24/15	April	\$ 100,085.26	04/15/16	April	\$ 107,656.27	04/26/17	April	\$ 118,135.10	\$ 10,478.83
05/18/15	May	\$ 149,691.52	05/27/16	May	\$ 143,863.19	05/22/17	May	\$ 165,106.79	\$ 21,243.60
06/22/15	June	\$ 112,738.37	06/20/16	June	\$ 119,444.26	06/19/17	June	\$ 134,583.33	\$ 15,139.07
07/21/15	July	\$ 111,038.35	07/18/16	July	\$ 114,018.14	07/28/17	July	\$ 137,083.36	\$ 23,065.22
08/26/15	August	\$ 148,145.26	08/24/16	August	\$ 162,934.29		August		
Total to Date Comparison		\$ 1,326,278.02	Total to Date Comparison		\$ 1,344,413.33	Total to Date Comparison		\$ 1,547,601.05	
<b>2014/2015 Grand Total</b>		<b>\$ 1,474,423.28</b>	<b>2015/2016 Grand Total</b>		<b>\$ 1,507,347.62</b>	<b>2016/2017 Grand Total</b>		<b>\$ 1,547,601.05</b>	

**To Date Difference  
from Previous Year      \$ 203,187.72**



<b>Estimated Revenues</b>	<b>2016/2017</b>	<b>2017/2018</b>
4a Sales Tax Revenue	\$ 1,491,948	\$ 1,794,974
Interest Income	\$ 2,173	\$ 3,869
Lease Income (Florestone)	\$ 406,214	\$ 406,214
Property Tax Income (Florestone)	\$ 95,205	\$ 93,400
<b>Total Estimated Revenues</b>	<b>\$ 1,995,540</b>	<b>\$ 2,298,457</b>
<b>Estimated Funds Available (Carried Over)</b>	<b>\$ 1,765,922</b>	<b>\$ 2,034,431</b>
 <b>Estimated Administrative Expenses</b>		
Annual Meeting (Summit)	\$ 10,000	\$ 6,500
Audit/Accounting	\$ 16,300	\$ 16,750
Automotive Allowance	\$ 11,400	\$ 11,400
Bank Fees	\$ 50	\$ 50
Computer Expenses	\$ 4,000	\$ 5,500
Consultant Fees	\$ 50,000	\$ 50,000
Copier/Maintenance	\$ 600	\$ 850
Deferred Compensation Trust	\$ 25,000	\$ 25,000
Employee Insurance	\$ 31,170	\$ 31,170
Equipment Rental/Maintenance/Purchase	\$ 1,200	\$ 1,200
Janitorial/Office Maintenance	\$ 1,000	\$ 1,500
Legal Services	\$ 5,000	\$ 10,000
Liability Insurance	\$ 5,300	\$ 5,300
Meeting Refreshments	\$ 1,400	\$ 1,700
Miscellaneous Expenses	\$ 1,500	\$ 1,500
Office Furnishings	\$ 1,000	\$ 1,000
Office Lease	\$ 15,497	\$ 15,497
Office Supplies	\$ 5,500	\$ 5,500
Payroll Taxes/SS	\$ 17,774	\$ 17,774
Payroll Taxes/Medicare	\$ 4,157	\$ 4,157
Payroll Taxes/SUTA	\$ 300	\$ 300
Postage	\$ 2,200	\$ 2,200
Professional Development	\$ 13,000	\$ 13,000
Retirement	\$ 38,456	\$ 38,456
Salaries	\$ 286,684	\$ 286,684
Subscriptions/Dues	\$ 1,555	\$ 2,240
Telephone/Communications	\$ 8,523	\$ 9,700
Travel	\$ 3,000	\$ 3,000
Utilities	\$ 6,906	\$ 6,900
Workers Compensation	\$ 977	\$ 900
<b>Total Administrative Expenses</b>	<b>\$ 569,449</b>	<b>\$ 575,728</b>



<b>Estimated Program Expenses</b>	<b>2016/2017</b>	<b>2017/2018</b>
Briefing Center Equipment/Presentations	\$ 3,500	\$ 3,500
Regis Online	\$ 3,000	\$ 3,600
Geographic Information Systems	\$ 8,750	\$ -
Retail Lease Trac	\$ 1,200	\$ -
Retail Market Analysis	\$ 5,000	\$ 5,000
Workforce Development	\$ 96,500	\$ 90,000
Xceligent Direct	\$ -	\$ 5,400
<b>Total Estimated Program Expenses</b>	<b>\$ 117,950</b>	<b>\$ 107,500</b>
<b>Estimated Property Management Expenses</b>		
Business/Industrial Park Maintenance	\$ 7,000	\$ 3,000
Florestone Building (Note)	\$ 473,879	\$ 473,879
Florestone Insurance (Liability)	\$ 395	\$ 395
Florestone Building Taxes (Property)	\$ 95,205	\$ 93,400
<b>Total Estimated Property Management Expenses</b>	<b>\$ 576,479</b>	<b>\$ 570,674</b>
<b>Estimated One-Time Expenses/Obligated Incentives</b>		
Downtown TIF/Planning	\$ 60,000	\$ -
Gas Line Extension (75/91)	\$ 80,114	\$ 80,425
Infrastructure	\$ 400,000	\$ 100,000
Bent Leaf, LLC Incentives	\$ 18,200	\$ 20,150
Façade Incentives	\$ 50,000	\$ 50,000
Hilton Garden Inn/Texoma Event Center Incentives	\$ 50,000	\$ 50,000
National Government Services Incentives	\$ 77,035	\$ -
Novo1/Dialog Direct Incentives	\$ 25,925	\$ -
Ruiz Foods Incentives	\$ 26,040	\$ -
Texas Turbines, Inc. Incentives	\$ -	\$ -
US Aviation Group Incentives	\$ 33,588	\$ -
Visionary Industrial Insulation, Inc. Incentives	\$ -	\$ -
<b>Total Estimated One-Time Expenses/Obligated Incentives</b>	<b>\$ 820,902</b>	<b>\$ 300,575</b>
<b>Total Estimated Marketing Expenses (Exhibit I)</b>	<b>\$ 226,400</b>	<b>\$ 195,300</b>
<b>Total Estimated Expenses</b>	<b>\$ 2,311,180</b>	<b>\$ 1,749,777</b>
<b>Estimated Funds Available for New Incentives</b>	<b>\$ 1,450,282</b>	<b>\$ 2,583,111</b>

The individual items presented are estimates for expenditures that will be incurred during the 2017/2018 fiscal year. These items are presented only as a menu of potential costs anticipated. This outline is developed to be flexible, and a shift in expenditures within this budget can be made at the discretion of the President to meet the priority needs of the program that may arise during the year.





## ANALYSIS OF BUDGET FOR FY 2017/2018

### Estimated Revenues

**4A Sales Tax** – Projected income from sales tax for twelve (12) months.

**Interest Income** – The interest income (0.15%) has been calculated from the estimated \$2,034,431 million in investments and the projected income of \$1,794,974 less the projected expenses of \$1,749,777.

**Lease Income (Florestone)** – The projected lease income from Florestone Products for twelve (12) months.

**Property Tax Income (Florestone)** – The projected annual property tax reimbursement from Florestone Products.

**Estimated Funds Available (Carried Over)** – Estimated funds available on October 1, 2017, from DDA Checking, Money Market and Investment Accounts.

### Estimated Administrative Expenses

**Annual Meeting/Summit** – Cost of meals, equipment, purchasing supplies, refreshments, invitations/letters, etc. for 250 people to attend the annual planning summit.

**Audit/Accounting** – The annual audit is \$9,250 and the monthly bookkeeping services are \$5,700 annually. This also includes the annual cost of annual QB software subscriptions/updates of \$700, QB Payroll Tax services of \$350, the Audit Inquiry Letter from our attorney for \$200, and \$500 for accounting supplies (checks, check envelopes, signature stamps, etc.).

**Automotive Allowance** – The amount provided to the President and VP of Business Development.

**Bank Fees** – Fees charged on the checking account for wire transfers, stop check fees, etc.

**Computer Expenses** – The projected cost to cover technical support, replacement and maintenance for hardware and software systems on an as needed basis.

**Consultant Fees** – To cover the costs of architects, engineers, surveyors, appraisers, or other professional services needed to support the program.

**Copier/Maintenance** – The cost for the annual maintenance contract, toner, and staples for the copier.

**Deferred Compensation Trust** – Deferred Compensation Plan for retention of the DDA President.

**Employee Insurance** – The projected annual health insurance premiums of \$8,204 each for the VP of Operations, VP of Business Development, and \$14,170 for the President (expected increase per City, final amount to be updated once new increase amount is received). Also includes the cost of \$592 for the President's disability insurance.

**Equipment Rental/Maintenance/Purchase** – Cost of monthly fee for Stamps.com, postage labels and documents. Also includes the cost of various small equipment needed (shredders, scales, etc.).

**Janitorial/Office Maintenance** – Cost to clean offices, provide pest control, window cleaning, and minor repairs for plumbing, A/C, etc.

**Legal Services** – Projected cost of legal services for the preparation of incentive contracts and the purchase or leasing of property, etc.

**Liability Insurance** – Liability insurance for DDA office, Industrial Park, North Pointe Business Park (75/84) and the cost of a dishonesty bond for employees.

**Meeting Refreshments** – Coffee, sodas, snacks, etc. for guests and Board/committee meetings.

**Miscellaneous Expenses** – To cover any unexpected expenses that may occur during the course of the year, and will not fit in any of the budget categories.

**Office Furnishings** – Cost of new or replacement office furnishings, office painting and minor repairs.

**Office Lease** – The cost to lease 2,000 square feet of office space per our lease agreement.

**Office Supplies** – Copier paper, laser cartridges, and all other general office.

**Payroll Taxes/Social Security/Medicare/SUTA** – Cost as calculated by accountants.

**Postage** – Projected postage expenditures for mailing reports/questionnaires, general correspondence, promotional materials, account payables/receivables, and invitations to locally sponsored events.

**Professional Development** – The cost for membership fees for IEDC, ICSC, TEDC, and Rotary. This cost also includes the expenses for attending the IEDC, ICSC, or TEDC meetings/conferences, other training expenses (e.g. computer classes) and tuition reimbursement for college courses.

**Retirement** – A 14% match for the President, VP of Operations, and Vice President of Business Development.

**Salaries** – Salaries were calculated to reflect President’s salary of \$136,341.23, the VP of Operations’ salary of \$48,777.10, and the Vice President of Business Development’s salary of \$89,565.20. A part-time administrative assistant is included at \$12,000.00. It is the desire of the DDA Board to provide the same “cost-of-living/one-time bonus” increases, if any, offered to the City staff.

**Subscriptions/Dues** – Included but not limited to:

Business Week.....	\$85.00
Collin County Association of Realtors.....	\$125.00
Dallas Business Journal.....	\$105.00
Greater Texoma Association of Realtors.....	\$150.00
LogMeIn Pro.....	\$560.00
Hightail.....	\$250.00
Hootsuite.....	\$115.00
NTCAR.....	\$150.00
Sam’s Club.....	\$100.00
Texas Association of Business.....	\$350.00

The individual items presented are estimates for expenditures that will be incurred during the 2017/2018 fiscal year. These items are presented only as a menu of potential costs anticipated. This outline is developed to be flexible, and a shift in expenditures within this budget can be made at the discretion of the President to meet the priority needs of the program that may arise during the year.

Zip Form.....	\$250.00
<b>TOTAL</b>	<b>\$2,240.00</b>

**Telephone /Communications** – The cost of three business phone lines, three staff cell phones, one data package (iPad), DSL/Cable modem service, long distance, and phone system equipment and labor.

**Travel** – Covers all travel by staff for which mileage reimbursements are made (i.e., local travel by the VP of Operations and the Administrative Assistant and out of town travel for the President and Vice President of Business Development).

**Utilities** – Annual cost of water, sewer, trash, electricity, and gas.

**Workers Compensation** – Annual cost of workers compensation.

**Estimated Program Expenses**

**Briefing Center/Presentation Equipment** – Cost of any specialized equipment necessary to update briefing center/conference room.

**REGIS Online** – Membership to online source for U.S. demographic reports, maps, charts and data (current demographics and 5 year projections of nationwide demographic data, etc).

**Retail Market Analysis** – An update of the Denison retail market analysis.

**Xceligent Direct** - Membership to map-based searches, commercial/property sales/lease comparable, listing data and property-specific criteria options to locate properties and sites that meet prospect’s needs within specific, targeted areas.

**Workforce Development** – DDA will:

- ✘ Provide ten scholarships for teachers who will intern at local industries..... \$5,000
- ✘ Provide two scholarships for students who are accepted into the Advance Manufacturing Dual Credit Program at Denison ISD and Grayson College.....\$2,000
- ✘ Partner with SEDCO and Grayson College in maintaining a staff person, located at Grayson College, to implement the strategic plan to develop a pipeline of middle skilled workers..... \$5,000
- ✘ Provide funding for up to seven teachers to connect to NEPRIS, a web based platform providing teachers the tools to connect curriculum with the “real world” by virtually inviting industry professionals into the classroom to engage and inspire students.....\$1,000
- ✘ Provide books/tuition/equipment for Denison ISD students enrolled in Grayson College’s dual credit courses in advanced manufacturing and healthcare. Partner with Workforce Solutions Texoma and SEDCO to provide \$50,000 for a matching grant that will generate a \$200,000 grant to fund equipping the Advance Manufacturing Lab at Grayson College.....\$65,000
- ✘ Partner with Sherman ED and Workforce Solutions Texoma to produce two annual manufacturing career fairs.....\$10,000
- ✘ Partner with local industries, Sherman ED and Workforce Solutions Texoma in hosting quarterly luncheons for 30 Advance Manufacturing Program students and their mentors..... \$2,000

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The individual items presented are estimates for expenditures that will be incurred during the 2017/2018 fiscal year. These items are presented only as a menu of potential costs anticipated. This outline is developed to be flexible, and a shift in expenditures within this budget can be made at the discretion of the President to meet the priority needs of the program that may arise during the year.

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## **Estimated Property Management Expenses**

**Business/Industrial Park Maintenance** – Cost for mowing of the Industrial/Business Parks.

**Florestone Building (Note)** – The projected annual cost for principal and interest on the Florestone building.

**Florestone Insurance (Liability)** – Estimated annual cost for building liability coverage.

**Florestone Building Taxes (Property)** – Estimated property taxes (to be reimbursed by Florestone).

## **Estimated One-time Expenses**

**Gas Line Extension** – Cost of the annual note payment for the installation of the 8” line from old Highway 75 along the right of way on new Highway 75 to Highway 91, then south to service the Industrial Park and High School.

**Infrastructure:** The cost to upgrade two (2) fourteen inch City water lines to be replaced under the ACS access road and the repair of the rail crossing at on MacGregor.

**Incentives (Obligated)** – The obligated amount of funds to be paid for incentives during the 2017/2018 budget year for Façades, Bent Leaf, LLC, and Hilton Garden Inn/Texoma Event Center.

**Estimated Funds Available for New Incentives** – The projected amount of funds to be available for NEW incentives on October 1, 2017.



Exhibit I

**Itemized Summary of Marketing Expenses**

October 1, 2017 – September 30, 2018

**DRAFT**

<b>Estimated Marketing Revenues</b>	<b>2016/2017</b>	<b>2017/2018</b>
Funds Available for Marketing	\$ 149,195	\$ 179,497
Billboard Reimbursement	\$ 19,992	\$ 20,292
Unallocated Marketing Funds Carried Over	\$ 60,000	\$ -
<b>TOTAL Funds Available for Marketing</b>	<b>\$ 229,187</b>	<b>\$ 199,789</b>

**Estimated Marketing Materials/Activities**

Advertising	\$ 20,000	\$ 20,000
Behavioral Marketing	\$ 25,000	\$ 25,000
Billboard (Hwy 75/84)	\$ 300	\$ 300
Business Retention Activities	\$ 3,000	\$ 3,000
Corporate Visitation	\$ 3,000	\$ 3,000
Direct Mail Program	\$ 2,000	\$ 2,000
Mailing Lists	\$ 2,000	\$ 2,000
Maps, Photos, etc.	\$ 5,000	\$ 5,000
Meeting Expense	\$ 3,000	\$ 3,000
Meeting Sponsorships	\$ 2,500	\$ 2,500
NTRA Cooperative Advertising	\$ 33,000	\$ 33,000
PR Firm	\$ 10,000	\$ 10,000
Prospect Hosting	\$ 3,000	\$ 3,000
Recruitment Missions	\$ 60,000	\$ 27,000
Special Events	\$ 5,000	\$ 5,000
Team Texas / DFW Marketing	\$ 20,000	\$ 20,000
Trade Shows (tbd)	\$ 3,000	\$ 3,000
Website Update	\$ 25,000	\$ 25,000
Website/Email Hosting	\$ 1,600	\$ 3,500
<b>Total Marketing Materials/Activities</b>	<b>\$ 226,400</b>	<b>\$ 195,300</b>

The individual items presented are estimates for expenditures that will be incurred during the 2017/2018 fiscal year. These items are presented only as a menu of potential costs anticipated. This outline is developed to be flexible, and a shift in expenditures within this budget can be made at the discretion of the President to meet the priority needs of the program that may arise during the year.

DRAFT



## EXHIBIT I ITEMIZED SUMMARY OF MARKETING EXPENSES

### **Estimated Marketing Revenues**

**Funds Available for Marketing** – 10% of 4A tax proceeds (allowed by law) for the 2017/2018 budget year.

**Billboard Reimbursement** – The reimbursement/payment from the Denison Area Chamber of Commerce for the installation of a new digital billboard (5 year term, ending November 1, 2020).

**Unallocated Marketing Funds Carried Over (Prior Year)** – The portion of marketing funds not used during the prior year.

### **Estimated Marketing Materials/Activities**

**Advertising** – The cost to place ads in industry specific publications to reach Denison’s target industries.

**Behavioral Marketing** – Custom ad campaigns targeting specific industry prospect groups in real time via automated bidding based on consumer internet behavior. The ultimate location of these ads is based on DDA predetermined criteria including sites, searches, interests, etc. in order to focus on high-probability consumers.

**Billboard** – Annual license and permit fees for the Hwy 75/84 billboard.

**Business Retention Activities** – Sponsor programs for local businesses and industries (HR Managers, Plant Managers luncheons, dinners, etc).

**Corporate Visitation** – Travel costs for staff and volunteers to the corporate headquarters of local industries, on an as needed basis.

**Direct Mail Program** – A direct mail program will be developed for targets selected by the Target Industry Committee. Expenses will include the cost of collateral materials, promotional items, postage, etc.

**Mailing Lists** – Lists of target industries/retail that can be purchased for a direct mail program.

**Maps, Photos, etc.** – Collateral materials needed for marketing brochures, prospect proposals, etc.

**Meeting Expense** – Funds to cover the cost of special meetings, hosting of allies and business lunches.

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**Meeting Sponsorship** – To be used to support the Texas Economic Development Council in their efforts to attract the top consultants, real estate managers, etc. as the main presenters for their annual meeting and support of the annual meeting of the Texoma Craft Beverage Alliance.

**NTRA Cooperative Advertising** – DDA's, SEDCO's and the County's partnership to sustain North Texas Regional Airport's marketing program.

**PR Firm** – Cost to create/maintain collateral materials/software used in the direct mail program and advertising.

**Prospect Hosting** – Cost of plane tickets, room(s), rental car, etc. related to hosting company representatives.

**Recruitment Missions** – To fund a third party consultant to develop leads and schedule appointments with prospects in California (or other targeted states). Also, includes the cost of travel for DDA staff and volunteers (if needed) to make contact calls to the prospects.

**Special Events** – The costs to fund special events (or allow DDA to be a co-sponsor of a local event currently in place) to attract decision-makers from the target industries and Dallas based commercial brokers (ie: Texoma Striper Challenge, Chamber Clay Shoot, Cruising for Kids, etc).

**Team Texas / DFW Marketing** – Memberships fees and the cost to attend and sponsor marketing events organized and managed by Team Texas and the DFW Marketing Team. Events include call trips, conferences with site selectors, trade shows, and real estate conferences.

**Trade Shows** – The cost to attend trade shows of targeted industries with allies on an as needed basis.

**Website Update** – Estimated cost to replace existing DDA website to a new version/mobile friendly website.

**Website/Email Hosting** – The cost associated with the operation of multiple websites/domains, technical services and training. Also, includes the cost for Microsoft Exchange email services.