

May 31, 2016
Dickinson Economic
Development Corporation,
Special Meeting
6:30 p.m.



Darrell Carney, President
Mike Reinschmidt, Vice President
Libby Moreno, Secretary
Jennifer Lawrence

Agenda
City of Dickinson
**Dickinson Economic
Development Corporation**
SPECIAL MEETING

Robert Donley
Chris Tucker
Mark Martelli
Angela R. Forbes, Interim
Executive Director

May 31, 2016

NOTICE is hereby given of a **SPECIAL MEETING** of the Dickinson Economic Development Corporation of the City of Dickinson, County of Galveston, State of Texas, to be held on **Tuesday, May 31, 2016, at 6:30 p.m.** at: Dickinson City Hall, 4403 Highway 3, Dickinson, Texas 77539 in the Council Chambers for the purpose of considering the following numbered items. The Dickinson Economic Development Corporation of the City of Dickinson, Texas, reserves the right to meet in a closed session on any of the below items should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code. Regular

ITEM 1.) CALL TO ORDER AND CERTIFICATION OF A QUORUM

ITEM 2.) BRIEFING AND DISCUSSION CONCERNING:

A. Economic Development Update

ITEM 3.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Proposed Changes to Financial System Used for DEDC's Accounting and Finances

ITEM 4.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Resolution Number XXX-2016 - **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION (DEDC) AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE A COLLATERAL SECURITY AGREEMENT BY AND BETWEEN THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION AND COMPASS BANK; AUTHORIZING THE PRESIDENT TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.**

ITEM 5.) EXECUTIVE (CLOSED) SESSION – The Dickinson Economic Corporation will hold a closed executive meeting pursuant to the provision of Chapter 551, Government Code, Vernon's Texas Codes annotated, in accordance with the authority contained in:

A. Section 551.087- Discuss or deliberate regarding commercial or financial information that the Dickinson Economic Development Corporation has received from a business prospect that the Dickinson Economic Development Corporation seeks to have locate, stay or expand in or near the City and which the Dickinson Economic Development Corporation is conducting economic development negotiations.

- B. Section 551.072 – Deliberation Regarding Real Property – Discussion Regarding the Purchase, Exchange, Lease or Value of Real Property.
- C. Section 551.074 – Personnel Matters To Deliberate The Appointment, Employment, Evaluation, Reassignment, Duties, Discipline Or Dismissal Of A Director of Economic Development.

ITEM 6.) RECONVENE

ITEM 7.) CONSIDERATION AND POSSIBLE ACTION CONCERNING: Matters discussed in Executive Session

ITEM 8.) FUTURE AGENDA ITEMS

ITEM 9.) ADJOURN

CERTIFICATION

This is to certify that a copy of the Notice of the Dickinson Economic Development Corporation Meeting for May 31, 2016, was posted on the bulletin board at City Hall, 4403 Highway 3, Dickinson, Texas, on this the 27th day of May, 2016, prior to 6:30 p.m.



Angela Forbes, Interim Executive Director

In compliance with the Americans with Disabilities Act, the City of Dickinson will provide reasonable accommodations for disabled persons attending Dickinson Economic Development Corporation Meetings. Requests should be received at least 24 hours prior to the scheduled meeting, by contacting the City Secretary's office at 281-337-6217, or by FAX at 281-337-6190.

AGENDA

ITEM 1

**Dickinson Economic Development
Corporation Meeting**

CALL TO ORDER

Pledge of Allegiance

Given by:_____

ROLL CALL

**DICKINSON ECONOMIC DEVELOPMENT
CORPORATION MEETING
ATTENDANCE LIST**

**MEETING DATE: May 31, 2016
Special Meeting**

<u>BOARD</u>	<u>PRESENT</u>	<u>ABSENT</u>
Darrell Carney	_____	_____
Mike Reinschmidt	_____	_____
Libby Moreno	_____	_____
Robert Donley	_____	_____
Chris Tucker	_____	_____
Mark Martelli	_____	_____
Jennifer Lawrence	_____	_____

MAKE NOTE ON RECORDING: THE FOLLOWING ALSO ARE IN ATTENDANCE:

Executive Director, Julie M. Robinson	_____	_____
Economic Development Coordinator, Angela Forbes	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

AGENDA

ITEM 2

AGENDA

ITEM 3

**Dickinson Economic Development Corporation
Agenda Item Data Sheet**

MEETING DATE May 31, 2016

TOPIC:	Proposed Changes to Financial System Used for DEDC's Accounting and Finances.
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BACKGROUND:	<p>In order to safeguard internal controls and streamline processes, staff recommends moving the Corporation's financials from QuickBooks to the STW Financial Management System.</p> <p>The STW Financial Management System streamlines processes using a highly integrated financial accounting and reporting system. This application meets and exceeds the standards recommended by the Generally Accepted Accounting Principals (GAAP), the uniform standards and guidelines for financial accounting and governmental reporting. STW is a browser-based solution that can be accessed from any operating system utilizing the web.</p> <p>STW allows staff to set full security on specific funds, departments, and program / activities. These security functions ensure that internal controls are in place to prevent invalid or inappropriate transactions from occurring. The current QuickBooks system does not have internal controls.</p> <p>Working within one system allows staff to work more efficiently by eliminating duplicate, recurring journal entries. This also reduces the chance for errors and duplications.</p> <p>Another benefit of STW is its program and project accounting which will allow us to better track expenditures over the life of a program and/or project.</p> <p>There is not a cost associated with adding the Corporation's financials to STW. However, it is estimated to have an annual cost savings of \$1,610.00 – the annual cost for the current system, QuickBooks. Additionally, STW allows multiple users at no additional cost; QuickBooks charges extra for each additional user.</p> <p>The proposed change to the financial system used for DEDC's accounting and finances does not impact the Corporation's actual bank accounts. However, the change would enable the use of banking features, such as positive pay check security and batch electronic fund transfers/ACH should the Board desire to add</p>
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ACTIONS TAKEN

APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	OTHER
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**Dickinson Economic Development Corporation
Agenda Item Data Sheet**

these in the future. Additionally, although the Corporation's financials will be housed in the same system as the City's – they will be completely segregated by fund. The uniform accounting structure will eliminate any confusion or additional work during the annual audit and Comprehensive Annual Financial Report.

The monthly and quarterly financial reports will remain the same, however; staff will be able to produce them more efficiently due to the uniform accounting and export functions within STW.

RECOMMENDATION: Staff requests additional direction from the Board.

ATTACHMENTS: • No Attachments

FUNDING ISSUES Not applicable
 Not budgeted
 Full Amount already budgeted.

SUBMITTING STAFF MEMBER	EXECUTIVE DIRECTOR APPROVAL
Stephanie Russell, Administrative Services Manager	

ACTIONS TAKEN		
APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	OTHER

AGENDA

ITEM 4

**Dickinson Economic Development Corporation
Agenda Item Data Sheet**

MEETING DATE May 31, 2016

TOPIC	<p>RESOLUTION NUMBER XXX-2016</p> <p>A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION (DEDC) AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE A COLLATERAL SECURITY AGREEMENT BY AND BETWEEN THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION AND COMPASS BANK; AUTHORIZING THE PRESIDENT TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.</p>
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BACKGROUND	<p>The DEDC's accounts at BBVA Compass Bank are not fully collateralized (i.e. FDIC insurance are less than the bank balances). In order to address this issue, the Bank has established a letter of credit (an eligible security under Chapter 2257 of the Texas Government Code or Public Funds Collateral Act). In order to maintain the letter of credit Collateral Security Agreement must be executed.</p> <p>Additionally, as part of the implementation, the accounts must be changed to from business to public fund accounts:</p> <table border="1"> <thead> <tr> <th>Account</th> <th>Current Type</th> <th>Bank Recommendation</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Operating</td> <td>Clearchoice for Business</td> <td>Public Funds Interest Checking</td> </tr> <tr> <td>\$5 service charge</td> <td>\$14 monthly service charge</td> </tr> <tr> <td>No interest</td> <td>Approx. 0.03% Interest rate</td> </tr> <tr> <td rowspan="3">MMA</td> <td>Preferred MM for Business</td> <td>Public Funds MM</td> </tr> <tr> <td>No service charge</td> <td>\$14 monthly service charge (Waived with min. balance)</td> </tr> <tr> <td>0.20% Interest rate</td> <td>0.03% Interest rate</td> </tr> </tbody> </table> <p>Staff recommends authorizing the President to execute the Collateral Agreement and any other necessary documentation to maintain the letter of credit.</p>	Account	Current Type	Bank Recommendation	Operating	Clearchoice for Business	Public Funds Interest Checking	\$5 service charge	\$14 monthly service charge	No interest	Approx. 0.03% Interest rate	MMA	Preferred MM for Business	Public Funds MM	No service charge	\$14 monthly service charge (Waived with min. balance)	0.20% Interest rate	0.03% Interest rate
Account	Current Type	Bank Recommendation																
Operating	Clearchoice for Business	Public Funds Interest Checking																
	\$5 service charge	\$14 monthly service charge																
	No interest	Approx. 0.03% Interest rate																
MMA	Preferred MM for Business	Public Funds MM																
	No service charge	\$14 monthly service charge (Waived with min. balance)																
	0.20% Interest rate	0.03% Interest rate																

RECOMMENDATION	Staff recommends approval of the Resolution.
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ACTIONS TAKEN		
APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	OTHER

**Dickinson Economic Development Corporation
Agenda Item Data Sheet**

ATTACHMENTS	• Resolution Number XXX-2016
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FUNDING ISSUES	<input type="checkbox"/> None <input checked="" type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds transferred from General Funds.
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SUBMITTING STAFF MEMBER Stephanie Russell, Administrative Services Manager	EXECUTIVE DIRECTOR APPROVAL
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APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	ACTIONS TAKEN READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd	OTHER
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PAGE 2 OF 2

RESOLUTION NUMBER XXX-2016

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION (DEDC) AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE A COLLATERAL SECURITY AGREEMENT BY AND BETWEEN THE DICKINSON ECONOMIC DEVELOPMENT CORPORATION AND COMPASS BANK; AUTHORIZING THE PRESIDENT TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO EFFECTUATE SUCH SERVICES; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board has been presented a proposed Collateral Security Agreement by and between the Dickinson Economic Development Corporation and Compass Bank (hereinafter called "Agreement"), a copy of which is attached hereto as Exhibit "A", and incorporated herein by reference; and

WHEREAS, upon full review and consideration of the Agreement and all matters attendant and related thereto, the Board is of the opinion that the terms and conditions thereof should be approved, and that the President should be authorized to execute the Agreement and any and all documents necessary to effectuate such Agreement on behalf of the Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DICKINSON, TEXAS, THAT:

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. The terms and conditions of the Agreement, having been reviewed by the Board the Dickinson Economic Development Corporation and found to be acceptable and in the best interests of the City of Dickinson and its citizens, are hereby in all things approved.

Section 3. The President is hereby authorized to execute the Agreement and empowered, for and on behalf of the Corporation, to take all such actions and to execute, verify, acknowledge, certify to, file and deliver all such instruments and documents required in the Agreement as shall in the judgment of the President be appropriate in order to effect the purposes of the foregoing resolution and Agreement.

Section 4. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED on this the 31st day of May, 2016.

Darrell Carney, President
Board of Directors

ATTEST:

Libby Moreno, Secretary
Board of Directors



May 19, 2016

Dickinson Economic Development Corporation
Attention: Stephanie Russell
218 FM 517 West
Dickinson, TX 77539

Re: Irrevocable Standby Letter of Credit Number: 94262

Gentlemen:

1. At the request of and for the account of Compass Bank ("Member"), we hereby issue this Irrevocable Standby Letter of Credit No. 94262 ("Letter of Credit") in favor of Dickinson Economic Development Corporation ("Beneficiary").
2. The amount of this Letter of Credit is Seven Hundred Thousand U.S. Dollars (\$700,000.00) (the "Credit Amount").
3. This Letter of Credit expires at 5:00 p.m., Eastern Time, on May 19, 2017 ("Expiration Date"). If the Expiration Date is not a date on which we are open for business, then the Expiration Date shall be the next day on which we are open for business.
4. We undertake to the Beneficiary to honor, at sight, a presentation made by you to the Federal Home Loan Bank of Atlanta at 1475 Peachtree Street N. E., Atlanta, Georgia 30309, Attn: Advances Operations Manager, Accounting Operations, of the following documents:
 - (a) Original Letter of Credit (including any amendments); and
 - (b) A demand using the form of Exhibit A attached hereto.

Such documents must be delivered to us by no later than 5:00 p.m., Eastern Time, on the Expiration Date of this Letter of Credit.

5. Partial drawings are permitted provided that drawings honored by us hereunder shall not, in the aggregate, exceed the Credit Amount as in effect from time to time. The Credit Amount shall be reduced by any partial draws endorsed on this Letter of Credit. Multiple drawings are prohibited.

Page Two

Irrevocable Standby Letter of Credit No. 94262

Date: May 19, 2016

6. The Beneficiary may designate, by any writing accompanying a demand for payment or otherwise delivered to us prior to the actual payment of a drawing under this Letter of Credit that any drawing shall be honored by wire transfer to a custodian designated by the Beneficiary, and we agree to abide by any such instructions. In the absence of any such written instructions from the Beneficiary to pay the Beneficiary's designated custodian, each drawing will be honored by us by payment to the Beneficiary. If a drawing is presented at or prior to 11:00 a.m., Eastern Time, on a day on which we are open for business, payment of the amount drawn shall be made by 4:00 p.m., Eastern Time, on the same day. If a drawing is presented after 11:00 a.m., Eastern Time, on a day on which we are open for business, payment of the amount drawn shall be made by 11:00 a.m., Eastern Time, on the next day on which we are open for business. All payments by us will be in immediately available funds.
7. This Letter of Credit is issued subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 ("ISP98"). This Letter of Credit shall also be governed by the laws of the State of Texas to the extent not inconsistent with ISP98.
8. This Letter of Credit sets forth our undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by any document, instrument or agreement referred to in this Letter of Credit or in any certificate presented by you under this Letter of Credit.
9. This Letter of Credit may be amended from time to time pursuant to the written application for such amendment submitted by the Member to us, but no such amendment shall be effective unless executed by us in writing and expressly approved in writing by the Beneficiary.
10. This Letter of Credit is not transferable.

Sincerely,

Federal Home Loan Bank of Atlanta

By: Shá Askew

Name: Shá Askew

Title: Bank Officer

By: Tonia Miller

Name: Tonia Miller

Title: Bank Officer

EXHIBIT A

The undersigned beneficiary demands payment of U. S. \$ _____ under Federal Home Loan Bank of Atlanta Irrevocable Standby Letter of Credit No. 94262 dated, May 19, 2016.

Dickinson Economic Development Corporation

By: _____

Name: _____

Title: _____

Date: _____

AGENDA

ITEM 5

EXECUTIVE SESSION

RECESS TIME: _____

AGENDA

ITEM 6

RECONVENE

TIME: _____

AGENDA

ITEM 7

AGENDA

ITEM 8

AGENDA

ITEM 9

ADJOURN

TIME: _____

MOTION: _____

SECOND: _____

VOTE _____

FYI

Dickinson Economic Development Corporation

Monthly Financial Report

Period Ending April 30, 2016

DICKINSON ECONOMIC DEVELOPMENT CORPORATION
FISCAL YEAR 2015-2016
BUDGET VS. ACTUALS
PERIOD ENDING APRIL 30, 2016

Account Name	FY 15-16 Original Budget	FY 15-16 Actuals Year to Date	Actuals (Under)/Over Budget	% of Budget
REVENUE				
Sales Tax Revenue	1,433,700	744,782	(688,918)	51.9%
Rental Income	9,000	4,275	(4,725)	47.5%
Interest Income	1,500	1,260	(240)	84.0%
TOTAL REVENUE	1,444,200	750,317	(693,883)	52.0%
EXPENDITURES				
Capital Outlays				
Computers/Office Equipment	3,000	-	(3,000)	0.0%
Contractual Payments	26,027	27,427	1,400	105.4%
Real Property Acquisition	458,121	562,553	104,432	122.8%
Total Capital Outlays	487,148	589,981	102,833	121.1%
Contract Services				
ED Consulting	10,000	415	(9,585)	4.2%
Financial & Auditing	1,000	500	(500)	50.0%
GIS	2,900	-	(2,900)	0.0%
Legal	7,500	1,203	(6,297)	16.0%
Multimedia Services	500	-	(500)	0.0%
Branding & Marketing Study	75,000	-	(75,000)	0.0%
Demolition Services	54,525	-	(54,525)	0.0%
Total Contract Services	151,425	2,118	(149,307)	1.4%
Debt Service				
Interest	12,705	12,705	-	100.0%
Principal	50,000	50,000	-	100.0%
Total Debt Service	62,705	62,705	-	100.0%
Projects & Programs				
Cedar Oaks	75,000	33,781	(41,219)	45.0%
Hughes Road	10,000	2,732	(7,268)	27.3%
Hwy 3 Façade Improvement Prgm	28,000	-	(28,000)	0.0%
Business Retention Prgm	1,000	-	(1,000)	0.0%
Visual Improvement Prgm	40,000	-	(40,000)	0.0%
Visitor Information Kiosk	25,000	-	(25,000)	0.0%
Adopt-A-Street Program	3,820	332	(3,488)	8.7%
Project & Property Design Fees	50,000	-	(50,000)	0.0%
Retail Trade Center	-	5,711	5,711	100.0%
ED Grants & Projects	57,500	115,707	58,207	201.2%
Total Projects & Programs	290,320	158,264	(132,056)	54.5%

DICKINSON ECONOMIC DEVELOPMENT CORPORATION
FISCAL YEAR 2015-2016
BUDGET VS. ACTUALS
PERIOD ENDING APRIL 30, 2016

Account Name	FY 15-16 Original Budget	FY 15-16 Actuals Year to Date	Actuals (Under)/Over Budget	% of Budget
Museum-Tourism				
Building & Property Maintenance	35,950	27,973	(7,977)	77.8%
Dues, Subscriptions & Books	900	405	(495)	45.0%
Marketing & Advertising	5,000	-	(5,000)	0.0%
Museum Exhibits	1,000	-	(1,000)	0.0%
Office Supplies	5,500	3,067	(2,433)	55.8%
Property/Liability Insurance	10,000	6,161	(3,839)	61.6%
Storage Rental	2,400	-	(2,400)	0.0%
Utilities	20,000	8,345	(11,655)	41.7%
Total Museum-Tourism	80,750	45,952	(34,798)	56.9%
DEDC Administration/Operations				
Building Maintenance	500	-	(500)	0.0%
Bank Service Charges	367	241	(126)	65.7%
Dues, Subscriptions & Books	5,500	1,168	(4,332)	21.2%
Information Technology	13,850	7,222	(6,628)	52.1%
Marketing & Promotions	20,000	17,475	(2,525)	87.4%
Office Space Rental	3,000	1,500	(1,500)	50.0%
Office Supplies & Postage	2,502	514	(1,988)	20.5%
Personnel Services	184,231	92,115	(92,116)	50.0%
Public Official/E&O Insurance	1,167	-	(1,167)	0.0%
Travel & Training	11,489	10,370	(1,119)	90.3%
Utilities	2,492	1,000	(1,492)	40.1%
Total Admin./Operations	245,098	131,606	(113,492)	53.7%
TOTAL EXPENDITURES	1,317,446	990,625	(326,821)	
REVENUE - EXPENDITURES	126,754	(240,308)	(367,062)	

DICKINSON ECONOMIC DEVELOPMENT CORPORATION
FISCAL YEAR 2015-2016*
BALANCE SHEET
PERIOD ENDING APRIL 30, 2016

ASSETS

Current Assets

Cash & Investments

BBVA Operating Account	346,880
BBVA Money Market Account	285,333
Hometown Bank - Checking	15,753
Hometown Bank - CD	250,000
Texas First Bank - CD	250,000
TexPool	116,661

Total Cash 1,264,627

Accounts Receivable

Sales Tax Receivable	129,678
Other Accounts Receivable	4,500

Total Accounts Receivable 134,178

Total Current Assets \$ 1,398,805

TOTAL ASSETS \$ 1,398,805

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Due to City of Dickinson	
Accounts Payable	9,726
Rental Deposits	875

Total Accounts Payable \$ 10,601

Total Current Liabilities \$ 10,601

Total Liabilities \$ 10,601

Equity

Fund Balance	1,628,512
Net Income	(240,308)

Total Equity \$ 1,388,204

TOTAL LIABILITIES & EQUITY \$ 1,398,805

**Unaudited*