Item # F-1

CITY OF COFFEYVILLE BOARD OF COMMISSIONERS AGENDA ITEM		
MEETING DATE	06/23/2015	
RESOLUTION OR ORDINANCE NUMBER		
AGENDA TITLE	Montgomery County Action Council Annual Report	
REQUESTING DEPARTMENT	Economic Development	
PRESENTER	Aaron Heckman, Executive Director of Montgomery County Action Council	
FISCAL INFORMATION	Cost as recommended:	$25,000
	Budget Line Item:	130-5-000-424
	Balance Available	
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Montgomery County Action Council is regional Economic Development organization that works to market Coffeyville and Montgomery County for both industrial and commercial business recruitment, retention, and expansion opportunities.	

BACKGROUND	Since 1983, Montgomery County Action Council has worked cooperatively on a regional basis to recruit new businesses and to support our current businesses through retention and expansion efforts. Their mission is to create and retain jobs, grow the tax base, promote economic diversity, and to enhance the quality of life for all Montgomery County residents. This organization was established in 1983 due to push back from the Kansas Legislature and Department of Commerce due to multiple site submissions from rival communities within Montgomery County that frequently did more harm to the site selection process than good for the area. The State requested that all site selection responses and economic development efforts be done on a County basis to reduce this harmful impact that was occurring. Since this time, MCAC has worked with a team of business leaders from around the County to market the assets of Montgomery County businesses and help our current businesses grow and thrive.
SPECIAL NOTES	
ANALYSIS	2015 was a hard year in Economic Development due to the Amazon.com and Southwire closures in Coffeyville. MCAC has been the leader in these recovery efforts by providing the data analysis, marketing support, and active recruitment efforts to fill these buildings with new businesses for Coffeyville. Some of these reports have been instrumental in evaluating other projects that the city has been working on such as the New Generation project and the East Coffeyville Redevelopment Plan. Despite the challenging circumstances, MCAC was instrumental in bringing Loren Cook to Coffeyville, and helping ACME foundry in securing the funding needed for their 8 Million expansion with the New Market Tax Credit program. In 2015 alone, MCAC has helped bring at least 67 new jobs to Coffeyville (ACME 50, Loren Cook 15, RBK Manufacturing 2), and this does not include new jobs that may have also been added with other businesses that have not advertised these successes
PUBLIC INFORMATION PROCESS	
BOARD OR COMMISSION RECOMMENDATION	

STAFF RECOMMENDATION	Due to the complex and rapid process that is Economic Development, MCAC is a critical component to the City Economic Development team. The annual cost to benefit ratio is weighted heavily for the benefits that they bring to our City. It is staff's recommendation that the City Commission approve the renewal of the MCAC annual contract for 2016 so that the team can continue to work to recruit new businesses, and assist our current businesses in their retention and expansion efforts.
REFERENCE DOCUMENTS ATTACHED	MCAC 2014 Activity Report MCAC 2016 Budget MCAC Funding and Time Report June 2015

Montgomery County Action Council

"Your Economic Development Partner"

2014 Outcomes Report

2014 brought significant challenges to economic growth in Montgomery County with the announced closure of Coffeyville's Amazon.com fulfillment center and the Southwire manufacturing facility. Despite these setbacks, 2014 saw a number of positive outcomes including legislative action adding Montgomery County to the Rural Opportunity Zone program and the successful recruitment of a new manufacturer, Loren Cook Company, to Coffeyville. Moving into 2015, MCAC is focused on recovering job losses by assisting local companies in their growth opportunities and utilizing the transitioning labor force as a recruitment tool to bring new businesses to our communities. MCAC's board of directors, staff, and community partners are dedicated to seeing a full economic recovery in the years ahead.

- **Create and Retain Jobs – 2014 Highlights**
  - MCAC worked with local leaders and the Kansas Department of Commerce, exhausting every available option to retain the Amazon fulfillment center and is now coordinating local economic recovery efforts.
  - Partnered with the City of Coffeyville, Coffeyville Chamber, and local businesses in the successful recruitment of Loren Cook Company to bring 20 new jobs to Coffeyville.
  - Managed 69 locally originated projects creating over 80 jobs with the potential to create many more in future years.
  - Reviewed 16 Site Selection requests from the State, submitting 7 community proposals for 5 projects with a job creation potential of 500 and capital investment of $50 Million.
  - Tracked over 260 job vacancies or new hires in Montgomery County since October 1st.
- **Grow the Tax Base – 2014 Highlights**
  - Successfully worked with local legislators to see Montgomery County added to the Rural Opportunity Zone program providing incentives for new residents to move into our communities. Since becoming eligible, Montgomery County leads all counties with the highest number of new residents applying for program benefits.
  - Assisted 46 companies with expansion, site selection, cost/benefit analysis, tax information, incentive programs, applications, and financial support.
- **Promote Economic Diversity – 2014 Highlights**
  - Provided information to 14 retail and service industry businesses looking to expand or locate operations in Montgomery County.
  - Continued to support the annual Innovation Summit, incubator projects, Chambers of Commerce, downtown initiatives, and activities within the local school districts.
- **Enhance the Quality of Life / Organizational – 2014 Highlights**
  - MCAC staff served on numerous local, regional and state committees and boards dedicated to the promotion of economic development, and quality of life issues.
  - Completed 19 Synchronist business interviews providing powerful data and information regarding our local companies and business climate.
  - Saw a record level of private entity support from MCAC membership in 2014.
  - Finished 2014 with actual operational expenses 13.2% below budget.

MISSION

-

Create and Retain Jobs

-

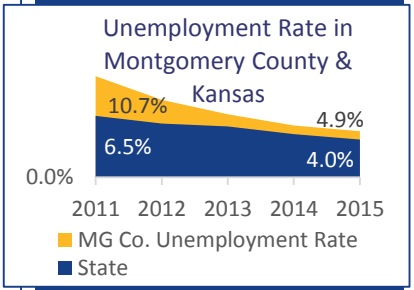
Grow the Tax Base

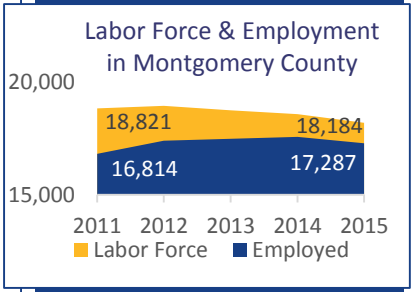
-

Promote Economic Diversity

-

Enhance the Quality of Life





2015 Calendar of Events

Board Meeting	Annual Meeting	Board Meeting	Golf Tournament	ThanksGiving Event	Board Meeting
March 19, 2015	June 18, 2015	September 17, 2015	September 25, 2015	November 5, 2015	November 19, 2015
Lucy's Restaurant	Sleep Inn & Suites	Independence County	Hillcrest Golf Course	Booth Hotel	Lakeside Cedar Lodge
Caney	Coffeyville	Club	Coffeyville	Independence	Cherryvale
5:30 PM	5:30 PM	5:30 PM	7:30 AM	5:30 PM	5:30 PM

115 S. 6th Street

PO Box 588

Independence, KS 67301

(620) 331-3830

www.actioncouncil.com

2014 MCAC OUTCOMES REPORT

ACCORDING TO THE MOST RECENT ECONOMIC CENSUS

MONTGOMERY COUNTY

RANKS AMONG KANSAS COUNTIES

4TH IN MANUFACTURING OUTPUT **$6.1 BILLION**

8TH - $196 MILLION MANUFACTURING PAYROLL

10TH MANUFACTURING EMPLOYMENT

17TH POPULATION

WHY KANSAS?

Kansas

TOP 10 FOR A LOW COST OF LIVING

NO inventory franchise **TAX**

CITIES OR COUNTIES **DO NOT** IMPOSE INCOME OR EARNINGS TAXES on personal or corporate income

4TH NEW PLANTS

RIGHT TO WORK STATE

INVESTS GREATLY in educating our work force

5TH WIND POWER

7TH BIOFUEL LEADER

5TH IN THE NATION as a Pro-Business State for 2014

8TH AEROSPACE DEFENSE INDUSTRY LEADERS

in our region for CAPITAL INVESTMENT AND FACILITY DEVELOPMENT **1st RANKED**

3RD in the U.S. as MOST IMPROVED BUSINESS CLIMATE

Montgomery County Action Council **2016 Budget**

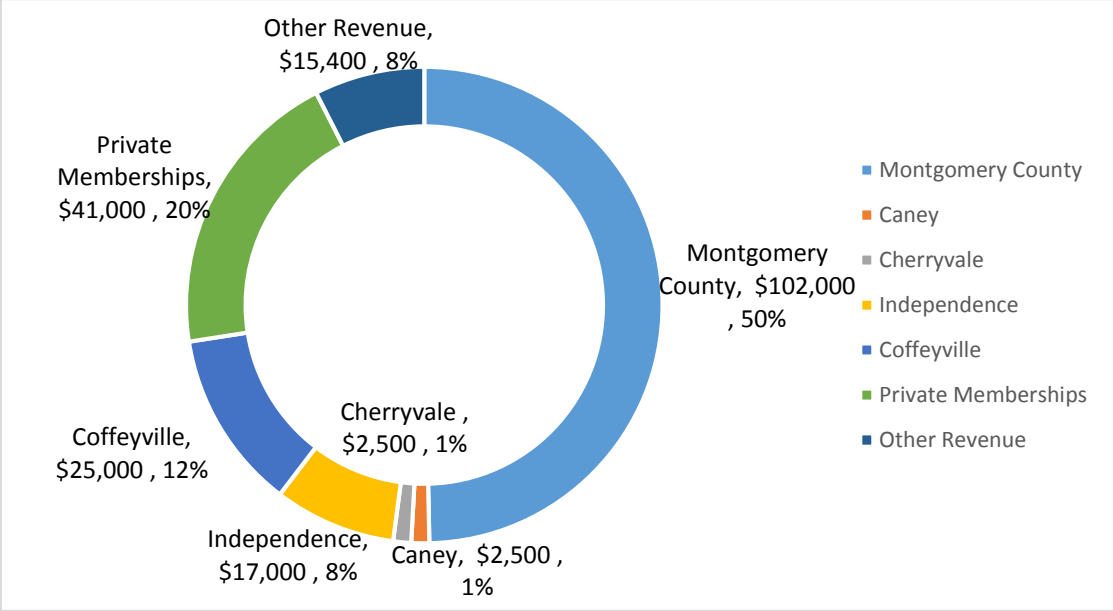
MCAC ANNUAL BUDGET			2014-Proposed	% Chg. From '13	2014 Actual	Difference	2015-Proposed	2015 Revised	% Chg. From '14	2016-Proposed	% Chg. From '15
Income											
1400	*Government										
	1401	*County	$ 102,000.00	1.55%	$ 100,228.66	$ (1,771.34)	$ 127,000.00	$ 102,000.00	0.00%	$ 127,000.00	24.51%
	1402	*Caney	$ 2,500.00	11.61%	$ 2,500.00	$ -	$ 2,500.00	$ 2,500.00	0.00%	$ 2,500.00	0.00%
	1403	*Cherryvale	$ 2,500.00	11.61%	$ 2,500.00	$ -	$ 2,500.00	$ 2,500.00	0.00%	$ 2,500.00	0.00%
	1404	*Independence	$ 17,000.00	8.42%	$ 15,680.00	$ (1,320.00)	$ 17,000.00	$ 17,000.00	0.00%	$ 25,000.00	47.06%
	1405	*Coffeyville	$ 17,000.00	8.42%	$ 18,010.00	$ 1,010.00	$ 17,000.00	$ 25,000.00	47.06%	$ 25,000.00	0.00%
		Totals	$ 141,000.00	3.46%	$ 138,918.66	$ (2,081.34)	$ 166,000.00	$ 149,000.00	5.67%	$ 182,000.00	22.15%
1500	*Membership										
	1501	*Caney	$ 2,500.00	5.26%	$ 2,450.00	$ (50.00)	$ 3,000.00	$ 3,000.00	20.00%	$ 2,500.00	-16.67%
	1502	*Cherryvale	$ 2,500.00	28.21%	$ 2,250.00	$ (250.00)	$ 3,000.00	$ 3,000.00	20.00%	$ 2,500.00	-16.67%
	1503	*Independence	$ 17,500.00	24.07%	$ 17,130.00	$ (370.00)	$ 17,500.00	$ 17,500.00	0.00%	$ 17,500.00	0.00%
	1504	*Coffeyville	$ 15,000.00	16.50%	$ 13,600.00	$ (1,400.00)	$ 17,500.00	$ 17,500.00	16.67%	$ 17,500.00	0.00%
	1500	*Membership-Other				$ -		$ -		$ -	0.00%
		Totals	$ 37,500.00	19.79%	$ 35,430.00	$ (2,070.00)	$ 41,000.00	$ 41,000.00	9.33%	$ 40,000.00	-2.44%
1600	*Interest Income										
	1601	*Interest from Loans	$ 1,000.00	0.00%		$ (1,000.00)	$ 1,000.00	$ 1,000.00	0.00%	$ 1,000.00	0.00%
	1602	*Interest from Cash Accounts	$ 2,000.00	0.00%	$ 1,026.16	$ (973.84)	$ 1,000.00	$ 1,000.00	-50.00%	$ 1,000.00	0.00%
	1600	*Interest Income-Other				$ -					0.00%
		Totals	$ 3,000.00	0.00%	$ 1,026.16	$ (1,973.84)	$ 2,000.00	$ 2,000.00	-33.33%	$ 2,000.00	0.00%
						$ -					
1700	*Other Revenue					$ -					
	1700	*Other Revenue - Other	$ -			$ -	$ -	$ -		$ -	0.00%
	1701	*Grants	$ -			$ -	$ -	$ -		$ -	0.00%
	1702	*Barbecue	$ 1,000.00	0.00%	$ 1,060.00	$ 60.00	$ 1,000.00	$ 1,000.00	0.00%	$ 1,100.00	10.00%
	1703	*Legislative Golf Tournament	$ 11,000.00	0.00%	$ 12,845.50	$ 1,845.50	$ 11,000.00	$ 11,000.00	0.00%	$ 13,000.00	18.18%
	1704	*Sponsored Conferences	$ 500.00	0.00%		$ (500.00)	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%
	1705	Board Meeting Revenue	$ -		$ 1,463.45	$ 1,463.45	$ 900.00	$ 900.00		$ 1,500.00	66.67%
	1708	Economic Recovery			$ 4,000.00	$ 4,000.00				$ -	0.00%
	1707	MIH Grant	$ -		$ 30,000.00	$ 30,000.00				$ -	0.00%
		Totals	$ 12,500.00	0.00%	$ 49,368.95	$ 36,868.95	$ 13,400.00	$ 13,400.00	7.20%	$ 16,100.00	20.15%
Total			**$ 194,000.00**	5.96%	**$ 224,743.77**	**$ 30,743.77**	**$ 222,400.00**	**$ 205,400.00**	5.88%	**$ 240,100.00**	16.89%
Expenses											
5000	*General & Administrative										0.00%
	5001	*Office Supplies	$ 3,500.00	0.00%	$ 3,743.32	$ 243.32	$ 4,000.00	$ 4,000.00	14.29%	$ 4,000.00	0.00%
	5002	*Telephone	$ 6,000.00	0.00%	$ 6,315.38	$ 315.38	$ 6,000.00	$ 6,000.00	0.00%	$ 6,500.00	8.33%
	5003	*Postage, Rental & Shipping	$ 1,500.00	50.00%	$ 997.04	$ (502.96)	$ 1,000.00	$ 1,000.00	-33.33%	$ 1,000.00	0.00%
	5004	*Janitorial & Building	$ 50.00	0.00%	$ -	$ (50.00)	$ 100.00	$ 100.00	100.00%	$ 100.00	0.00%
	5005	*Equipment Repair			$ -	$ -	$ -	$ -		$ -	0.00%
	5006	*Insurance (General)	$ 3,300.00	10.00%	$ 6,429.56	$ 3,129.56	$ 3,300.00	$ 3,300.00	0.00%	$ 4,500.00	36.36%
	5007	*Professional Services	$ 5,000.00	0.00%	$ 4,807.72	$ (192.28)	$ 5,000.00	$ 5,000.00	0.00%	$ 5,000.00	0.00%
	5010	*Capital Expenditures	$ 500.00	0.00%	$ -	$ (500.00)	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%
	5011	*Dues & Publications	$ 2,500.00	0.00%	$ 2,827.88	$ 327.88	$ 2,750.00	$ 2,750.00	10.00%	$ 3,000.00	9.09%
	5012	*Bank Charges	$ -		$ 25.63	$ 25.63	$ 25.00	$ 25.00		$ 25.00	0.00%
	5000	*General & Administrative-Other	$ 500.00	0.00%	$ -	$ (500.00)	$ 500.00	$ 500.00	0.00%	$ 500.00	0.00%
		Totals	$ 22,850.00	3.63%	$ 25,146.53	$ 2,296.53	$ 23,175.00	$ 23,175.00	1.42%	$ 25,125.00	8.41%
5500	*Personnel										
	5501	*Salaries	$ 101,740.00	0.00%	$ 95,895.74	$ (5,844.26)	$ 111,100.00	$ 111,100.00	9.20%	$ 110,000.00	-0.99%

Montgomery County Action Council **2016 Budget**

MCAC ANNUAL BUDGET			2014-Proposed	% Chg. From '13	2014 Actual	Difference	2015-Proposed	2015 Revised	% Chg. From '14	2016-Proposed	% Chg. From '15
	5502	*Payroll Taxes	$ 9,000.00	0.00%	$ 7,436.67	$ (1,563.33)	$ 9,000.00	$ 9,000.00	0.00%	$ 8,800.00	-2.22%
	5503	*Personnel Insurance	$ 24,000.00	76.47%	$ 13,321.49	$ (10,678.51)	$ 15,000.00	$ 15,000.00	-37.50%	$ 18,350.00	22.33%
	5504	*Contract Labor	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
	5505	*Mileage	$ 8,250.00	0.00%	$ 4,618.16	$ (3,631.84)	$ 6,000.00	$ 6,000.00	-27.27%	$ 6,500.00	8.33%
	5506	*Meals, Meetings & Lodging	$ 8,500.00	6.25%	$ 7,362.43	$ (1,137.57)	$ 6,000.00	$ 6,000.00	-29.41%	$ 6,000.00	0.00%
	5500	*Personnel-Other	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
		Totals	$ 151,490.00	7.75%	$ 128,634.49	$ (22,855.51)	$ 147,100.00	$ 147,100.00	-2.90%	$ 149,650.00	1.73%
6000		*Membership Expenses									
	6001	*Barbecue	$ 1,200.00	0.00%	$ 946.35	$ (253.65)	$ 1,200.00	$ 1,200.00	0.00%	$ 1,200.00	0.00%
	6004	*Sponsored Conferences	$ 500.00	0.00%	$ 32.75	$ (467.25)	$ 750.00	$ 750.00	50.00%	$ 500.00	-33.33%
	6000	*Membership Expenses-Other			$ -	$ -	$ -	$ -		$ -	0.00%
		Totals	$ 1,700.00	0.00%	$ 979.10	$ (720.90)	$ 1,950.00	$ 1,950.00	14.71%	$ 1,700.00	-12.82%
6500		*Board Expense									
	6501	*Meeting Expense	$ 300.00	0.00%	$ 1,385.28	$ 1,085.28	$ 300.00	$ 300.00	0.00%	$ 1,500.00	400.00%
	6502	*Meeting Expense (Reimbursable)			$ -	$ -	$ 500.00	$ 500.00		$ -	-100.00%
		Totals	$ 300.00	0.00%	$ 1,385.28	$ 1,085.28	$ 800.00	$ 800.00	166.67%	$ 1,500.00	87.50%
7000		*Marketing & Recruitment									
	7001	*Prospect Lodg, & Entertainment	$ 1,000.00	100.00%	$ -	$ (1,000.00)	$ 2,000.00	$ 2,000.00	100.00%	$ 2,000.00	0.00%
	7002	*Advertising & Marketing Materials	$ 3,000.00	50.00%	$ 713.27	$ (2,286.73)	$ 3,000.00	$ 3,000.00	0.00%	$ 3,000.00	0.00%
	7003	*Trade Shows & Recruitment Travel	$ 4,000.00	33.33%	$ 23.64	$ (3,976.36)	$ 4,000.00	$ 4,000.00	0.00%	$ 4,000.00	0.00%
	7004	*Project Expenses	$ 1,500.00	650.00%	$ -	$ (1,500.00)	$ 1,500.00	$ 1,500.00	0.00%	$ 7,500.00	400.00%
	7000	*Marketing & Recruitment-Other	$ 500.00	400.00%	$ 530.78	$ 30.78	$ 775.00	$ 775.00	55.00%	$ 875.00	12.90%
		Totals	$ 10,000.00	72.41%	$ 1,267.69	$ (8,732.31)	$ 11,275.00	$ 11,275.00	12.75%	$ 17,375.00	54.10%
7500		*Special Projects									
	7501	*Micro-Loan Expenses	$ 1,000.00	0.00%	$ -	$ (1,000.00)	$ 1,000.00	$ 1,000.00	0.00%	$ 1,000.00	0.00%
	7502	*Foundation Expenses	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
	7504	*Caney Hotel	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
	7505	*Legislative Golf Tournament	$ 7,500.00	0.00%	$ 11,133.77	$ 3,633.77	$ 7,500.00	$ 7,500.00	0.00%	$ 11,500.00	53.33%
	7506	*RDA Loan Expenses	$ 250.00	0.00%	$ -	$ (250.00)	$ 250.00	$ 250.00	0.00%	$ 250.00	0.00%
	7507	*Economic Study	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
	7508	*Job Fair	$ 350.00	0.00%	$ -	$ (350.00)	$ 350.00	$ 350.00	0.00%	$ 500.00	42.86%
	7509	*Partner Projects	$ 1,500.00	0.00%	$ 884.98	$ (615.02)	$ 1,500.00	$ 1,500.00	0.00%	$ 1,500.00	0.00%
	7510	*Industrial Park Fund	$ -		$ -	$ -	$ -	$ -		$ -	0.00%
	7511	MIH Grant			$ 30,000.00	$ 30,000.00					0.00%
	7512	Economic Recovery			$ 1,083.12	$ 1,083.12					0.00%
	7500	*Special Projects - Other	$ -		$ 515.50	$ 515.50	$ 2,500.00	$ 2,500.00		$ 5,000.00	100.00%
		Totals	$ 10,600.00	0.00%	$ 43,617.37	$ 33,017.37	$ 13,100.00	$ 13,100.00	23.58%	$ 19,750.00	50.76%
		Totals	**$ 196,940.00**	8.78%	**$ 201,030.46**	**$ 4,090.46**	**$ 197,400.00**	**$ 197,400.00**	0.23%	**$ 215,100.00**	8.97%
		Income	$ 194,000.00	5.96%	$ 224,743.77	$ 30,743.77	$ 222,400.00	$ 205,400.00	5.88%	$ 240,100.00	16.89%
		Expenses	$ 196,940.00	8.78%	$ 201,030.46	$ 4,090.46	$ 197,400.00	$ 197,400.00	0.23%	$ 215,100.00	8.97%
		Reserve Fund					$ 25,000.00	$ -		$ 25,000.00	0.00%
		Difference	**$ (2,940.00)**		$ 23,713.31	$ 26,653.31	**$ -**	$ 8,000.00	-372.11%	**$ -**	0.00%

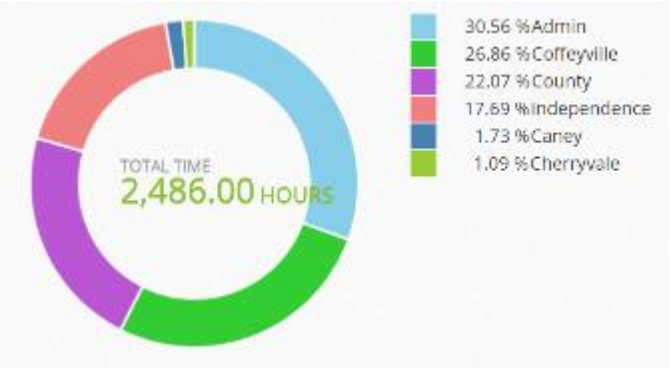
MCAC Funding & Time Allocations – 2014 / 2015

Funding by Community/Source



Time Allocation by Community

2014



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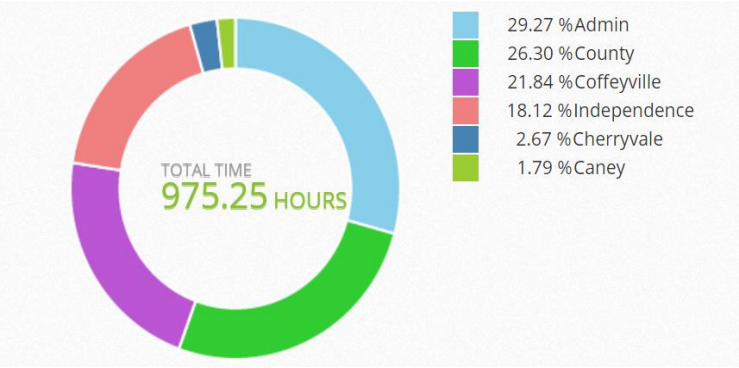
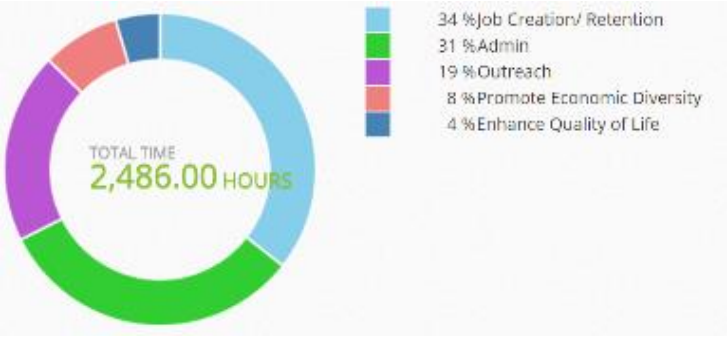
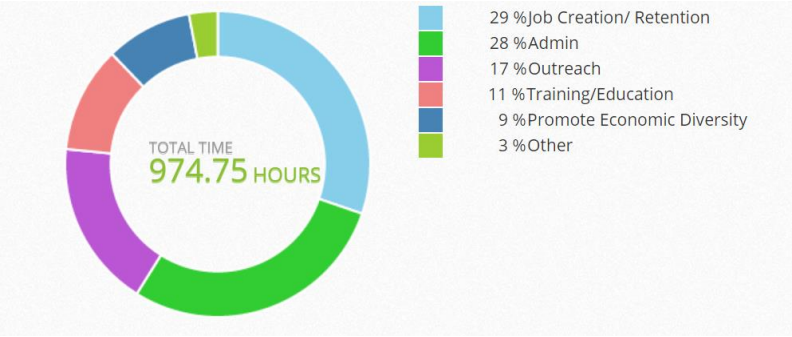


Time Allocation by Mission

2014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