

SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON July 11, 2023
AT 11:30 A.M.

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the SEDCO Board Room, 307 W. Washington St, Ste 102, Sherman, Texas on July 11th, 2023, at 11:30 a.m.

MEMBERS PRESENT: Mrs. Janie Bates, Mr. Scott Bandemir, Mr. Jason Brumm, Dr. Al Hambrick, Ms. Gail Utter

MEMBERS ABSENT: None

EX OFFICIO Mr. Robby Hefton, Mr. Shawn Teamann, Dr. Tyson Bennett, Mayor
MEMBERS PRESENT: David Plyler

STAFF PRESENT: Mr. Kent Sharp, Mrs. Ashton Bellows, Ms. April Day

STAFF ABSENT: Mrs. Shannon Blake

GUESTS PRESENT: Mr. Jeff Moore, Mr. Michael Hutchins, Mrs. Mary Lawrence, Mr. John Manning

**CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN,
RECOGNITION OF GUESTS, INVOCATION**

Mrs. Bates called the meeting to order at 11:30 a.m., declared a quorum present, meeting declared open.

The invocation was given by Mr. Sharp.

PUBLIC COMMENTS

There were no public comments.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING MINUTES

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the Regular Scheduled Meeting Minutes of June 13, 2023. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, Anomalies, and Commitments for the month ending May 31, 2023, and reported the following:

- Cash – SEDCO Checking: \$ 4,177,375.32
- Accounts Payable: \$ 5,199.66
- Fund Balance: \$ 16,288,563.45
- Revenues Over/Under Expenses: \$ 3,479,127.01
- Total Liabilities, Equity and Current Surplus (Deficit): \$ 19,772,890.12

- Revenue Total: \$714,710.61
- Expense Total: \$185,680.89

On the Anomalies Report, Mr. Sharp noted that Overtime increased to 153.6% used due to overtime accrued by Ms. Day to assist with the SEDCO sponsored tee box at the Chamber Golf Tournament and the WOMO booth at the City of Sherman's annual Cinco de Mayo event; Other Supplies increased to 235.05% used due to the purchase of steel-toed boots purchased for site visits; Dues & Licenses increased to 96.05% used due to payment of IEDC annual membership dues, annual Dropbox subscription charges, and IAMC annual dues; Other Services & Charges increased to 198.18% used due to payment for City Services, the replacement of the Park IV sign, and payment for services provided by Austin College for the RISE Challenge; and Professional Services increase to 115.43% used due to legal services, legislative consulting fees, and appraisal services.

On the Commitments Report, Mr. Sharp reported the paid year-to-date figures including incentives which totaled \$225,522 and other commitments totaling \$283,028, bringing the overall total paid year-to-date as of April 30, 2023 to \$508,550.

Motion was made by Mr. Bandemir and seconded by Dr. Hambrick to approve the financial reports for the month ending May 31, 2023. Motion was approved unanimously.

SEDCO AUDIT

Mrs. Bellows introduced John Manning, the City of Sherman auditor who would be presenting the SEDCO audit report for FY 21-22. Mr. Manning reported how SEDCO's capital assets went from around 9.1 million in 2021 up to about 10.1 million in 2022. Mr. Manning informed SEDCO experienced an increase in sales tax revenue of \$0.83 million, or 16%, compared to the prior fiscal year, primarily in the retail sector. Mr. Manning indicated that there was little long-term liability. Mr. Manning noted that there was an overpayment of sales tax from the state of about 76 thousand that SEDCO will be required to pay back to the State. Mr. Manning stated that SEDCO's conservative budget for sales tax and overall financials looked good. Mr. Manning indicated that there was no non-compliance to report.

SALES TAX AND ECONOMIC BAROMETER REPORTS

At the time of the meeting, the historic sales tax report was not available.

Mrs. Bellows presented the June 2023 Economic Barometer Report and reported the following:

1. New residential permits were down approx. 56% compared to June 2022 and down about 55% on the YTD. Roof permits kept additions and alterations up 259%. Commercial and industrial permits were up 150% compared to this time last year and up 60% on the YTD. All other permits, which includes demos and miscellaneous permits like new signs, had a mega increase and that is attributed to the demo of the Southgate Apartments at 915 S. Travis valued at \$8 million.
2. The city is up 387 water customers from last June and up 100 customers from last month.
3. Sales tax increased 24% compared to June 2022, and it's up approx. 21% on the YTD.
4. In May, Grayson County's months supply of housing inventory was 3.3 months, up from 3.0 months in April.
5. Sherman's unemployment rate increased from 3.6% in April to 4.0% in May.

REVIEW OF COMMUNITY INVOLVEMENT ADDITION TO APPLICATION FOR FINANCIAL ASSISTANCE

Mr. Sharp presented a draft of the proposed language for the community involvement addition to the application for financial assistance for consideration. During discussion, Mayor Plyler suggested that a list be created of approved non-profit organizations for recipients to choose from. Ms. Utter inquired whether the qualified donations would be limited to 501(c)(3) organizations or if other organizations that qualify as tax deductible would be eligible. Mr. Brumm asked if volunteer time would be counted separately from the monetary donation. The SEDCO staff will take the suggestions and inquiries to research and make necessary edits and recommendations.

DISCUSSION OF PROPOSED FY 23-24 PROGRAM OF WORK

Mrs. Bellows presented the proposed FY 23-24 Program of Work. Mrs. Bellows noted that the goals were largely the same as our current goals. Mrs. Bellows stated that some changes were made to continue the momentum of the WOMO (Women Owned and Minority Owned business) initiative. Ms. Utter suggested we broaden the target industries to advanced manufacturing.

DISCUSSION OF PROPOSED FY 23-24 SEDCO BUDGET

Mr. Sharp presented the proposed FY 2023-2024 SEDCO budget summary:

SUMMARY									
Revenues									
Sales Tax 4A - SEDCO	60204	\$ 5,509,856	\$ 5,509,854	\$ 4,811,863	\$ 6,415,816	\$ 906,162	\$ 6,500,000	\$ 990,346	
Interest Earned	66001	\$ 103,071	\$ 150,000	\$ 438,290	\$ 613,836	\$ 483,836	\$ 662,745	\$ 502,745	
Miscellaneous Revenue	68010	\$ -	\$ 954,818	\$ -	\$ 1,762,675	\$ 807,857	\$ 954,818	\$ -	
TOTAL REVENUES		\$ 5,612,727	\$ 6,614,472	\$ 5,250,153	\$ 8,792,327	\$ 2,177,855	\$ 8,107,563	\$ 1,493,091	
Expenses									
Personnel Expenses TOTAL	81000	\$ 525,834	\$ 579,265	\$ 347,639	\$ 553,307	\$ (25,958)	\$ 573,445	\$ (5,820)	
Supplies TOTAL	82000	\$ 27,019	\$ 13,500	\$ 3,241	\$ 3,880	\$ (9,620)	\$ 14,500	\$ 1,000	
Maintenance and Repairs TOTAL	83000	\$ 7,319	\$ 8,580	\$ 3,817	\$ 15,617	\$ 7,037	\$ 15,580	\$ 7,000	
Utilities and Communications TOTAL	84000	\$ 12,715	\$ 10,400	\$ 5,378	\$ 8,637	\$ (1,763)	\$ 10,000	\$ (400)	
Contractual or Sundry Services TOTAL	85000	\$ 837,128	\$ 3,607,924	\$ 670,921	\$ 1,627,057	\$ (1,980,867)	\$ 2,845,443	\$ (762,481)	
Debt Service TOTAL	86000	\$ 602,892	\$ 566,056	\$ 283,028	\$ 566,056	\$ -	\$ 1,017,985	\$ 451,929	
Capital Expenses TOTAL	88000	\$ 1,113,238	\$ 1,000,000	\$ 18,675	\$ 1,118,675	\$ 118,675	\$ 2,500,000	\$ 1,500,000	
TOTAL EXPENSES		\$ 3,125,945	\$ 5,785,725	\$ 1,332,699	\$ 3,893,229	\$ (1,892,496)	\$ 6,976,953	\$ 1,191,228	
NET INCOME (LOSS)									Surplus or (Deficit) Amount
		\$ 2,486,781	\$ 828,747	\$ 3,917,454	\$ 4,899,098	\$ 4,070,351	\$ 1,130,610		
CASH & INVESTMENTS ENDING BALANCE									\$ 19,885,453

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2023.16 (CAREER AND EDUCATION OUTREACH SPECIALISTS)

Resolution No. SEDCO-2023.16: authorizing SEDCO to match grant dollars with Workforce Solutions Texoma and the Denison Development Alliance for two Career Education Specialists positions to assist with recruitment and retention of students for the Advanced Manufacturing Program (AMP), the Industrial Maintenance Technician (IMT) Program, the Electrical Engineering Technology (EET) Program, and other demand occupation training programs while educating the students, teachers, and counselors on targeted jobs in the region. The resolution states SEDCO to fund \$55,000 into the local partnership, contingent on a \$55,000 match from DDA and \$110,000 match from the Workforce Career and Education Outreach Specialists through the Texas Workforce Commission to improve the skills of the local labor market to meet the demands of Grayson County employers and help fulfill SEDCO’s strategic goal to “Support Workforce Development and Employment Programs”.

Motion to approve Resolution No. SEDCO-2023.16 (Career and Education Outreach Specialists) was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2023.17 (LEGACY WATER LINE PHASE II EASEMENT)

Resolution No. SEDCO-2023.17: A resolution authorizing and approving a 0.4208 acre water line easement and 0.2513 temporary easement in the Sherrod Dunman survey, Abstract No. 329, City of Sherman, Grayson County, Texas. Whereas the City shall use said easement for water line utility purposes for the Legacy Water Line, Phase II.

Motion to approve Resolution No. SEDCO-2023.17 (Legacy Water Line Phase II Easement) was made by Ms. Utter and seconded by Dr. Hambrick. Motion was approved unanimously.

EXECUTIVE SESSION

The Sherman Economic Development Corporation held an Executive Session pursuant to the provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Code Annotated, in accordance with the authority contained in the following sections:

- a. 551.071 (Consultation with Attorney)
- b. 551.072 (Deliberations about Real Property)
 1. Disposition and Acquisition
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 1. Wrap, EZ, Yoyo, Alpha Omega, Bowling, Zion, CT, Lasso RFI, TXR, Creek Side, Shermanator

The open meeting recessed in executive session at 12:36 p.m.

RECONVENE OPEN MEETING AND CONSIDER APPROVAL OF THE ITEMS DISCUSSED IN EXECUTIVE SESSION

Mrs. Bates reconvened the open meeting at 12:55 p.m.

ADJOURNMENT

The meeting was adjourned at 12:56 p.m.

CERTIFICATION OF PRESIDING OFFICER

I, Janie Bates, Presiding Officer, do certify that these minutes of the Regular Scheduled Board Meeting of the Sherman Economic Development Corporation of the City of Sherman, Texas are a true and correct record of the proceedings with Chapter 551, Govt. Code, V.T.C.S, Open Meetings Law.



PRESIDING OFFICER