

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION  
MINUTES OF THE ANNUAL JOINT MEETING  
OF THE BOARD OF DIRECTORS  
AND THE SHERMAN CITY COUNCIL  
SEPTEMBER 11, 2020  
SHERMAN MUNICIPAL BALLROOM  
12:00 PM**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the Sherman Municipal Ballroom at 405 North Rusk Street, Sherman, Texas, on September 11, 2020, at 12:00 p.m.

MEMBERS PRESENT: Gail Utter, Vice Chair; Scott Bandemir, Secretary; Jason Brumm and Daniel Worrell, Board Members

MEMBERS ABSENT: Janie Bates, Chair

EX-OFFICIO MEMBERS PRESENT: David Plyler, Mayor; Willie Steele, Deputy Mayor; Shawn Teamann, Council Member; Robby Hefton, City Manager; Dr. David Hicks, SISD Superintendent

EX-OFFICIO MEMBERS ABSENT: None

CITY COUNCIL MEMBERS PRESENT: David Plyler, Mayor; Willie Steele, Deputy Mayor; Daron Holland, Sandra Melton, Josh Stevenson and Shawn Teamann, Council Members

CITY COUNCIL MEMBERS ABSENT: Pamela Howeth, Council Member

SEDCO STAFF PRESENT: Kent Sharp, President; Ashton Ghaemi, Director of Research & Marketing; Dondra Kendall, Administrative Assistant

SEDCO STAFF ABSENT: None

GUESTS PRESENT: Cary Wacker, Director of Strategic Communications & Community Engagement at Austin College; Jeff Moore, SEDCO Attorney; Terrence Steele, Assistant City Manager; Clint Philpott, Assistant City Manager; Brandon Shelby, City Attorney; Rob Rae, Director of Development Services; Mary Lawrence, Director of Finance; Wayne Lee, Director of Engineering; Nate Strauch, Community & Support Services Manager; Pam Cloer, Assistant to the City Manager; Linda Ashby, City Clerk

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

Mayor Plyler called the meeting to order at 12:02 p.m., declared a quorum present, and opened the City Council Meeting. Gail Utter, Sherman Economic Development Corporation Vice-Chair, called the SEDCO Meeting to order.

**INVOCATION**

Deputy Mayor Willie Steele gave the invocation.

**PUBLIC COMMENTS**

There were no public comments.

**PRESENTATION OF SEDCO'S 2019-2020 PROGRAM OF WORK RESULTS**

Kent Sharp, SEDCO President, said there are five goals for their Work Program. These include retaining and expanding existing industry; recruiting new industry; workforce development and employment programs; managing and marketing the real estate owned by SEDCO; and to raise the profile of SEDCO, locally, regionally, statewide, nationally, and internationally.

Under the first goal, Mr. Sharp said they completed three performance agreements. These agreements included Finisar for a \$160,000,000 investment, and an incentive of \$270,000; Presco for a \$174,741 investment, and an incentive of \$50,000; and Modular Power Systems for an \$11,200,000 investment, and an incentive of \$513,290, and 105 retained jobs.

He outlined other accomplishments to achieve that goal, and said the issues with COVID-19 did alter the way some things were done.

To recruit new industries, SEDCO worked on 18 new projects and accomplished nine site visits, including virtual visits. To encourage local vendors and local expansion, the “Buy Local” grant was increased from \$20,000 to \$50,000. They also worked on marketing and marketing videos, during the quarter.

He added that SEDCO is very active in working with local workforce development partners, and paid \$75,000 in matching funds for the Texas Workforce Commission High Demand Job Training Grant. The money will be used to purchase equipment that will be located at Sherman High School. During the 2019-2020 academic year, SEDCO has awarded four Advanced Manufacturing Certificates and 19 Industrial Maintenance Technician Certificates. SEDCO has also held a job fair and sponsored social media advertisements.

Mr. Sharp addressed the Texoma Manufacturing Consortium, which is a partnership between manufacturers, workforce, economic development corporations, independent school districts, and Grayson College. They offer two big programs, the Advanced Manufacturing Program (AMP) and the Industrial Maintenance Technician (IMT) Program. Participants entering the IMT program include students and recumbent workers.

Mr. Sharp said SEDCO paid a total of \$1,658,500 for infrastructure projects. These projects included West Travis Street at \$846,000, Progress Drive Extension engineering at \$62,500, and Fallon Drive Extension at \$750,000.

When submitting a proposal to a company, Mr. Sharp said they are almost always asked to include an environmental report. Their environmental reports were dated, so they hired a company to update those reports for Progress Parks I through V. They are also working to identify existing industrial building space, which is sparse in the area. He said there are some located in the Metroplex and some in Denton, but added it is hard to find good industrial space.

He said they have increased their social media ads to promote available sites in Progress Park, and currently maintain ShermanSites.com. There was also a house on property owned by SEDCO and they were able to donate some of the items to Habitat for Humanity and the Grayson County Shelter prior to the demolition.

Mr. Sharp also discussed efforts to raise SEDCO’s profile in all markets, and said they were recognized for the 2019 Economic Excellence Recognition by the Texas Economic Development Council.

He said, today, social media is extremely important and the goal is to get followers. The more followers an account has, the better chance they have to get their message shared. He presented a chart detailing SEDCO’s growth in social media accounts such as Facebook, Twitter, Instagram, and LinkedIn.

Ashton Ghaemi, Director of Research and Marketing, explained that, in the past, SEDCO has based their advertising on Facebook. During the past year they have begun advertising on other types of social media venues. She said the goal this year was to expand. They have been able to “drill down” to their target market instead of “casting a net” like they have done in the past.

#### **PRESENTATION OF SEDCO’S 2020-2021 PROGRAM OF WORK**

Mr. Sharp presented the Work Program for 2020-2021. He said most of the goals are the same, however they did remove the goal to raise SEDCO’s profile. They added two new goals, to cultivate and fund an entrepreneurial program and to encourage Sherman minority-owned and women-owned businesses. The goals must still meet the criteria, such as no retail. He listed new actions for FY 2020-2021 to achieve these new goals.

He said they are continuing to deal with the lack of building space. There were 26 companies that SEDCO could not respond too because they didn’t have existing buildings.

Mr. Sharp introduced Cary Wacker, Austin College Associate Vice President for Institutional Advancement and Director of the Center for Community and Regional Development. Austin College is partnering with SEDCO and the Small Business Development Center at Grayson College. Austin College has an entrepreneurial program with many components. This year they will assist in managing the launch of an entrepreneurial challenge grant program.

The program will begin in late Fall and applications will be accepted in January or February 2021. They will compile the applications, follow through with judging, and evaluate the proposals. The grants are for small businesses between one and five years old, and working in the NAICS codes that are classified as manufacturing. This is not for retail businesses on the

Square. It's for manufacturing, with a product that can be exported out of Grayson County. She said students will be assisting with the process and they look forward to helping promote this particular goal. Mr. Sharp verified that the first round of grant awards will be in early May 2021.

Council Member Stevenson said he had questions about specific properties, and asked what was going on with ActiTech and CertainTeed. He said those two facilities had a lot of square footage. Mr. Sharp said SEDCO is continuing to work on marketing of those facilities.

Council Member Stevenson said SEDCO is "throwing money" at the AMP and INT programs, and asked what is the plan to boost those numbers. He questioned trying to do economic development in a recession and in a recession and a pandemic. He asked if there was a committee that was looking into it or if they were "throwing stuff against the wall, to see what sticks."

Mr. Sharp said the question is how to get more people in the program. Originally, they wanted to get more students involved, but the recumbent workers are grown-ups who are already working and just need to be up-skilled. There should be more incentive for industries to send their recumbent workers through the program.

Council Member Stevenson said the community buy-in is critical to the program. He said the "American Dream" is that everyone goes to an expensive college for a liberal arts degree, for jobs that don't exist. Then we have trades and industry that are desperate to hire people for very high paying jobs. He said it's more than providing the programs and talking to the kids. It's community wide.

Ms. Ghaemi mentioned the "Swap It Up!" program saying it publicized the AMP program and brought it down to the community level. It also encouraged businesses to donate to the program. The participating kids were making "cold calls" to businesses.

Council Member Stevenson said it is hard to overcome the perception of kids going to college. Today, jobs are in manufacturing, but the message is going to college. It's hard to change someone's mind and overcome that perception. These are great jobs that no one is qualified for, and everyone is trying to compete for 3% of the jobs that they have no chance of getting. Changing the perception is the hard part.

He said there are two problems, a micro problem and a macro problem. The micro problem is specific like transportation from the high school to the classroom, while the macro problem is the perception. There is a push to change the perception of trade jobs. These are well-paid, well-compensated positions.

Dr. David Hicks, Sherman Independent School District Superintendent, said the new high school will feature a significant expansion in the career tech programs. They will have the traditional programs that they normally have, but they are adding automotive, engineering, aerospace, and drone certification. They are expanding the culinary program. The Cosmetology program will remain at Grayson College and will not be replicated at the high school level. They will, however, build their schedules so students can access that program. There are also a number of new programs that will be added. Ms. Utter said this will acknowledge that it is okay to have a different career path.

Dr. Hicks said another benefit was to take all the eighth graders out to the manufacturing facilities. That was a Texas Workforce Commission, SEDCO, and School District partnership. He said this gets the kids in early to see what their options are, and it also shows the parents that these are possibilities.

Council Member Holland said he was really pleased that the high school was putting the vocational classes back into the curriculum, because not every kid is a college kid. This helps the kids know what direction they need to move toward.

#### **CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF SEDCO'S 2020-2021 PROGRAM OF WORK**

Mayor Plyler asked for a vote on SEDCO's 2020-2021 Program of Work. Motion to approve SEDCO's 2020-2021 Program of Work was made by Council Member Stevenson and seconded by Council Member Holland. Motion was approved unanimously.

#### **PRESENTATION OF SEDCO'S 2020-2021 BUDGET**

Mr. Sharp presented a summary of SEDCO's Budget for 2020-2021. The current budget includes revenue of \$4,222,444 and expenditures of \$5,582,931. The proposed budget for FY 2020-2021 includes revenue of \$4,222,444 and expenditures of \$6,116,019. He said the bulk of the expenditures are incentives that will not be paid out this fiscal year and will roll over into next fiscal year. This accounts for the majority of the budget expenditure increase.

Mr. Sharp said even with a proposed budget of \$4.2 million and expenditures of \$6.1 million, and with a deficit of \$1.8 million, they

still have an ending balance of \$10.4 million. He felt the ending balance would be closer to \$11.5 million.

Council Member Teamann asked what happens if there is an unexpected expense, does it need City Council action. Mr. Sharp said once the SEDCO Board approves a project, they would approve the change. The change would not need City Council approval.

Council Member Melton complimented Mr. Sharp on the layout of the budget and said it was easy to understand.

**CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF SEDCO'S 2020-2021 BUDGET**

Mayor Plyler asked for a vote on SEDCO's 2020-2021 Budget. Motion to approve SEDCO's 2020-2021 Budget was made by Council Member Melton and seconded by Council Member Stevenson. Motion was approved unanimously.

**SEDCO BOARD TO DISCUSS AND CONSIDER APPROVAL OF THE SEDCO INVESTMENT POLICY**

Mary Lawrence, Director of Finance, said the Investment Policy is reviewed annually as required by the Public Funds Investment Act. Changes from the prior year include some clarifying language. They have added TexasTERM as an approved local government investment pool. This item requires a motion and a vote to adopt.

Ms. Utter clarified that this is basically a "clean-up" and brings it more in line with the City's Investment Policy.

Motion to approve the SEDCO Investment Policy was made by Secretary Bandemir and seconded by Board Member Brumm. Motion was approved unanimously.

**OTHER BUSINESS**

There was no other business to come before the City Council or SEDCO.

**ADJOURNMENT**

There being no further business to come before the City Council or the Sherman Economic Development Corporation, motion was duly made and approved to adjourn the Joint Meeting at 12:52 p.m.

**CERTIFICATION OF PRESIDING OFFICER**

I, Gail Utter, Presiding Officer, do certify that these minutes of the Annual Joint 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.

  
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PRESIDING OFFICER