

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON NOVEMBER 8, 2022
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 November 8, 2022, at 11:30 a.m.

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

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Mr. Tyson Bennett, Mr. Shawn Teamann, Mr. Terrence Steele, Mr. Robby Hefton

EX OFFICIO MEMBERS ABSENT: Mayor Plyler

STAFF PRESENT: Mr. Kent Sharp, Ms. Brandy Washington

STAFF ABSENT: Mrs. Ashton Bellows, Mrs. Shannon Blake

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

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

Mrs. Bates called the meeting to order at 11:34 a.m., declared a quorum present, meeting declared open.

The invocation was given by Mr. Sharp.

PUBLIC COMMENTS

There were no public comments.

ELECTION OF SEDCO OFFICERS FOR FY 2022-2023

Mrs. Bates called for nominations for the SEDCO Officers for FY 2022-2023.

Ms. Utter made a motion to have Mrs. Bates as the FY 2022-2023 SEDCO Chair, the motion was seconded by Mr. Bandemir. Motion was approved unanimously.

Ms. Utter made a motion to have Mr. Bandemir as the FY 2022-2023 SEDCO Vice Chair, the motion was seconded by Mr. Brumm. Motion was approved unanimously

Ms. Utter made a motion to have Mr. Brumm as the FY 2022-2023 SEDCO Secretary, the motion was seconded by Mr. Bandemir. Motion was approved unanimously

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING MINUTES

Motion was made by Mr. Bandemir and seconded by Ms. Utter to approve the Regular Scheduled Meeting Minutes of October 11, 2022. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, and Commitments for the months ending September 30, 2022 and reported the following:

- Cash – SEDCO Checking: \$ 2,594,533.43
- Accounts Payable: \$ 13,424.04
- Fund Balance: \$ 13,803,453.11
- Revenues Over/Under Expenses: \$ 2,486,781.34
- Total Liabilities, Equity and Current Surplus (Deficit): \$ 16,303,658.49
- Revenue Total: 123.13 %
- Expense Total: 34.02 %

Motion was made by Ms. Utter and seconded by Dr. Hambrick to approve the financial reports for the month ending September 30, 2022. Motion was approved unanimously.

Mrs. Lawrence presented the Investment Report for Quarter Ending September 30, 2022 and reported the portfolio book value and market value was approximately \$13.7 million. Of this amount, \$3.0 million was in held in a Local Government Investment Pool (LGIP), \$4.5 million was held in Certificates of Deposit (CD) and \$6.2 million was held in an FDIC insured investment account. Activity during the quarter included interest earned on the investments and a CD deposit of \$3.0 million. The weighted average yield on the portfolio was 1.92%, 141 basis points below the three-month Constant Maturity Treasury Index of 3.33%, and 131 basis points above the previous quarter. The weighted average maturity for the portfolio increased from 17 days on June 30, 2022 to 161 days at September 30, 2022.

Ms. Utter asked Mrs. Lawrence about the yield for the municipal fund currently. Mrs. Lawrence responded the yield is around 3%. Mr. Teamann then asked if there were any stipulations for the charge-back regarding the Texas Instruments sales tax. Mrs. Lawrence stated that SEDCO currently has no provisions or stipulations. Mr. Sharp also responded that there are no stipulations currently. Mr. Sharp replied that he would be meeting with Mrs. Lawrence to do so. Mr. Sharp asked if it is possible to visit with the companies for a review. Mrs. Lawrence replied, yes, it would be Austin Commercial.

Motion to approve the SEDCO Investment Report for quarter ending September 30, 2022, was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.13 (Travel and Expense Policy)

Resolution No. SEDCO-2022.13: A resolution authorizing a travels and expense policy for the Sherman Economic Development Corporation. The SEDCO Travel and Expense Policy addresses expenses related to mileage, meals, air travel, lodging, automobile rental, registration fees and incidental charges as well as prohibited expenses by local, state and federal law.

Motion to approve Resolution No. SEDCO-2022.13 (Travel and Expense Policy) was made by Dr. Hambrick and seconded by Mr. Brumm. Motion was approved unanimously

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported the sales tax information was not available at this time.

Ms. Washington presented the October 2022 Economic Barometer Report and reported the following:

- New residential permits saw an 85% decrease compared to October 2021, but the YTD was up 53%.
- Commercial and industrial permits were up 37.5% from this time last year and up 30% on the YTD. The most notable of these were permits for the construction of a new Residence Inn hotel valued at \$8M, a new veterinarian hospital valued at \$6.15M, and the new Denny's restaurant valued at \$1.2M
- The city was up 443 customers compared to October 2021 and up 10 customers from September.
- October's sales tax saw an almost 35% increase from October 2021, and the YTD was up over 15%.
- In September, Grayson County's months' supply of housing inventory was 3.5 months, up from 3.3 months in August.
- Sherman's unemployment rate in September was 3.4%, down from 3.8% in August.

Mr. Hefton presented an infrastructure update. Mr. Hefton stated about 70% of water is sent to customers and treated at the wastewater plant. This beneficial reuse of water plan will recapture portions of the water to use and treat it, send it back to Lake Texoma, reuse it for industrial purposes, or sell and trade to other agencies like the North Texas Municipal Water District. Ms. Utter stated this technology does exist but is it expensive? Mr. Hefton replied yes, it is less expensive than drilling new wells.

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)
 1. Blalock Zoning
- 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, Boston, Shermanator, Sunshine, Nemo, Ernie, King

The open meeting recessed in executive session at 11:58 a.m.

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

Mrs. Bates reconvened the open meeting at 12:52 p.m.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2022.14 (King)

Resolution No. SEDCO-2022.14: A resolution authorizing a sale of and additional 3 acres of land to Arctic Bracing, LLC (Company). SEDCO hereby authorizes the transfer of an additional approximately 3.0 acres of industrial land located within

the Progress Park III addition, an addition to the City of Sherman, Grayson County, Texas, at a cost of \$65,340.00 per acre. Said transfer shall be made to Soltic Real Estate, LLC, an Arctic Bracing related entity.

Motion to approve Resolution No. SEDCO-2022.14 (King) was made by Ms. Utter and seconded by Mr. Bandemir. Motion was approved unanimously

CONSIDER APPROVAL SEDCO PRESIDENT AND STAFF ATTORNEY TO NEGOTIATE AND EXECUTE A REAL ESTATE SALES CONTRACT ON THE TERMS DISCUSSED IN EXECUTIVE SESSION

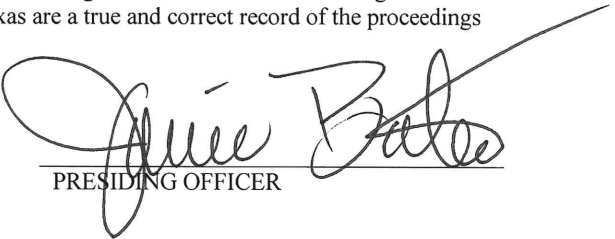
Motion was made by Mr. Bandemir and seconded by Dr. Hambrick. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:53 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