

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON APRIL 12, 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 April 12, 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. Robby Hefton, Mr. Shawn Teaman, Mr. Terrence Steele

EX OFFICIO MEMBERS ABSENT: Dr. David Hicks, Mayor Plyler

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

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

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

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

Mrs. Bates called the meeting to order at 11:35 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. Brumm to approve the Regular Scheduled Meeting Minutes of March 8, 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 month ending February 28, 2022 and reported the following:

- Cash – SEDCO Checking: \$ 3,844,098.94
- Accounts Payable: \$ 8263.26
- Fund Balance: \$ 13,803,453.11
- Revenues Over/Under Expenses: 686,932.16
- Total Liabilities, Equity and Current Surplus (Deficit): 14,490,385.27
- Revenue Total: 50.38%
- Expense Total: 17.52%

Mr. Sharp informed that 1.5 million dollars has now expired for Tyson Foods and an extension was given and further communication will be given to the board regarding that.

Motion was made by Mr. Bandemir and seconded by Mr. Hambrick to approve the financial reports for the month ending February 28, 2022. Motion was approved unanimously.

Mrs. Lawrence presented John Manning the City of Sherman auditor who will be presenting the SEDCO audit report. Mr. Manning reported how SEDCO's capital assets went from around 7 million in 2020 up to about 9.1 million in 2021. Mr. Manning informed SEDCO experienced an increase in sales tax revenue of \$0.7 million, or 15%, compared to the prior fiscal year, primarily in the retail sector; the sale of land to the City of Sherman for a new police headquarters (\$0.7 million); and the purchase of land for future industrial use totaling \$2.2 million. Mr. Manning also discussed SEDCO having a contract with the City of Sherman to fund the City's debt service on the construction of certain infrastructure projects, including water and sewer lines along the west and east sides of Highway 75, sewer lines along Highway 289, sewer lines to Blalock Industrial Park, northbound entrance/exit ramps near Highway 75 and FM 1417, and the Northgate Drive extension. During the year ended September 30, 2021, SEDCO paid \$655,027 to the City of Sherman in accordance with these contracts. Mr. Manning stated that SEDCO's financials look strong and this was a fantastic audit. Mr. Sharp asked on what page are the contractual obligations? Mr. Manning reported page 16 and 17 of the report. Mr. Sharp also asked if land values under capital assets are

carried under purchase price? Mr. Manning stated it is the historical value, whatever the land is purchased for is what it is reported on. It, land, does not depreciate.

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the SEDCO audit. Motion was approved unanimously.

Mr. Bandemir asked how much did the audit cost? Mr. Sharp referred the question to Mrs. Lawrence. Mrs. Lawrence responded around \$6,500.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported the largest to date April sales tax of 27.18%.

Mr. Sharp presented the March 2022 Economic Barometer Report and reported the following:

- New residential permits were up over 60% compared to this time last year with the YTD up over 55%. Commercial & industrial saw a 50% increase with the most notable being the Walmart remodel on Hwy 82, valued at \$1.4 million.
- The city was up 306 customers from March 2021 and 24 customers from last month.
- Sales tax was up almost 6% compared to last March and up 12.72% on the YTD.
- The Grayson County month's supply of housing inventory fell from 1.3 months in January to 1.1 months in February.
- Sherman's February unemployment rate held at 4.2%.

Mr. Hefton discussed infrastructure updates for the City of Sherman. Mr. Hefton mentioned expansion as well as finding engineers that will manage the projects. Mr. Hefton stated that The City of Sherman hopes to break ground on the first phase of those projects around the first quarter of 2023. Mr. Hefton mentioned the projects are in three major categories: the water plant and everything related to that, wastewater plant and everything related to that, and pipeline work.

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. G-0329 DUNMAN SHERON A-G0329, ACRES 9.115
- b. 551.072 (Deliberations about Real Property)
 1. Disposition and Acquisition
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 1. EZ, Wrap, Amino, Orange TX, Boston, Surprise, Baby Boston, Wheat Bread, Perfect Fit

The open meeting recessed in executive session at 12:10 p.m.

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

Mrs. Bates reconvened the open meeting at 12:48 p.m.

CONSIDER APPROVAL OF LETTER OF INTENT AS DISCUSSED IN EXECUTIVE SESSION (Project Wrap)

Motion to approve Letter of Intent as discussed in executive session was made by Ms. Utter and seconded by Mr. Brumm. Motion was approved unanimously

Mr. Shape gave an update on the Raising Innovative Sherman Entrepreneurs (RISE) challenge.

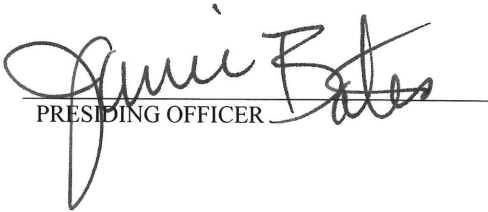
- Application portal closed in February with 5 applicants.
- The program partners (SEDCO, Austin College, and the Grayson SBDC) reviewed the applicants and advanced 4 applicants to Round 2.
- The Round 2 applicants completed an orientation and SBDC Training and pitched their products to the program partners. Three applicants advanced to Round 3- Arctic Bracing, Café Aimee, and the Charlotte Letter.
- The Round 3 finalist submitted their business plans, hosted site visits, and made one final presentation to a panel of judges, comprised of local business leaders.
- The winners and their prize amounts will be announced at a celebration April 19th in Mabee Hall at Austin College. All the board and council members should have received an invite. If you have not RSVP'd, please do as soon as possible to help with the lunch headcount.

ADJOURNMENT

The meeting was adjourned at 12:52 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