

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

EX OFFICIO MEMBERS ABSENT: Mr. Tyson Bennett, Mayor Plyler,

STAFF PRESENT: Mr. Kent Sharp, Ms. Brandy Washington, Mrs. Ashton Bellows, Mrs. Shannon Blake

STAFF ABSENT:

GUESTS PRESENT: Mr. Jeff Moore, Mr. Michael Hutchins, Bret McMillen

**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, and recognized a guest to the meeting Mr. Bret McMillen from Sure Steel Inc.

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 14, 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 May 31, 2022 and reported the following:

- Cash – SEDCO Checking: \$ 4,582,426.05
- Accounts Payable: \$ 9,424.21
- Fund Balance: \$ 13,803,453.11
- Revenues Over/Under Expenses: \$ 1,428,096.48
- Total Liabilities, Equity and Current Surplus (Deficit): \$ 15,240,973.80
- Revenue Total: 78.53%
- Expense Total: 23.42%

Motion was made by Dr. Hambrick and seconded by Ms. Utter to approve the financial reports for the month ending May 31, 2022. Motion was approved unanimously.

**SALES TAX AND ECONOMIC BAROMETER REPORTS**

Mr. Sharp reported July's sales tax of 11.80%.

Mrs. Bellows presented the June 2022 Economic Barometer Report and reported the following:

- New residential building permits saw a 350% increase compared to June 2021, and the YTD was up over 108%. There was 1 new multifamily permit for a new apartment complex on South FM 1417. Of the eight commercial and industrial permits, the most notable was a new office building on Swamy Drive valued at \$5.2 million.
- The city was up 376 customers from this time last year and 59 customers from last month.
- June sales tax saw a 6.11% increase from June 2021, and the YTD was up over 10%.
- In May, Grayson County's month's supply of housing inventory was 2 months. The last time we had 2 months or more supply was November 2020.
- Sherman's May unemployment rate was 3.5%, up from 3.4% in April.

Mr. Hefton asked if he could add to the Economic Barometer report. Mr. Hefton mentioned that from January to June there were right at 500 multi-family units permitted and about 320 single family residential permitted. This is over 800 units permitted for the first six months out of the year. Mr. Hefton said good news, the gaps that have existed for a while are being filled but the bad news is there's still a gap, and there could be a few years before those gaps are filled.

**DISCUSSION OF THE PROPOSED FY 2022-2023 SEDCO BUDGET AND PROGRAM OF WORK**

Mr. Sharp presented the proposed FY 2022-2023 SEDCO Budget and reported the revenue has been adjusted to \$5,304,222. He reported on the following budget summary:

Proposed FY 22-23 Budget	ACCOUNT	ACTUAL	APPROVED	CURRENT	PROPOSED	VARIANCE	PROPOSED	FY21 VARIANCE TO
				ACTUAL (thru May 31st)	ACTUAL (thru fiscal year end)			
	850-9850-	FY 20-21	FY 21-22	FY 21-22	FY 21-22	APPROVED FY21	FY 22-23	APPROVED FY21
<b>SUMMARY</b>								
<b>Revenues</b>								
Sales Tax 4A - SEDCO	60204	\$ 4,854,860	\$ 4,500,000	\$ 5,304,222	\$ 5,304,222	\$ 804,222	\$ 5,304,222	\$ 804,222
Interest Earned	66001	\$ 42,752	\$ 58,500	\$ 23,026	\$ 27,888	\$ (30,612)	\$ 30,000	\$ (28,500)
Miscellaneous Revenue	68010	\$ 695,810	\$ -	\$ -	\$ 525,000	\$ 525,000	\$ 954,818	\$ 954,818
<b>TOTAL REVENUES</b>		<b>\$ 5,593,422</b>	<b>\$ 4,558,500</b>	<b>\$ 5,327,248</b>	<b>\$ 5,857,110</b>	<b>\$ 1,298,610</b>	<b>\$ 6,289,040</b>	<b>\$ 1,730,540</b>
<b>Expenses</b>								
Personnel Expenses TOTAL	81000	\$ 385,952	\$ 460,738	\$ 313,451	\$ 475,224	\$ 14,486	\$ 446,700	\$ (14,038)
Supplies TOTAL	82000	\$ 6,355	\$ 13,800	\$ 16,131	\$ 23,551	\$ 9,751	\$ 13,500	\$ (300)
Maintenance and Repairs TOTAL	83000	\$ 3,800	\$ 5,940	\$ 4,500	\$ 5,640	\$ (300)	\$ 8,580	\$ 2,640
Utilities and Communications TOTAL	84000	\$ 12,527	\$ 13,037	\$ 8,246	\$ 12,286	\$ (751)	\$ 10,400	\$ (2,637)
Contractual or Sundry Services TOTAL	85000	\$ 650,308	\$ 1,091,827	\$ 563,656	\$ 2,080,644	\$ 968,817	\$ 3,455,424	\$ 2,383,597
Debt Service TOTAL	86000	\$ 655,027	\$ 602,892	\$ 452,169	\$ 904,339	\$ 301,446	\$ 568,056	\$ (36,836)
Capital Expenses TOTAL	88000	\$ 2,175,171	\$ 7,000,000	\$ 1,113,238	\$ 1,183,238	\$ (5,816,762)	\$ 1,000,000	\$ (6,000,000)
<b>TOTAL EXPENSES</b>		<b>\$ 3,888,939</b>	<b>\$ 9,188,234</b>	<b>\$ 2,471,393</b>	<b>\$ 4,664,922</b>	<b>\$ (4,523,312)</b>	<b>\$ 5,500,560</b>	<b>\$ (3,687,574)</b>
<b>NET INCOME (LOSS)</b>		<b>\$ 1,704,482</b>	<b>\$ (4,629,734)</b>	<b>\$ 2,855,855</b>	<b>\$ 1,192,188</b>	<b>\$ 5,821,922</b>	<b>\$ 788,380</b>	<b>Surplus or (Deficit) Amount</b>
<b>CASH &amp; INVESTMENTS ENDING BALANCE</b>		<b>\$ 13,855,745</b>	<b>\$ 9,226,011</b>	<b>\$ 16,711,600</b>	<b>\$ 15,047,933</b>	<b>\$ 15,047,933</b>	<b>\$ 15,836,313</b>	

Mr. Sharp also presented the proposed FY 2022-2023 Program of Work and noted that some target industries and goals have been modified from FY 2021-2022. Mr. Sharp shared the action items that were added and impacted. 1) Wanting to target Advanced Manufacturing Companies. 2) Actively participate with economic development allies to narrow the scope of our recruitment campaigns to attract primary employer investments and jobs. 3) Explore the addition of a specialized technology pathway within AMP to address the coming demand of semiconductor production employees. 4) Partner with the City of Sherman on strategic infrastructure development to enhance usability.

Mr. Sharp asked Mr. Hefton for an infrastructure update from The City of Sherman. Mr. Hefton said while there has not been much dirt moved, The City of Sherman is heavy in the engineering aspects of its programming. Mr. Hefton informed that their engineering staff is working to hire an engineering firm to assist with the multiple levels of engineering. Mr. Hefton mentioned that even in the face of hundreds of millions of dollars in projects, it will not change the trajectory for water and sewer rates pre-Texas Instruments. Mr. Hefton continued to say utility rates are on track to a four to five percent increase over five years. Mr. Hefton replied he feels it's a great story to tell that the existing citizens of Sherman are not bearing the cost of the expansions, and the developments are paying the cost.

Mrs. Blake and Ms. Washington presented an update on the SEDCO Website and reported the following:

- The new sedco.org website launched the end of June.
- Besides updating and modernizing the old site one of the main goals was to combine the main site, the job database, and the site selection tool into one location This will save SEDCO over \$8,000 a year.
- The new website can be translated into multiple languages.
- This new website also created a home for WOMO (Women-Owned, Minority-Owned) business program.

Mrs. Blake mentioned having already received a lot of positive feedback about the look and feel of the new website. Mrs. Blake also stated the website is user-friendly and has quick link buttons on the home page. It features a video banner with the tagline "Always Investing. Never Satisfied". Ms. Washington added the Recreation page is a favorite and highlights the many parks and activity centers in Sherman, Tx. Mrs. Bellows also mentioned the Site Selection tab, which highlights the individual listings of the Industrial Parks.

**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:

- 551.071 (Consultation with Attorney)
- 551.072 (Deliberations about Real Property)
  - Disposition and Acquisition
  - G-0329 DUNMAN SHEROD A-G0329, ACRES 3.11
- 551.074 (Personnel Matters)
- 551.087 (Business Prospect/Economic Development)
  - Wrap, EZ, Boston, King, Titan 2.0, Sauce

The open meeting recessed in executive session at 11:57 a.m.

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

Mrs. Bates reconvened the open meeting at 12:35 p.m.

Mr. Sharp asked if a 3-5% incentive program or sliding scale be considered. Mr. Sharp also suggested a workshop to explore other options. Mr. Bandemir asked if these incentive options were the same with other Economic Developments. Mr. Sharp replied it was all over the board, and every Economic Development Corporation is different. Mr. Bandemir asked if will this be a policy guideline? Mr. Sharp said it is something that will be used internally.

Mr. Sharp also discussed adding language to performance agreements regarding community giving. Mr. Sharp continued to say if you get an incentive from the Economic Development Corporation, you, as a company, are expected to give back to a non-profit organization in Sherman. Mr. Moore also stated making a mandatory contribution to a charity would be hard to enforce. Ms. Utter mentioned doing research for best practices before moving forward.

**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