

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON JUNE 18, 2024
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 June 18, 2024, at 11:30 a.m.

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

MEMBERS ABSENT: None

EX OFFICIO Mayor David Plyler, Mr. Robby Hefton, Mr. Terrence Steele, Mr. Shawn Teamann

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

STAFF ABSENT: None

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

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 Dr. Hambrick to approve the Regular Scheduled Meeting Minutes of May 14, 2024. 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 April 30, 2024, and reported the following:

- Cash – SEDCO Checking: \$4,797,830.11
- Accounts Payable: \$10,101.88
- Fund Balance: \$ 21,598,675.27
- Revenues Over/Under Expenses: \$3,185,365.50
- Total Liabilities, Equity and Current Surplus (Deficit): \$24,864,142.65
- Revenue Total: \$612,140.60
- Expense Total: \$83,787.59

On the Anomalies Report, Mr. Sharp noted that Tools & Supplies increased to 112.09% used due to purchase of garden hoses and frame centerpieces; Hospitality increased to 73.52% used due to the purchase of a retirement gift for Sherman Chamber of Commerce President, Eddie Brown; Travel & Training increased to 61.98% used due to team members' travel to the IAMC Spring Forum and TEDC Women's Conference, Mrs. Bellows' and Mrs. Blake's annual CLEAR memberships, and SemiCon registration fees; and Luncheons & Meetings increased to 87.48% used due to catering for the SEDCO Board Meeting in April and the Spring Leadership Lunch.

On the Commitments Report, Mr. Sharp noted that the total paid year-to-date was \$978,016. This total includes \$359,746 in incentives paid to 903 Brewers and Sunny Delight. Infrastructure and improvements making up the remaining \$618,270.

Motion was made by Mr. Bandemir and seconded by Ms. Utter to approve the financial reports for the month ending April 30, 2024. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported a 6.68% cumulative year-to-date sales tax for the month of June, noting that this was an 18.35% increase from the same month in the prior year.

Mrs. Bellows presented the May 2024 Economic Barometer Report and reported the following:

1. New residential permits were up 180% compared to May 2023. Commercial and industrial permits were down 29% from this time last year and down 1% year to date. The most notable new commercial permits were for the Sherman Inspire Academy charter school valued at \$17 million, and the new high school additions* valued at \$16 million.
*(*Increasing student capacity by 525 students. Includes 33,428 SF of new classrooms and new camera systems, fencing, safety and impact-resistant glass at accessible doors, and Emergency First Responders Communication Infrastructure.)*
2. The city is up 221 water customers compared to year to date 2023 and up 11 customers from April.
3. Sales tax decreased 3.43% compared to May 2023 but increased 6.23% year to date.
4. Grayson County's months supply of housing inventory as of April was 5.8 months, up from 5.1 months in March.
5. Sherman's unemployment was 3.4% in April, down from 3.7% in the month prior.

DISCUSSION OF PROPOSED FY 24-25 SEDCO PROGRAM OF WORK

Mrs. Bellows presented the proposed FY 24-25 Program of Work. Mrs. Bellows noted that there were no changes to the verbiage of Goals A-D. The most significant changes were made to Goal E regarding the transition of the RISE entrepreneurial program. These changes modify the program to be available year-round and aligns the program with SEDCO's traditional incentives. Changes were made to Goal F to update "women-owned **and** minority-owned" to "**and/or**". Action item #2 was removed from Goal C because the Electrical Engineering Technician (EET) program was added to the list of efforts in action item #1.

DISCUSSION OF PROPOSED FY 24-25 SEDCO BUDGET

Mr. Sharp presented the proposed FY 2024-2025 SEDCO budget summary and noted the following:

Proposed FY 24-25 Budget	ACCOUNT 850-9850-	ACTUAL FY 22-23	APPROVED FY 23-24	CURRENT ACTUAL FY 23-24	PROPOSED ACTUAL FY 23-24	VARIANCE PROPOSED ACTUAL TO APPROVED FY 23-24	PROPOSED FY 24-25	VARIANCE PROPOSED FY 24-25 TO APPROVED FY 23-24
SUMMARY								
Revenues								
Sales Tax 4A - SEDCO	60204	\$ 6,817,966	\$ 6,500,000	\$ 5,133,357	\$ 6,844,473	\$ 344,473	\$ 5,738,000	\$ (782,000)
Interest Earned	66001	\$ 782,864	\$ 652,745	\$ 693,659	\$ 1,180,293	\$ 527,488	\$ 1,053,029	\$ 400,294
Miscellaneous Revenue	68010	\$ -	\$ 1,060,000	\$ 253,903	\$ 1,178,903	\$ 118,903	\$ 1,410,000	\$ 350,000
TOTAL REVENUES		\$ 7,600,819	\$ 8,212,745	\$ 6,080,920	\$ 9,203,609	\$ 990,864	\$ 8,201,029	\$ (11,716)
Expenses								
Personnel Expenses TOTAL	81000	\$ 590,315	\$ 577,446	\$ 387,884	\$ 601,675	\$ 24,230	\$ 615,561	\$ 38,116
Supplies TOTAL	82000	\$ 5,483	\$ 14,501	\$ 7,606	\$ 13,810	\$ (891)	\$ 16,500	\$ 1,999
Maintenance and Repairs TOTAL	83000	\$ 5,862	\$ 15,615	\$ 13,408	\$ 5,180	\$ (10,456)	\$ 5,855	\$ (9,760)
Utilities and Communications TOTAL	84000	\$ 3,328	\$ 10,000	\$ 5,479	\$ 3,307	\$ (1,693)	\$ 10,000	\$ -
Contractual or Sundry Services TOTAL	85000	\$ 1,109,069	\$ 2,879,393	\$ 680,252	\$ 1,523,704	\$ (1,355,689)	\$ 7,866,341	\$ 4,986,948
Debt Service TOTAL	86000	\$ 508,050	\$ 1,236,537	\$ 927,403	\$ 1,236,537	\$ 0	\$ 1,244,339	\$ 7,802
Capital Expenses TOTAL	88000	\$ 18,675	\$ 1,575,000	\$ -	\$ 402,000	\$ (1,173,000)	\$ 5,875,000	\$ 4,300,000
TOTAL EXPENSES		\$ 2,272,558	\$ 6,308,491	\$ 1,982,023	\$ 3,790,993	\$ (2,517,498)	\$ 15,633,696	\$ 9,325,105
NET INCOME (LOSS)		\$ 5,328,261	\$ 1,904,254	\$ 4,098,896	\$ 5,412,616	\$ 3,508,362	\$ (7,432,667)	Surplus or (Deficit) Amount
CASH & INVESTMENTS ENDING BALANCE		\$ 21,649,846	\$ 23,554,100	\$ 25,748,742	\$ 27,062,462		\$ 19,629,896	

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
 2. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.23 ac
 3. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.08 ac
 4. Apron extensions along Progress Drive and Howe Drive
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 1. Wrap, EZ, Zion, Ice House, Hedron Dune, Safari, Delta, Aerotex, Mueller

The open meeting recessed in executive session at 11:50 a.m.

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

Mrs. Bates reconvened the open meeting at 12:25 p.m.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.10 (PROJECT MUELLER)

A resolution authorizing and approving a \$50,000 Small Business Grant to Mueller Construction Company, LLC. The company will expand their current capabilities and improve efficiency of material processing at the Sherman facility with the purchase of a new fiber laser for their facility located at 5100

Marshall Street, Sherman. The project, totaling an est. \$559,664.03, will create seven new full-time positions.

Motion to approve Resolution No. SEDCO-2024.10 was made by Mr. Bandemir and seconded by Mr. Brumm. Motion was approved unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.11 (HOWE & PROGRESS DRIVE APRONS)

A resolution authorizing and approving an agreement with for funding in the sum of \$360,305.00 for the construction of approximately 1,100 LF of 10'-12' concrete road widening on each side of the existing 24' wide Howe Drive, with grading adjacent right-of-way, erosion control, and traffic control.

Motion to approve Resolution No. SEDCO-2024.11 was made by Mr. Steele and seconded by Mrs. Phillips. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:26 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