

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON AUGUST 12, 2014
AT 7:30 A.M.**

A meeting of the Sherman Economic Development Corporation Board of Directors was convened in the SEDCO Board Room at 307 W. Washington Street, Suite 102, Sherman, Texas, on August 12, 2014, at 7:33 a.m.

MEMBERS PRESENT: Mr. Brooks Hull, Mr. Willie Steele, Mr. David Key, Mr. Dean Gilbert, Jr.,

MEMBERS ABSENT: Mr. Pendergrass

EX OFFICIO MEMBERS PRESENT: Mayor Cary Wacker, Dr. Al Hambrick, Councilman David Plyler, Councilman Jason Sofey, Mr. George Olson

EX OFFICIO MEMBERS ABSENT: None

STAFF PRESENT: Mr. Scott Connell, Mr. Frank Gadek

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, Mr. Robby Hefton, Ms. Mary Lawrence, Mr. Nate Strauch

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

Mr. Hull, Vice Chairman of the Sherman Economic Development Corporation, called the meeting to order at 7:33 a.m., declared a quorum present and opened the meeting.

CONSIDER THE APPROVAL OF MEETING MINUTES FOR THE FOLLWING:

Motion was made by Mr. Steele and seconded by Mr. Key to approve the regular scheduled meeting minutes of July 8, 2014. Motion was approved unanimously.

Motion was made by Mr. Steele and seconded by Mr. Key to approve the Special called meeting (budget workshop) on August 4, 2014. Motion was approved unanimously.

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 Codes Annotated, in accordance with the authority contained in Section 551.087.

The open meeting recessed and reconvened in executive session at 7:56 A.M.

The executive session recessed and reconvened in open session at 8:32 A.M.

RECONVENE OPEN MEETING AND CONSIDER ITEM DISCUSSED IN EXECUTIVE SESSION

Mr. Gilbert reconvened the open meeting at 8:40 a.m. and welcomed visitors.

CONSIDER APPROVAL OF THE SEDCO BUDGET FOR FY 2014-2015

Mr. Connell presented the proposed budget for FY 2014-2015. The total operating expense budget, \$813,326.00, a 4.2% increase over the current budget. While the total Administrative expenses are projected to increase 3.2% there are no salary increases are budgeted. A greater emphasis on marketing and attraction are reflected by an increase of 5%. The overall proposed budget including incentive payouts, land and infrastructure, debt service and capital expenses is \$5,896,726, a 4% increase over the current budget.

Motion to approve the FY 2014-2015 budget by Mr. Steele and seconded by Mr. Gilbert. Motion passed.

FINANCIALS

Ms. Lawrence presented the financials for the month ending June 30, 2014; the net fund balance was \$9.3 million with \$9.9 million in commitments spread over several years. Motion to approve the financials for the month of June 2014 was made by Mr. Key and seconded by Mr. Steele. Motion approved.

Ms. Lawrence presented the Investment Portfolio Summary for the quarter ending June 30, 2014. The portfolio value was \$6.7 million which approximates the market value. Of this amount \$3.2 million was held in Local Government Investment Pools and \$3.5 million was held in CD's. Motion to approve the Investment Portfolio Summary for the quarter ending June 30, 2014 was made by Mr. Steele and seconded by Mr. Gilbert. Motion approved.

Mr. Gadek noted the July 2014 economic barometer report that building permits were down for the year and up for the year-to-date, with values down for the month, as well as, up for year-to-date. Sales tax proceeds were up 5.1 percent for the month compared to last year, and up 9.08 percent year-to-date. In conclusion, the unemployment rate for Sherman was 5.4 percent compared to 7.1 percent the previous year during the month of June.

PRESIDENT'S REPORT (July 2014)

Mr. Connell referred to the report in the Board packet and distributed the following:

- Panda – Construction is materially finished on the project. The company is operational at this time. SEDCO expects the next request for incentives to be submitted in August.
- Southeastern Freight Lines – Most of the structure is complete with brickwork and interiors still to come. The building project is expected to be complete in September.
- Texas Instruments – The company completed the first phase of the expansion project. SEDCO visited the Texas Instruments facility to verify the request. The first incentive payment of \$275,500 was sent.
- 903 Brewers – The company completed the first phase of their expansion project. SEDCO visited the operations to verify the request. The first incentive payment of \$11,370 was submitted for payment.
- Site Visits – SEDCO hosted site visits from Projects Med and Car. We had follow up meetings for Project Moe, Lights, NSP and Robot.
- Proposals – SEDCO submitted proposals for Project Flex Steel, Project Answer Me, Project Aldridge.

Real Estate:

- The installation of water lines along Flanary Road and across to Progress Drive is complete. The line construction reaches Progress Drive and the Panda property line.
- SEDCO staff is working with local developers to address the need for new industrial buildings in Sherman. Recent successes have reduced the available space. The limited supply is reducing the ability for Sherman to compete for new corporate locations.
- SEDCO had the Sherman Youth Center building undergo a major cleaning including the large number of windows. It had been a very longtime since this process had been done. We also conducted several repairs to sink faucets, water and natural gas lines and HVAC equipment.

Marketing:

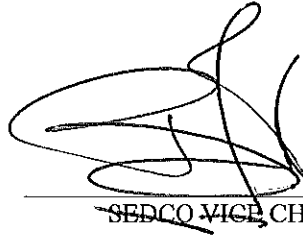
- The marketing firm HCK2 conducted a two-day session of photography for Sherman. The company took lifestyle, business and industrial shots. The photographs will be available for use in new marketing materials. The company also completed a Brand/Website Audit and Competitive Cities Audit.
- Scott Connell attended the Consultant Connect Chicago Summit. The event provided a unique opportunity for one-on-one meetings with seventeen site location consultants.

ADJOURNMENT

No other business came before the SEDCO Board. The meeting adjourned at 8:45 A.M.

CERTIFICATION OF CHAIRMAN AND SECRETARY

I, Brooks Hull, Board Vice Chairman, and I, Willie Steele, Board Secretary, do certify that these minutes of the Executive Session 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.



SEDCO VICE CHAIRMAN

ATTEST:



SEDCO SECRETARY