

SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON JUNE 11, 2019
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 June 11, 2019 at 7:30 A.M.

MEMBERS PRESENT: Mrs. Janie Bates, Mr. Scott Bandemir, Ms. Gail Utter

MEMBERS ABSENT: Mr. Brad Douglass, Mr. Tom Shields

EX OFFICIO MEMBERS PRESENT: Mayor David Plyler, Mr. Shawn Teamann, Dr. David Hicks

EX OFFICIO MEMBERS ABSENT: Mr. Robby Hefton, Mr. Willie Steele

STAFF PRESENT: Mr. Kent Sharp, Mrs. Stacey Jones, Ms. Ashton Ghaemi

STAFF ABSENT: None

GUESTS PRESENT: Mr. Brandon Shelby, Mr. Terrence Steele, Mr. Michael Hutchins

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

Mrs. Bates called the meeting to order at 7:30 a.m., declared a quorum present, meeting declared open. The invocation was given by Mr. Sharp.

CONSIDER FOR APPROVAL THE MINUTES FOR THE FOLLOWING MEETINGS

Motion was made by Mr. Bandemir and seconded by Mrs. Bates to approve the Regular Scheduled Board Meeting minutes of May 14, 2019. Motion was approved unanimously.

FINANCIALS

Mr. Sharp presented the Balance Sheet and Budget Report for month ending April 30, 2019 and reported the following:

- Total assets are approx. \$10.7 million, and the fund balance is approx. \$10.9 million.
- Total liabilities, equity and current surplus is \$10,710,311.22.
- 59.84% of the revenue total and 35.27% of the expense total has been used.
- 69.45% of the retirement has been used due to the transition of employees.
- 87.38% of the Tools & Supplies budget has been used for office furniture.
- The Dues & Licenses budget has gone over at 160.36% due to the Team Texas annual dues.

Mr. Sharp asked Mrs. Jones to lead the discussion regarding the Commitments for month ending April 30, 2019, and she reported the following:

- We do not anticipate paying the final incentive payment to Combicut, Inc.
- Elevate has had some ownership changes, and we are waiting to determine how that will impact the incentive.
- Emerson Automation Solutions Final Control is still ramping up their employment to meet the requirements for the first payment.
- Finisar is waiting on equipment to arrive before submitting for their final payment, and we anticipate that will come during the current fiscal year.
- GlobiTech is a large project, and construction has not begun.
- Modular Power Solutions is moving dirt. Incentive expected to be paid beginning of the next fiscal year.
- Presco has new equipment being delivered, and we are expecting their submission for payment this fiscal year.
- Tyson's project is still in the planning phase. No incentive payment expected this fiscal year.
- We will have one final construction payment for the Progress Park II sewer project this fiscal year.

Motion was made by Mr. Bandemir and seconded by Ms. Utter to approve the financial reports for the month ending April 30, 2019. Motion was approved unanimously.

Mrs. Lawrence presented the Investment Report for quarter ending March 31, 2019 and reported the following:

- Book value is approx. \$9.2 million.
- Weighted Average Yield is 2.53%.
- Weighted Average Maturity is 41 days.

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the Investment Report for quarter ending March 31, 2019. Motion was approved unanimously.

DISCUSSION OF THE FY 18-19 REVISED BUDGET & FY 19-20 PROPOSED BUDGET

Mr. Sharp presented the first draft of the FY 18-19 Revised Budget & FY 19-20 Proposed Budget. He explained the new format and discussed the summary which includes an overview of the revenues and expenses. Mr. Sharp said approx. \$4.2 million was budgeted in FY 18-19 for New Investments and General Improvements. He asked the board to think about how they want to budget those funds for FY 19-20. Ms. Utter asked if the funds were earmarked for projects in the current fiscal year. Mrs. Jones said the funds were budgeted to purchase more land around Progress Park. Mr. Sharp reported the proposed revised FY 18-19 fund balance as approx. \$7.3 million. He then presented the expense details and noted that SEDCO is working to align its chart of accounts with the City of Sherman's.

Mr. Sharp asked Ms. Ghaemi to discuss the major changes to the expense details, and she noted the largest change in Travel & Training. She said \$9,000 was approved in the FY 18-19 budget for certification and recertification costs, and the proposed for FY 19-20 is \$63,000 because it now includes a rollup of several travel-related line items including conferences, misc. travel, and mileage. She said most of the funds are just shifting from their previous line items to Travel & Training, but there is an increase for Team Texas travel. Ms. Ghaemi reported the increase from \$7,212 to \$25,222 for Dues & Subscriptions was caused by the addition of the Team Texas dues and the plan to play a larger role with the Texas Economic Development Council (TEDC). She said the increase in TEDC dues would cover sponsorships and registrations for all of their conferences/events. Ms. Ghaemi also noted that there were service vendors in Consulting Services and Other Services & Charges that classify as Professional Services, so the increase in Professional Services reflects those changes.

Ms. Utter asked if the SEDCO office was leased, and asked Mr. Sharp about the \$3,000 that has been budgeted for Building Repair & Maintenance. Mr. Sharp said the office is leased, and the staff has discussed office changes. He said these funds are discretionary. Ms. Utter also asked if SEDCO had four employees previously and about the possibility of hiring a fourth full-time employee in the future. Mr. Sharp explained that it could happen in the future but would most likely not happen in the upcoming fiscal year.

Mr. Teamann asked what the process would be if we had a project applicable to New Investments and General Improvements but did not have funds allocated to those line items. Mr. Sharp said the staff would complete a cost benefit analysis before presenting to the board. Mrs. Jones said it would be a similar process to how the staff presents performance agreements to the board.

HISTORICAL SALES TAX & ECONOMIC BAROMETER REPORTS

Mr. Sharp presented the Historical Sales Tax Report and noted that the cumulative year-to-date for May is almost 8%. Mrs. Lawrence said we should receive the June sales tax numbers on June 12th, and she anticipates an increase on the upcoming August report due to Schulman's Movie Bowl Grille.

Mrs. Jones presented the Economic Barometer Report and noted the following:

- New residential permits are down year-to-date by approx. 27%, but new multi-family permits are up 60%.
- Utility customers continue to increase.
- Unemployment is down to 2.7%.
- Months supply of inventory for housing is up to 4.1 months.

Mrs. Bates commented that in her 40 years in the workforce industry, she has never seen Fannin County's unemployment rate so low.

EXECUTIVE SESSION

The Sherman Economic Development Corporation will hold 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) – PP2, Roads, Discussion of available building space

551.074 (Personnel Matters)

551.087 (Business Prospect/Economic Development) – Pyrex, Wildcat, Birch 2.0, Blue Eagle, Calcite Mineral, Eagle Eye, Forecast, Greenleaf, High-Line, Scout 2019, Strong Arm

The open meeting recessed in executive session at 8:03 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

Mrs. Bates reconvened the open meeting at 8:30 a.m. No executive session items were discussed.

ADJOURNMENT

Motion was made by Mr. Bandemir and seconded by Ms. Utter to adjourn the meeting. The meeting was adjourned at 8:31 a.m.

CERTIFICATION OF BOARD SECRETARY AND BOARD MEMBER


I, Janie Bates, Board Secretary, and I, Gail Utter, Board Member, 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.

ATTEST:



BOARD SECRETARY

ATTEST:



BOARD MEMBER