

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON NOVEMBER 5, 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 November 5, 2019 at 7:30 A.M.

MEMBERS PRESENT: Mrs. Janie Bates, Ms. Gail Utter, Mr. Scott Bandemir, Mr. Jason Brumm, Mr. Daniel Worrell

MEMBERS ABSENT: None

EX OFFICIO MEMBERS PRESENT: Mayor David Plyler, Mr. Shawn Teamann, Mr. Willie Steele, Mr. Robby Hefton

EX OFFICIO MEMBERS ABSENT: Dr. David Hicks

STAFF PRESENT: Mr. Kent Sharp, Ms. Ashton Ghaemi

STAFF ABSENT: Mrs. Stacey Jones

GUESTS PRESENT: Mr. Brandon Shelby, Mrs. Mary Lawrence, Mr. Michael Hutchins

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

Mrs. Bates called the meeting to order at 7:30 a.m., declared a quorum present, meeting declared open. Mrs. Bates welcomed Mr. Brumm and Mr. Worrell as new Board Members. The invocation was given by Mr. Sharp.

ELECTION OF SEDCO OFFICERS FOR FY 2019-2020

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve Mrs. Bates as Chair.

Motion was made by Mr. Bandemir and seconded by Mr. Brumm to approve Ms. Utter as Vice-Chair.

Motion was made by Ms. Utter and seconded by Mr. Worrell to approve Mr. Bandemir as Secretary.

Motions were approved unanimously.

CONSIDER APPROVAL OF THE FOLLOWING MINUTES

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the Regular Scheduled Board Meeting minutes of October 8, 2019. Motion was approved unanimously.

CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

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

- Total assets are approx. \$11.7 million.
- The accounts payable is \$292,650.
- Fund Balance is approx. \$10.9 million.
- Revenue total is 107.58% used.
- Expense total is 51.40% used.
- Budgeted approx. \$7.8 million but spent approx. \$3.8 million.

Mr. Brumm inquired about the \$2.6 million budgeted under the account line item for Land and if it was budgeted for a particular property. Mrs. Bates said the funds were budgeted for general land purchase.

Mr. Brumm also inquired about the Debt Service account line item. Mrs. Lawrence said the Debt Service is paid to the City of Sherman.

Mr. Teamann referred to the Balance Sheet and inquired about the \$292,000 in accounts payable. Mrs. Lawrence said most of this amount went to Finisar's final incentive payment.

Mr. Hefton said commitments are reserves until a company meets the criteria in the performance agreement, and then they become liabilities.

Mr. Brumm inquired about the General Improvements account line item. Mr. Sharp said these funds are used for infrastructure projects.

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

Mrs. Lawrence presented the Investment Report for quarter ending September 30, 2019 and reported the following:

- The portfolio book value and market value was approx. \$9.4 million. Of this amount, \$2.9 million was held in a Local Government Investment Pool (LGIP), \$3.1 million was held in the Certificates of Deposit (CD) and \$3.4 million was held in an FDIC insured investment account. The only changes during the quarter were due to interest earnings.
- The weighted average yield on the portfolio was 2.45%, 57 basis points above the three-month Constant Maturity Treasury Index of 1.88%, and 9 basis points below the previous quarter.
- The weighted average maturity of the portfolio decreased from 43 days at June 30, 2019 to 13 days at September 30, 2019.

Motion was made by Mr. Bandemir and seconded by Ms. Utter to approve the Investment Report for the month ending September 30, 2019. Motion was approved unanimously.

HISTORICAL SALES TAX & ECONOMIC BAROMETER REPORTS

Mr. Sharp presented the Historical Sales Tax Report and reported the following:

- The total FY 2018-2019 payment was approx. \$4.1 million, which is up almost 3% from FY 2017-2018.
- October 2019's payment was \$342,785.88, which is up 0.06% from October 2018.

Ms. Ghaemi presented the October 2019 Economic Barometer Report and reported the following:

- New residential permits saw a spike in October. P&Z said several plats were released and they saw around 48 permits in about a week and half.
- The year to date for new residential permits through October is 194. That is the exact number recorded at the close of 2018, so we have met the mark two months early this year.
- Utility customers are up 1.59% from this time last year and 21 customers up from last month.
- Sales tax saw a tiny increase at 0.06% and a small decrease on the year to date at -0.42%.
- Grayson County months' supply of inventory has been at 4.5 months since May. The lowest it has been this year was 3.9 months in January.
- Sherman and Grayson County's unemployment rate is 3%. Texoma is 2.8%.

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) – Progress Drive Extension, Box
- 551.074 (Personnel Matters)
- 551.087 (Business Prospect/Economic Development) – Brewmaster, Illuminate, Bald Eagle, Dale, Forecast, High-Line, Lynn

The open meeting recessed in executive session at 7:42 a.m.

RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION

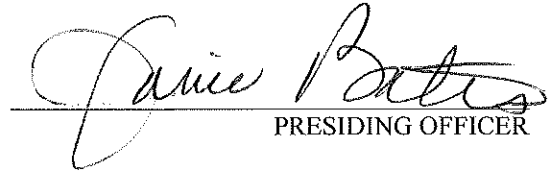
Mrs. Bates reconvened the open meeting at 8:15 a.m. No executive session items were considered.

ADJOURNMENT

The meeting was adjourned at 8:16 a.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