

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON AUGUST 10, 2021
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 August 10, 2021 at 11:30 a.m.

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

MEMBERS ABSENT: None

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

EX OFFICIO MEMBERS ABSENT: None

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

STAFF ABSENT: None

GUESTS PRESENT: Mr. Jeff Moore, Mr. Michael Hutchins, Mr. Terrence Steele, Mrs. Mary Lawrence

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

Mrs. Bates called the meeting to order at 11:33 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 Mr. Worrell to approve the Regular Scheduled Board Meeting minutes of July 13, 2021. 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 June 30, 2021 and reported the following:

- Cash – SEDCO Checking: \$2,720,116.92
- Accounts Payable: \$31,250.26
- Fund Balance: \$12,093,969.87
- Revenues Over/Under Expenses: \$1,001,027.16
- Total Liabilities, Equity and Current Surplus (Deficit): \$13,127,861.74
- Revenue Total: 101.82%
- Expense Total: 53.93%

Ms. Utter inquired about SEDCO's CDs and the amount kept in checking. Mrs. Lawrence said SEDCO has one CD rolling off soon and its currently at 1.00% and an addition CD at 0.20%, and SEDCO currently gets 0.5% on the checking. Mrs. Lawrence explained that SEDCO has a two-year maximum limit on the terms. She noted that in November both CDs will mature and at that time bids will be reviewed. Ms. Utter also asked how much TexPool pays. Mrs. Lawrence replied .05%.

Motion was made by Mr. Brumm and seconded by Mr. Bandemir to approve the financial reports for the month ending June 30, 2021. Motion was approved unanimously.

Mrs. Lawrence presented the Investment Report for Quarter Ending June 30, 2021 and reported the portfolio book value and market value as approximately \$10.4 million. Of this amount, \$3.0 million was in held in a Local Government Investment Pool (LGIP), \$3.0 million was held in Certificates of Deposit (CD), and \$4.4 million was held in an FDIC insured investment account. Activity during the quarter related to interest, as well as \$0.5 million deposited into the FDIC Insured Investment Account, and a CD of \$1.5 million which matured and was reinvested. The weighted average yield was 0.31%, 26 basis points above the three-month Constant Maturity Treasury Index of 0.05%, and 4 basis points below the previous quarter. The weighted average maturity decreased from 43 days at March 31, 2021, to 41 days at June 30, 2021.

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the Investment Report for Quarter Ending June 30, 2021. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp said the August sales tax figures were not yet available in time to report at the meeting.

Mrs. Bellows presented the July 2021 Economic Barometer Report and reported the following:

- New residential permits climbed 68% compared to July 2020 and saw an almost 4.5% increase on the YTD. Commercial and industrial permits are down 57% from this time last year, but the value is still way ahead at about 147%. The most notable commercial permit for July was for the construction of Taco Bell off Hwy 75 valued at \$600,000.
- The city is up 12 water customers from last month and 135 customers from July 2020
- Sales tax was up almost 14% from July 2020 and increased approx. 17% on the YTD.
- Grayson County’s months supply of housing inventory increased from 1.4 months in May to 1.6 months in June.
- Sherman’s unemployment rate in June was 5.5%, up from 5% in May.

DISCUSS AND CONSIDER APPROVAL OF THE PROPOSED FY 2021-2022 SEDCO BUDGET

SEDCO Proposed FY 21-22 Budget	ACCOUNT	ACTUAL	APPROVED	CURRENT ACTUAL	PROPOSED	VARIANCE	PROPOSED	FY21	VARIANCE TO
					ACTUAL (thru fiscal year end)				
	850-9850-	FY 19-20	FY 20-21	FY 20-21	FY 20-21	APPROVED FY20	FY 21-22	APPROVED FY20	
SUMMARY									
Revenues									
Sales Tax 4A - SEDCO	60204	\$ 4,267,922	\$ 4,055,000	\$ 2,334,175	\$ 4,865,104	\$ 610,104	\$ 4,500,000	\$ 445,000	
Interest Earned	66001	\$ 147,271	\$ 167,444	\$ 24,546	\$ 49,092	\$ (118,352)	\$ 58,500	\$ (108,944)	
Miscellaneous Revenue	68010	\$ -	\$ -	\$ 695,810	\$ 695,810	\$ -	\$ -	\$ -	
TOTAL REVENUES		\$ 4,415,192	\$ 4,222,444	\$ 3,054,531	\$ 5,410,006	\$ 1,187,562	\$ 4,658,500	\$ 336,056	
Expenses									
Personnel Expenses TOTAL	81000	\$ 398,957	\$ 365,320	\$ 184,210	\$ 370,904	\$ 5,584	\$ 346,385	\$ (18,935)	
Supplies TOTAL	82000	\$ 9,436	\$ 18,650	\$ 4,880	\$ 10,141	\$ (8,509)	\$ 13,800	\$ (4,850)	
Maintenance and Repairs TOTAL	83000	\$ 3,600	\$ 6,600	\$ 2,940	\$ 360	\$ (6,240)	\$ 5,940	\$ (660)	
Utilities and Communications TOTAL	84000	\$ 10,536	\$ 13,037	\$ 8,134	\$ 12,764	\$ (273)	\$ 13,037	\$ -	
Contractual or Sundry Services TOTAL	85000	\$ 1,009,701	\$ 3,297,385	\$ 467,853	\$ 671,177	\$ (2,626,208)	\$ 1,091,827	\$ (2,205,558)	
Debt Service TOTAL	86000	\$ 651,137	\$ 655,027	\$ 327,513	\$ 655,027	\$ -	\$ 602,892	\$ (52,135)	
Capital Expenses TOTAL	88000	\$ 1,685,315	\$ 1,760,000	\$ 2,170,170	\$ 2,215,970	\$ 455,970	\$ 7,000,000	\$ 5,240,000	
TOTAL EXPENSES		\$ 3,748,682	\$ 6,116,019	\$ 3,165,701	\$ 3,936,343	\$ (2,179,676)	\$ 9,073,881	\$ 2,957,862	
NET INCOME (LOSS)		\$ 666,510	\$ (1,893,575)	\$ (111,170)	\$ 1,473,663	\$ 3,367,238	\$ (4,515,381)	\$ 2,957,862	Surplus or (Deficit) Amount
CASH & INVESTMENTS ENDING BALANCE		\$ 12,157,228	\$ 10,263,654	\$ 12,046,059	\$ 13,630,891	\$ 13,630,891	\$ 9,115,510		

Mr. Sharp said no changes were made to the proposed FY 2021-2022 SEDCO Budget from the previous meeting and opened the floor to questions. Mr. Hefton asked, if needed, would it be possible to refinance or only put a percentage down on the spec building if other projects were to come in. Mr. Sharp responded that it is possible. Mr. Teamann inquired about a balance statement of the SEDCO-owned properties. Mr. Hefton replied that, when given, the inventory value can be assigned, and a more detailed balance sheet can be presented. Mr. Bandemir asked if at year end this information would be available. Mrs. Lawrence answered it can be done because a full accrual statement is done at the end of the year. Mr. Sharp then asked if the information could be a supplemental report. Mr. Hefton said it can be a supplemental report presented monthly, similar to the commitments report.

Motion was made by Mr. Bandemir and seconded by Ms. Utter to approve the FY 2021-2022 SEDCO Budget. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE PROPOSED FY 2021-2022 PROGRAM OF WORK

Mr. Sharp reported that the proposed FY 2021-2022 Program of Work goals did not change from the previous year, and the same action items and strategies will be carried over for each goal.

Motion was made by Mr. Worrell and seconded by Ms. Bandemir to approve the FY 2021-2022 Program of Work. 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 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. Cube
 2. G-0765 Martin William A-G0765, Acres 71.499
 3. Moore
 4. Hayes
- c. 551.074 (Personnel Matters)
 1. CEO Evaluation and Contract

- d. 551.087 (Business Prospect/Economic Development)
 - 1. Edge, Mammoth, Shermanator, Pink, Wrap, Orange, Thumbs Up, Express

The open meeting recessed in executive session at 11:53 a.m.

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

Mrs. Bates reconvened the open meeting at 12:58 p.m. and presented Resolution No. SEDCO-2021.09 authorizing the execution of a Real Estate Sales Contract with Weldon and Judy Moore and any and all closing documents necessary for the acquisition of the approximately 49.1-acres of land located southeast of Progress Park VII.

Motion was made by Mr. Bandemir and Mr. Brumm to approve Resolution No. SEDCO-2021.09. Motion was approved unanimously.

Mr. Worrell presented Resolution No. SEDCO-2021.10 authorizing a performance agreement with 903 Brewers, LLC pending the following revisions: 1) Insertion of the correct legal description of the property; 2) The attachment of the appropriate exhibits; and 3) Insertion of the option to purchase date of March 1, 2026.

Motion was made by Mr. Worrell and seconded by Mr. Brumm to approve Resolution No. SEDCO-2021.10. Motion was approved unanimously.

Ms. Utter presented a consideration of approval to purchase G-0765 Martin William A-G0765, Acres 71.499.

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve this purchase. Motion was approved unanimously.

Ms. Utter presented a consideration of approval of the SEDCO CEO Evaluation and Contract.

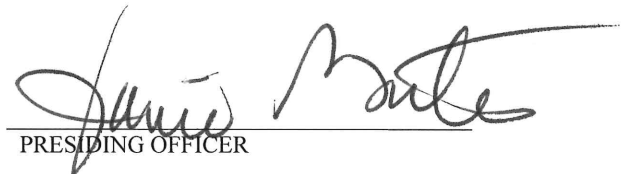
Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the SEDCO CEO Evaluation and Contract. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 1:00 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