

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON FEBRUARY 24, 2026
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 February 24 2026, at 11:30 a.m.

MEMBERS PRESENT: Ms. Gail Utter (Chair), Mr. Jason Brumm (Vice Chair), Mr. Willie Steele (Secretary), Mr. Scott Bandemir, Dr. Al Hambrick, Mrs. Robin Phillips

MEMBERS ABSENT: Mr. Rob Wilson

EX OFFICIO Mayor Shawn Teamann, City Manager Dr. Zachary Flores, Assistant
MEMBERS PRESENT: City Manager Terrence Steele, Deputy Mayor Juston Dobbs

STAFF PRESENT: Mr. Kent Sharp, Mrs. Ashton Bellows, Mrs. Shannon Blake, Ms. Camila Bocanegra

STAFF ABSENT: None

GUESTS PRESENT: Mr. Jeff Moore, Mrs. Jana Walker, Mr. Clint Philpott

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

Ms. Utter called the meeting to order at 11:30 a.m., welcomed Dr. Al Hambrick back, 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 Mr. Steele and seconded by Mr. Bandemir to approve the Regular Scheduled Meeting Minutes of December 9, 2025. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, Anomalies, Commitments, and ICS Sweep Reports through November 30, 2025, and reported the following:

- Cash – SEDCO Checking: \$6,544,170.06
- Accounts Payable: \$16,535.59
- Fund Balance: \$26,808,611.45

- Revenues Over/Under Expenses: \$118,530.30
- Total Liabilities, Equity and Current Surplus (Deficit): \$27,136,925.35
- Revenue Total (Period Activity): \$612,024.50
- Expense Total (Period Activity): \$856,770.00 (6.06%)

On the Anomalies Report, Tools & Supplies was at 39.58% due to the purchase of a new fridge (with \$147.76 tax to be refunded), Hospitality was at 31.80% due to a birthday cake for Ms. Bocanegra and Christmas cards, Travel & Training was at 21.00% due to CTED Class hotel and food, EDFP Class registration, and mileage along with expense reimbursements for hotel, meals, and airport parking for Shannon when the SEDCO card did not work, Dues & Licenses was at 45.11% due to IEDC membership and TEDC Mrs. Bellows' membership, Tuition Refunds was at 36.46% due to Blake's tuition, and Land Maintenance was at 25.30% due to Progress Parks mowing.

On the Commitments Report, Mr. Sharp noted the total outstanding incentives for FY 25-26 are \$9,203,070. Mr. Sharp reported the total incentives and other commitments, including the infrastructure projects for FY 25-26 are \$12,444,860

Mr. Sharp then presented the Balance Sheet, Budget Report, Anomalies, Commitments, and ICS Sweep Reports through December 31, 2025, and reported the following:

- Cash – SEDCO Checking: \$6,135,369.71
- Accounts Payable: \$6,909.33
- Fund Balance: \$26,808,611.45
- Revenues Over/Under Expenses: (\$222,443.92)
- Total Liabilities, Equity and Current Surplus (Deficit): \$26,784,429.00
- Revenue Total (Period Activity): \$566,614.35
- Expense Total (Period Activity): \$907,588.57 (11.33% used)

On the Anomalies Report, Tools & Supplies was at 74.63% due to racks for hanging tablecloths and a 50% deposit on office window shades, Travel & Training was at 33.65% due to hotel, meals, and parking for the SEDC Emerging Leaders, IAMC Spring Forum registrations, hotel and meals the TEDC Board Retreat, final two CTED class registrations for Mrs. Bellows, and a SEMICON reception sponsorship, Dues & Licenses was at 68.77% due to Team Texas dues, Other Services & Charges was at 51.29% due to the Agenda Quick annual fee, Golden Shovel annual fee, and an IT tech closet cable change, and Land Maintenance was at 30.74% due to Progress Parks mowing.

On the Commitments Report, Mr. Sharp noted the total outstanding incentives for FY 25-26 are \$9,253,070. Mr. Sharp reported the total incentives and other commitments, including the infrastructure projects for FY 25-26 are \$11,994,860.

Mr. Sharp presented the updated anomalies format; he explained that he originally began requesting anomalies as an efficient way to account for variations within the budget. He added that a former staff member helped him apply this concept to the current anomalies report. Dr. Hambrick inquired about the purpose of tracking anomalies, sharing that in his experience, budgets often appear higher in the first months of the fiscal year due to annual membership renewals. Mr. Sharp also noted that an error had occurred in the January anomalies report, where figures from fiscal activity were mistakenly used instead of period activity; he stated that this was identified by Mr. Brumm and has since been corrected. Mrs. Bellows then asked for additional feedback from the board regarding the updated spreadsheet format, and both Mr. Steele and Mr. Brumm commented that the current version was acceptable, showing only the current month.

Mr. Sharp also reviewed the cash flow projection, noting that based on current estimates, the fund balance is expected to reach its lowest point during fiscal year 2028–2029. Mrs. Bellows explained that the sales tax revenue remained constant and interest revenue was projected at 3% increase. Mayor Mr. Teamann inquired whether the cash flow document is updated regularly, to which Mr. Sharp responded that it is reviewed and updated each year. Mr. Sharp also noted that the current projection is conservative, as sales tax revenues are presently trending lower.

Motion was made by Mr. Bandemir and seconded by Mr. Steele to approve the financial reports for the month ending November 30, 2025. Motion was approved unanimously.

Motion was made by Mr. Bandemir and seconded by Mrs. Phillips to approve the financial reports, excluding the Commitments for the month ending December 31, 2025. Motion was approved unanimously.

INVESTMENT REPORT FOR QUARTER ENDING DECEMBER 31, 2025

Mrs. Walker presented the investment report for the quarter ending December 31, 2025, the portfolio book value and market value were approximately \$20.5 million. Of this amount, \$12.9 million was held in a Local Government Investment Pool (LGIP) and \$7.6 million was held in Certificates of Deposit (CD). Activity during the quarter included interest earned on the investments as well as maturities of Certificates of Deposits of \$1 million and purchases of Certificates of Deposits of \$1 million. The weighted average yield on the portfolio was 3.99%, 32 basis points above the three-month Constant Maturity Treasury Index of 3.67%, and 25 basis points below the previous quarter. The weighted average maturity of the portfolio increased from 110 days at September 30, 2025, to 111 days at December 31, 2025.

Motion was made by Dr. Hambrick and seconded by Mr. Steele to approve the investment report for the quarter ending December 31, 2025. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp presented the Historical Sales Tax Report and noted that February’s sales tax was down 18%. Also noting that YTD was down almost 17%, we’re still trying to find our “new normal”.

Mrs. Bellows presented the January 2026 Economic Barometer Report and reported the following:

- New residential permits were down approx. 34.15% compared to January 2025. Commercial and industrial permits were up roughly 2500% compared to this time last year. The most notable permits were for the new Atmos building on Blue Flame Road valued at \$12 million and the new Molino’s manufacturing facility in Progress Park VI valued at \$57 million.
- The city was up 513 utility customers compared to YTD 2025 and up 56 customers between December and January.
- Sales tax decreased 28.7% compared to January 2025.
- Grayson County’s months’ supply of housing inventory as of December was 6.2 months, down from 7.3 months in November.
- Sherman’s unemployment rate in December was 3.6%, down from 3.8% in November.

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. Infrastructure in Progress Park
 3. Transfer of Real Property in Progress Park
 4. Laydown Yard in Progress Park V
 - c. 551.074 (Personnel Matters)
 - d. 551.087 (Business Prospect/Economic Development)
- Wrap, EZ, Zion, Turtle, Mammoth, Boston, Baby Boston, Stop Sign, LPC, Lucky Prime, America Flag, Cherry Blossom, Gamma, Argonaut, Grid Shield, Lion King, Odes, Apex Graphite, DRC Project

The open meeting recessed in executive session at 11:51 a.m.

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

Ms. Utter reconvened the open meeting at 12:25 p.m.

CONSIDER APPROVAL OF RESOLUTION No. SEDCO-2026.1 (Project Stop Sign)

Mr. Sharp presented Resolution No. SEDCO-2026.1 authorizing financial assistance to Coherent Corporation to support capital investment associated with facility improvements, equipment relocation, and the expansion of manufacturing operations at its existing Sherman facility. The performance-based incentive agreement supports approximately \$100 million in capital investment and the creation of 65 new jobs, including the expansion and transfer of production lines and the continued operation of the company's advanced optoelectronics manufacturing operations in Sherman.

Motion was made by Mr. Brumm and seconded by Mr. Bandemir to approve Resolution No. SEDCO-2026.1. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:25 p.m.

CERTIFICATION OF PRESIDING OFFICER

I, Gail Utter, 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