

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION  
MINUTES OF THE BOARD OF DIRECTORS SPECIAL CALLED MEETING  
ON MAY 27, 2020  
AT 11:30 A.M.**

A special called meeting of the Sherman Economic Development Corporation Board of Directors was convened in the Council Chambers of City Hall, 220 West Mulberry Street, Sherman, Texas on May 27, 2020 at 11:30 a.m.

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

MEMBERS ABSENT: Mrs. Janie Bates

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

EX OFFICIO MEMBERS ABSENT: Mr. Willie Steele, Mr. Shawn Teamann

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

STAFF ABSENT: None

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

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

Ms. Utter called the meeting to order at 11:32 a.m., declared a quorum present, meeting declared open. The invocation was given by Mr. Sharp.

**PUBLIC COMMENTS**

There were no public comments.

Ms. Utter stated the agenda order changed, moving Executive Session up before the discussion of the FY 20-21 Proposed Budget.

**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:

- a. 551.071 (Consultation with Attorney)
- b. 551.072 (Deliberations about Real Property)
- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development) – Project Booster

The open meeting recessed in executive session at 11:33 a.m.

**RECONVENE OPEN MEETING AND CONSIDER ITEMS DISCUSSED IN EXECUTIVE SESSION**

Ms. Utter reconvened the open meeting at 11:38 p.m.

**CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2020.04**

Resolution No. SEDCO-2020.04 authorizes an incentive payment not to exceed \$50,000 to Presco Polymers, Inc. for the extension of the 10" water line from E. Pecan St. to their facility at 1201 E. Pecan St.

Motion was made by Mr. Bandemir and seconded by Mr. Worrell to approve Resolution No. SEDCO-2020.04 between SEDCO and Presco Polymers, Inc. Motion was approved unanimously.

**DISCUSSION AND CONSIDER APPROVAL OF THE FY 20-21 PROPOSED BUDGET**

Mr. Sharp presented the SEDCO proposed budget for FY 2020-2021 with the following projected data:

Revenue Projections:

- Sales Tax – FY 2020 Ending: \$3,950,203
  - Thru 6 months = \$2,194,557
  - Double 6 months = \$4,389,114
  - Deduct 10% = \$3,950,203
- Interest – FY 2020 Ending: \$186,385
  - Thru 6 months = 103,547
  - Double 6 months = 207,094
  - Deduct 10% = 185,385
- Total Revenue – FY 2020 Ending: \$4,136,588
- Total Revenue – Proposed 2022: \$4,222,444

Expense Projects (Approved vs. Actual):

- Total Expenses Approved FY 2020: \$5,582,931
- Total Expenses – FY 2020 Ending: \$2,900,488
- Total Variance: (\$2,682,443)
  - Includes:
    - Incentive Payout \$1,701,500
    - General Improvement \$737,500
    - Total of these variances \$2,439,000 (91%)

Expense Projects (Proposed 2021):

- Total Expenses Approved FY 2020: \$5,582,931
- Total Expenses Proposed 2021: \$6,071,797
- Total Variance: (\$488,866)
  - Includes:
    - Incentive Payout Approved: \$2,331,500
    - Incentive Proposed 2020: \$2,768,964
    - Difference of \$437,464 (89%)
- Incentive Payout Approved 2020: \$2,331,500
- Incentive Payout Ending FY 2020: \$630,000
- Variance Favorable: \$1,701,500

Incentives Paid in FY 2019-2020 (Est. \$630,000):

- Modular Power Solutions
- Eternity Technologies

Incentives Budgeted for FY 2020-2021 (Est. \$2,768,964):

- Existing Companies: \$2,518,964
- Entrepreneurial Challenge Grant Program \$250,000

Proposed Annual Budget 2020-2021 Recap:

- Proposed Total Revenues: \$4,222,444
- Proposed Total Expenses: \$6,071,797
- Proposed Deficit \$1,849,353
- Proposed Fund Balance 9/20/2021: \$9,897,874

Mr. Brumm asked what is include in the General Improvements dollars. Mr. Sharp stated the numbers came from Progress Drive and the widening of Park Street.

Mr. Worrell asked if the unused incentive dollars will roll over into next year. Mr. Sharp said yes, they offset the next year but many of the Performance Agreements have term limits that may apply.

Mr. Sharp noted that the 2021 Total Revenue stays level, same as this year. Ms. Utter stated that Mr. Sharp has sent all the worksheets with details prior to the meeting.

Mr. Brumm asked if anything on the Entrepreneurial Grant had been included in the budget. Mr. Sharp clarified that anything under the grant would be added later.

Mr. Hefton asked if GlobiTech had updated SEDCO on Project Rootball. Mr. Sharp said the last update was six months prior. Mr. Hefton asked if the incentive was added to the budget. Ms. Ghaemi said half of the incentive was

budgeted for FY 20-21 and noted the agreement expires July 31, 2021. She added that if the project starts, GlobiTech could request an extension on the performance agreement.

Mr. Bandemir asked if there are numbers in the budget for speculations like the spec building. Mr. Sharp clarified that speculations of that nature were not included in the proposed budget, and the Board would see it in a proposal. Mr. Sharp added that the budget numbers will always move based on needs and changes.

Motion was made by Mr. Bandemir and seconded by Mr. Brumm to approve the SEDCO FY 2020-2021 Budget. Motion was approved unanimously.

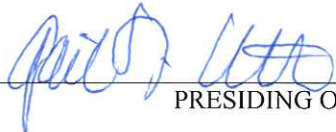
Mr. Sharp added that SEDCO may need to make slight changes to the budget based on salaries for FICA and FUTA, and the Board may need to revisit the budget in July.

**ADJOURNMENT**

The meeting was adjourned at 11:53 p.m.

**CERTIFICATION OF PRESIDING OFFICER**

I, Gail Utter, Presiding Officer, do certify that these minutes of the Special Called 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.

  
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PRESIDING OFFICER