

**SHERMAN ECONOMIC DEVELOPMENT CORPORATION
MINUTES OF THE BOARD OF DIRECTORS
ON AUGUST 13, 2024
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 13, 2024, at 11:30 a.m.

MEMBERS PRESENT: Mrs. Janie Bates (Chair), Mr. Scott Bandemir (Vice Chair), Mr. Jason Brumm (Secretary), Dr. Al Hambrick, Mrs. Robin Phillips

MEMBERS ABSENT: Mr. Willie Steele

EX OFFICIO Mayor David Plyler, Mr. Robby Hefton, Mr. Shawn Teamann, Dr.
MEMBERS PRESENT: Thomas O'Neal

STAFF PRESENT: Mr. Kent Sharp (President), Mrs. Ashton Bellows (Chief Financial Officer), Mrs. Shannon Blake (Vice President of Business Development), Ms. April Day (Executive Assistant)

STAFF ABSENT: None

GUESTS PRESENT: Mr. Jeff Moore, Mrs. Mary Lawrence, Mrs. Sandy Rehkopf, Mr. Michael Hutchins, Ms. Erin Pellet

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

Mrs. Bates called the meeting to order at 11:30 a.m., declared a quorum present, meeting declared open. Mrs. Bates recognized Dr. O'Neal and congratulated him on being the lone finalist for the Superintendent role at Sherman ISD. She also recognized Mrs. Sandy Rehkopf, the newly hired President of the Sherman Chamber of Commerce.

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. Bandemir and seconded by Dr. Hambrick to approve the Regular Scheduled Meeting Minutes of July 16, 2024. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF THE FOLLOWING FINANCIAL REPORTS

Mr. Sharp presented the Balance Sheet, Budget Report, Anomalies, ICS Sweep Report, and Commitments for the month ending June 30, 2024, and reported the following:

- Cash – SEDCO Checking: \$ 5,714,825.00
- Accounts Payable: \$ 20,276.30

- Fund Balance: \$ 21,598,675.27
- Revenues Over/Under Expenses: \$ 4,168,813.17
- Total Liabilities, Equity and Current Surplus (Deficit): \$ 25,767,488.44
- Revenue Total: \$ 738,410.95
- Expense Total: \$ 406,880.43

On the Anomalies Report, Mr. Sharp noted that Travel & Training increased to 85.24% used due to costs associated with attending the TEDC Mid-Year Conference, FabTech tradeshow booth fees, and a SEMICON-West SF Giants Suite Sponsorship; Professional Services increased to 86.58% used due to legal fees, engineering services for widening of Howe Drive, and attorney & professional services related to Dorchester Cement Kiln opposition; and Luncheons & Meetings increased to 103.28% used due to lunch with 2x2 Media during Industry Filming, WOMO Resource Fair lunch, lunch provided for the Semiconductor Tour with Brent Hagenbuch, and the June SEDCO Board Meeting lunch.

On the Commitments Report, Mr. Sharp noted that the total paid year-to-date was \$1,287,149. This total includes \$359,746 in incentives paid to 903 Brewers and Sunny Delight. Infrastructure and improvements making up the remaining \$927,403.

Motion was made by Ms. Utter and seconded by Mr. Bandemir to approve the financial reports for the month ending June 30, 2024. Motion was approved unanimously.

Mrs. Lawrence presented the investment report for the quarter ending June 30, 2024 and reported the portfolio book value and market value were approximately \$20 million. Of this amount, \$11 million was held in a Local Government Investment Pool (LGIP) and \$9 million was held in Certificates of Deposit (CD). Activity during the quarter included interest earned on the investments. The weighted average yield on the portfolio was 5.22%, 26 basis points below the three-month Constant Maturity Treasury Index of 5.48%, and 1 basis points below the previous quarter. The weighted average maturity for the portfolio decreased from 183 days at March 31, 2024, to 141 days at June 30, 2024.

Motion was made by Ms. Utter and seconded by Mr. Brumm to approve the investment report for the month ending June 30, 2024. Motion was approved unanimously.

SALES TAX AND ECONOMIC BAROMETER REPORTS

Mr. Sharp reported a 3.26% cumulative year-to-date sales tax for the month of July, noting that while this was a 7.86% decrease from the same month in the prior year, the sales tax payment for August in 2023 was unusually high in comparison to other months.

Mrs. Bellows presented the July 2024 Economic Barometer Report and reported the following:

1. New residential permits were up 100% compared to July 2023. Commercial and industrial permits were down 55% from this time last year and down 22% year to date. The most notable commercial and industrial permits included a new Home 2 Suites hotel on Cornerstone Drive valued at \$9M, new construction at Lange [Lang] Veterinary Hospital valued at \$3.2M, the city hall remodel valued at \$3M, and the remodel at Coherent valued at \$2M.
2. The city is up 237 water customers compared to year-to-date 2023 and up 54 customers from June.
3. Sales tax increased decreased 10.33% compared to July 2023 but increased 5.16% on the YTD. The decrease was due to a large audit collection last year in our favor of approx. \$320,000. This

audit collection plus Texas Instruments put us at a 47% increase in 2023. Without the audit collection, sales tax for this July would have been about the same as last year.

4. Grayson County's months supply of housing inventory as of June was 6.2 months, up from 5.7 months in May.
5. Sherman's unemployment was 4.2% in June, up from 3.5% in the month prior.

DISCUSS AND CONSIDER APPROVAL OF PROPOSED FY 24-25 SEDCO PROGRAM OF WORK

Mrs. Bellows presented the proposed FY 24-25 SEDCO Program of Work. She noted that the only change from the previous meeting was the addition of one action item under Goal C: Support Workforce Development and Employment Programs, "Explore a new Women in STEM initiative with industrial, workforce, and education partners."

Motion was made by Ms. Utter and seconded by Mrs. Phillips to approve the FY 2024-2025 Program of Work. Motion was approved unanimously.

DISCUSS AND CONSIDER APPROVAL OF PROPOSED FY 24-25 SEDCO BUDGET

Mr. Sharp presented the proposed FY 2024-2025 SEDCO budget summary and noted the following:

SUMMARY									
Revenues									
Sales Tax 4A - SEDCO	60204	\$	6,817,965	\$	6,500,000	\$	6,350,791	\$	6,928,136
Interest Earned	66001	\$	782,954	\$	652,745	\$	913,050	\$	1,217,400
Miscellaneous Revenue	68010	\$	-	\$	1,000,000	\$	613,903	\$	1,658,097
TOTAL REVENUES		\$	7,600,919	\$	8,212,745	\$	7,877,745	\$	9,703,634
Expenses									
Personnel Expenses TOTAL	01000	\$	560,315	\$	577,445	\$	480,273	\$	608,191
Supplies TOTAL	02000	\$	5,463	\$	14,501	\$	8,289	\$	15,000
Maintenance and Repairs TOTAL	03000	\$	5,852	\$	15,615	\$	14,415	\$	15,735
Utilities and Communications TOTAL	04000	\$	8,328	\$	10,000	\$	7,255	\$	8,741
Contractual or Sundry Services TOTAL	05000	\$	1,108,069	\$	2,879,368	\$	731,170	\$	1,651,423
Debt Service TOTAL	06000	\$	566,058	\$	1,236,527	\$	927,403	\$	1,238,537
Capital Expenses TOTAL	08000	\$	18,875	\$	1,575,000	\$	-	\$	75,000
TOTAL EXPENSES		\$	2,272,558	\$	6,308,491	\$	2,148,805	\$	3,510,627
NET INCOME (LOSS)		\$	5,328,261	\$	1,904,254	\$	5,728,940	\$	6,193,007
CASH & INVESTMENTS ENDING BALANCE		\$	21,648,846	\$	23,554,100	\$	27,376,786	\$	27,842,853
									\$
									19,746,646
									Surplus or (Deficit) Amount
									\$
									(8,096,207)

Motion was made by Mr. Bandemir and seconded by Dr. Hambrick to approve the FY 2024-2025 SEDCO Budget. 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. Disposition and Acquisition
 2. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.23 ac
 3. Sherod Dunman Survey, Abstract 329, Southeast corner of Howe & Dorsett Dr, 5.08 ac
 4. William Martin Survey, Abstract 765, Northeast corner of Progress Park V, 9.9 ac (Potential Truck Turnaround)

- c. 551.074 (Personnel Matters)
- d. 551.087 (Business Prospect/Economic Development)
 - 1. Wrap, EZ, Zion, Safari, YoYo

The open meeting recessed in executive session at 11:55 a.m.

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

Mrs. Bates reconvened the open meeting at 12:28 p.m.

CONSIDER APPROVAL OF RESOLUTION NO. SEDCO-2024.14 (EZ)

A resolution authorizing and approving financial assistance to Easy Foods, Inc. for up to \$2.1 million to construct a corn and flour tortilla and chip production facility. The resolution also approves the sale of approx. 30 acres in Progress Park VI at \$35,000 per acre, totaling \$1,050,000. Upon completion of all phases, the total capital investment is an est. \$50 million with the creation of approx. 238 jobs.

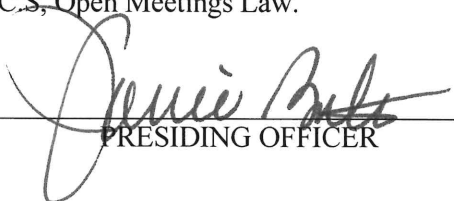
Motion to approve Resolution No. SEDCO-2024.14 was made by Dr. Hambrick and seconded by Mr. Bandemir. Motion was approved unanimously.

ADJOURNMENT

The meeting was adjourned at 12:30 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