

STATE OF TEXAS

§

September 17, 2009

COUNTY OF GRAYSON

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BE IT REMEMBERED THAT A Joint Meeting of the Sherman City Council and the Sherman Economic Development Corporation was begun and held in the City Council Chambers on September 17, 2009.

COUNCIL MEMBERS PRESENT: Mayor Bill Magers; Deputy Mayor Joe Smith.
Council Members Adami, Howeth, Softly, Steele, Wacker.

COUNCIL MEMBERS ABSENT: None.

SEDCO MEMBERS PRESENT: Andrew Olmstead, Kelly Bickerstaff, Joseph R. Fallon, Jr.,
Gregory Kirkpatrick, Rad Richardson.

SEDCO MEMBERS ABSENT: None.

CITY STAFF PRESENT: George Olson, City Manager; Robbie Hefton, Assistant City
Manager/CFO; Brandon Shelby, City Attorney; Jeff Miller,
Director of Public Works; Tom Watt, Police Chief; Mary
Lawrence, Controller; Don Keene, Project Manager; Pam
Cloer, Assistant to the City Manager; Linda Ashby, City Clerk.

SEDCO STAFF PRESENT: John Boswell, President; Frank Gadek, Vice President;
Darlene Brown, Administrative Assistant.

PURPOSE: Call to Order, Quorum Determined, Meeting Declared Open,
Recognition of Guests and Visitors

SECOND PUBLIC HEARING OF ORDINANCE NO. 5619

Providing for the Levy of Ad Valorem Taxes for the City of Sherman,
Texas, for the Tax Year 2009; Distributing the Same Among the Various
Funds; Providing for a Penalty and Interest for Failure to Pay the Taxes
Levied within the Time Provided by Law

SEDCO WORK PROGRAM 2009-2010

President's Presentation of the 2009-2010 Work Program

SEDCO WORK PROGRAM 2009-2010

City Council to Discuss and Consider Approval of the SEDCO Work
Program 2009-2010

SEDCO BUDGET 2009-2010

President's Presentation of the SEDCO Budget 2009-2010

SEDCO BUDGET 2009-2010

City Council to Discuss and Consider Approval of the 2009-2010
SEDCO Budget

OTHER BUSINESS

Consider Request of the Sherman Independent School District and the
Sherman High School Student Council to Temporarily Close Certain

COUNCIL MINUTES -- SEPTEMBER 17, 2009

Streets for the 2009 Sherman High School Homecoming Parade on Monday, September 21, 2009

Other Business

Adjournment

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

Mayor Magers called the meeting to order at 12:00 p.m., declared a quorum present, and opened the City Council Meeting. Andrew Olmstead, Chairman of the Sherman Economic Development Corporation, declared a quorum present, and opened the SEDCO Meeting.

SECOND PUBLIC HEARING OF ORDINANCE NO. 5619

PROVIDING FOR THE LEVY OF AD VALOREM TAXES FOR THE CITY OF SHERMAN, TEXAS, FOR THE TAX YEAR 2009; DISTRIBUTING THE SAME AMONG THE VARIOUS FUNDS; PROVIDING FOR A PENALTY AND INTEREST FOR FAILURE TO PAY THE TAXES LEVIED WITHIN THE TIME PROVIDED BY LAW

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, PROVIDING FOR THE LEVY OF AD VALOREM TAXES FOR THE CITY OF SHERMAN, TEXAS, FOR THE TAX YEAR 2009; DISTRIBUTING THE SAME AMONG THE VARIOUS FUNDS; PROVIDING FOR A PENALTY AND INTEREST FOR FAILURE TO PAY THE TAXES LEVIED WITHIN THE TIME PROVIDED BY LAW; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5619.

The Public Hearing was closed.

SEDCO WORK PROGRAM 2009-2010

PRESIDENT'S PRESENTATION OF THE 2009-2010 WORK PROGRAM

Mr. Olmstead outlined SEDCO's three goals for their 2009-2010 Work Program. The goals are to stimulate economic activity through business development and industry attraction; to develop, retain, and attract talent; and to promote and enhance the quality of place. These goals were also included in the City's Comprehensive Master Plan. The Work Program includes strategies for each goal and outlines who the "lead" should be, either the City, SEDCO, or the Chamber, and who the support people should be.

SEDCO WORK PROGRAM 2009-2010

CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF THE SEDCO WORK PROGRAM 2009-2010

Mayor Magers complimented SEDCO and the Chamber on their objective look at Sherman, Inc. and the way the City is changing. He thanked both entities for their help on the Comprehensive Master Plan, saying the key to the Plan is implementation. He thanked SEDCO Members for putting the Plan in action.

Council Member Adami asked how the strategies will be implemented. Council Member Wacker was especially concerned about the new areas where they will be coordinating with the Comprehensive Master Plan.

John Boswell, President of SEDCO, explained that Chapter 9 of the Comprehensive Master Plan includes strategies and actions for each goal, specific to economic development. The challenge will

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be where SEDCO is not the lead player. Some of the strategies and actions are SEDCO specific and some include other entities as the lead player. Council Member Wacker verified that SEDCO adopted all the goals, but some are also dependent on other entities.

Council Member Adami said on an informal basis, many times SEDCO is the first contact that a company will have but they don't actually "fit in the SEDCO box." He wanted to be sure that SEDCO would send them to whichever entity could actually work with their needs. He did not want any company that wanted to locate in Sherman to fall through the cracks just because their needs didn't fit with what a specific entity could do.

If the company would provide an economic benefit to Sherman, Council Member Adami wanted to be sure that there was communication between all entities to address their needs and follow-up to make sure no opportunities were missed.

Mr. Boswell explained that the current Plan broadens the focus that SEDCO has had in the past, and expands their reach beyond primary employers. If SEDCO is the point of contact, it will make it easier for people to know who to contact first. SEDCO will then be able to "plug" them into the right connection. Mr. Boswell felt this was a key difference in the goals presented today over past goals. This plan is designed to cover the gaps and create a seamless flow of assistance.

Mr. Boswell said since these goals are different this year, he doesn't really know what the issues will be, but this year will give them a better feel for the weak spots. Mayor Magers said previously SEDCO was focused on primary employers and some prospects didn't fit that definition. Other entities need to get involved so that all assets are used.

Council Member Adami felt that these were the right strategies, but he just wanted to know how this will be implemented and tracked. Mr. Boswell added that SEDCO currently tracks their projects, but when projects are directed to other entities, they may need to track the projects. This year will give SEDCO and the City a feel for what is needed.

Mayor Magers said some criteria may need to be developed to determine when an entity goes to SEDCO, the City, or the Chamber. Mr. Boswell added that "size may not equal time."

Council Member Howeth asked if a prospect was sent to someone else, would SEDCO make the initial contact or just tell the company whom to call themselves. Mr. Boswell said SEDCO would make the initial contact and make sure they reach the entity they need and are not left to handle it themselves. She then asked who would handle the follow-up so a contact is not lost. Mayor Magers said by getting SEDCO involved in the beginning it would decrease the likelihood of that happening.

Mr. Boswell added that the plan will reduce "turf issues" because all the entities want to help the prospects. Mayor Magers added that SEDCO has resources that Chambers have not historically had. The question is how does Sherman allocate these resources to provide the "best bang for the buck."

Council Member Wacker asked about retail economic development. She attended a Texas Municipal League Conference that discussed the gaps in retail development and what might be missing. She felt it was important to identify service businesses that make the community more attractive for larger employers to locate here and for plant managers to live in the community. Council Member Wacker said this type of study would cost approximately \$12,000 to \$15,000 and she asked if that would be in the scope of what SEDCO would look at this year.

Mr. Boswell said that type of study would fall under SEDCO's new goals and actions this year, but it would not have been included under the old plan.

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Council Member Adami felt it would be helpful to review how the strategy is being implemented during SEDCO's quarterly updates or the annual meeting. Council Member Wacker also wanted to know about serious contacts and how they were referred through the system. Mayor Magers clarified that the Council would like to see benchmarks of what the new program is doing. Mr. Boswell agreed that the plan must be measured somehow.

ACTION TAKEN.

Motion by Council Member Steele to approve the SEDCO Work Program for FY 2009-2010, as presented. Second by Council Member Softly.

VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.

VOTING NAY: None.

MOTION CARRIED.

SEDCO BUDGET 2009-2010

PRESIDENT'S PRESENTATION OF THE SEDCO BUDGET 2009-2010

Mr. Olmstead distributed a summary of what SEDCO accomplished during FY 2008-2009. The Budget for FY 2009-2010 includes a beginning fund balance of \$9.6 million and revenues of \$3.8 million. Sales tax revenue is budgeted at \$2.9 million, which is on track with the previous year.

SEDCO budgeted \$294,000 in the marketing/attraction line item. Only \$176,000 was budgeted in this line item for FY 2008-2009. Mr. Olmstead explained that the State of Texas allows a 10% cap on the amount that can be spent on marketing and attractions. That is 10% of the sales tax revenue. SEDCO does not intend to spend that amount, however if it is not allocated, then it can't be used or carried over in future years. Therefore, SEDCO will be allocating 10% of the sales tax revenue with the intent of not spending it but being able to go back in future years and spend it at one time. If the money has been allocated in year's past, they can use it forward. Mayor Magers verified that once the money is carried over, it can also be moved to something else.

Mr. Olmstead said SEDCO is predicting net income of \$1.5 million, depending on projects coming in and requested incentives. The ending fund balance of \$11 million includes \$8.2 million that is committed to performance agreements, which may or may not happen. Payment of the incentives still requires specific performance by the company. Mayor Magers added that SEDCO could use that money as capital if a great prospect came into town. Then if the money is needed for the committed incentive, it could be bonded for payment to the company.

SEDCO BUDGET 2009-2010

CITY COUNCIL TO DISCUSS AND CONSIDER APPROVAL OF THE 2009-2010 SEDCO BUDGET

Council Member Adami asked what the \$734,000 designated in other revenue was. Mr. Boswell said it deals with the Panda Energy agreement which should close this year. That revenue will be from Panda's purchase of land from SEDCO. After the agreement is completed, SEDCO will write a check back to Panda for the incentive amount.

Council Member Steele asked what portion of the marketing budget would be used for participation with Grayson County for marketing of the North Texas Regional Airport. Mr. Olmstead said SEDCO's portion is \$33,000 per year. Sherman, Denison, and Grayson County participate in the joint marketing venture. Mr. Boswell said the program is very successful. He added that the Airport money is separate from the marketing dollars, but the program has met and exceeded expectations.

Council Member Adami asked if SEDCO considered long-range planning for anticipated sales tax revenue projections. Mr. Boswell said they plan 10 years out to schedule the long-term payments.

Mayor Magers added that Sherman's sales tax revenue was better than many other places.

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Mayor Magers thanked Mr. Olmstead and Joe Fallon, Jr. for their service on the SEDCO Board. Their terms expire on October 1, 2009.

ACTION TAKEN.

Motion by Council Member Steele to approve the SEDCO Budget for FY 2009-2010, as presented. Second by Council Member Softly.
VOTING AYE: Adami, Howeth, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

OTHER BUSINESS

CONSIDER REQUEST OF THE SHERMAN INDEPENDENT SCHOOL DISTRICT AND THE SHERMAN HIGH SCHOOL STUDENT COUNCIL TO TEMPORARILY CLOSE CERTAIN STREETS FOR THE 2009 SHERMAN HIGH SCHOOL HOMECOMING PARADE ON MONDAY, SEPTEMBER 21, 2009

ACTION TAKEN.

Motion by Deputy Mayor Smith to approve the request of the Sherman Independent School District and the Sherman High School Student Council to temporarily close certain streets for the 2009 Sherman High School Homecoming Parade on Monday, September 21, 2009, as presented. Second by Council Member Wacker.
VOTING AYE: Adami, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
ABSTAIN: Howeth.
MOTION CARRIED.

OTHER BUSINESS

There was no other business to be discussed.

ADJOURNMENT

There being no further business to come before the City Council or the Sherman Economic Development Corporation, motion was duly made and approved to adjourn the Joint Meeting at 12:33 p.m.

MAYOR

ATTEST

CITY CLERK