



ECONOMIC DEVELOPMENT CORPORATION

**NOTICE OF MEETING**

**AGENDA**

**OCTOBER 26, 2023**

**6:00 p.m.**

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The City of Schertz Economic Development Corporation (SEDC) Board of Directors will hold a regular monthly meeting on Thursday, OCTOBER 26, 2023, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This is an open meeting, subject to the open meeting laws of the State of Texas.

**Call to Order**

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.
2. SEDC Board Member Oath of Office for member appointed by City Council on 09/05/2023 for a term of two years ending 09/30/2025. (S. Courney)
  - Appointment: Henry Hayes

**Hearing of Residents**

3. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

**Minutes**

4. Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, September 28, 2023. (T. Miller)

**Presentations**

5. Staff briefing on SEDC monthly financial statement for the month of September 2023. (S. Wayman)

**Closed Session**

6. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) the deliberate the offer of a financial or other incentive to a business prospect.

• E-92

• E-88

• E-86

**Reconvene to Regular Session**

7. Take any actions based on discussion held in closed session under Agenda Item No. 6

## Requests and Announcements

- Announcements by staff:
  - Office closed for Veterans Day November 10, 2023
  - Next Board Meeting - November 16, 2023
  - Office closed for Thanksgiving November 23-24, 2023
  - Holiday Dinner - December 7, 2023, RSVP by November 16, 2023
  - December Board Meeting date rescheduled to December 14, 2023
- Requests by Board Members to place items on a future SEDC Board Meeting agenda.

## Adjournment

### CERTIFICATION

I, Tracy Miller, Administrative Assistant, of the City of Schertz Economic Development Corporation, do hereby certify that the above agenda was posted on the official bulletin boards on this the 20th day of October, 2023, at 5:00 p.m., which is a place readily accessible to the public at all times and that said notice was posted in accordance with chapter 551, Texas Government Code.

**Tracy Miller**

Administrative Assistant- Economic  
Development

**I certify that the attached notice and agenda of items to be considered by the Schertz Economic Development Corporation Board of Directors was removed from the official bulletin board on \_\_\_\_ day of \_\_\_\_\_, 2023.**  
**Name/Title: \_\_\_\_\_**

*This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1070.*

**The Economic Development Corporation Board of Directors reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.**

**Closed Sessions Authorized:** This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

**SEDC MEMORANDUM**

**SEDC**  
**Board Meeting:** 10/26/2023  
**Department:** Economic Development Corporation  
**Subject:** Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, September 28, 2023. (T. Miller)

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**SUBJECT:**

Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, September 28, 2023. (T. Miller)

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**Attachments**

09-28-23

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# SCHERTZ

ECONOMIC DEVELOPMENT CORPORATION  
MINUTES  
Thursday, September 28, 2023

The City of Schertz Economic Development Corporation (SEDC) Board of Directors met for a Regular Monthly Meeting on Thursday, September 28, 2023, at 6:00 p.m. at the Hal Baldwin Municipal Complex, Council Chambers Conference Room, Building No. 4, 1400 Schertz Parkway, Schertz, Texas. This was an open meeting, subject to the open meeting laws of the State of Texas.

## Call to Order

1. Roll call, recognition of visitors, and review of meeting instructions for effective Board interaction and public participation.

Board President Paul Macaluso presided over the meeting and called it to order at 6:00 p.m.

### Board of Directors Present:

Paul Macaluso, Board President  
Jesse Hamilton, Board Vice President  
Sammi Morrill, Board Secretary/Treasurer  
Roy Richard, Board Member  
Bill Dixon, Board Member  
Eryn McElroy, Board Member

### Staff Present:

Scott Wayman, Executive Director  
Holly Malish, Deputy Director  
Ashley Ritchey, Business Engagement Manager  
Tracy Miller, Administrative Assistant  
Steve Williams, City Manager

### Board of Directors Absent:

Mark Moody, Board Member

### Others Present:

Allison Heyward, Councilmember, City Council Liaison  
Sheila Edmondson, City Secretary  
William Bates, Caterpillar Corporation  
Evan Horn, Ernst Young  
Troy Reed, Ernst Young  
Henry Hayes, Schertz Citizen

2. SEDC Board Member Oath of Office for member appointed by City Council on 09/05/2023 for a term of two years ending on 09/30/2025. (S. Edmondson)
  - Appointment: Eryn McElroy

Sheila Edmondson, City Secretary administered the oath of office to the new Board Member.

Board President Paul Macaluso welcomed her and ask Board Member Eryn McElroy to give an introduction. Ms. McElroy gave a brief introduction of her background.

## Hearing of Residents

3. *This time is set aside for any person who wishes to address the Board. Presentations should be limited to no more than 3 minutes. The presiding officer will call on those persons who have signed up to speak.*

No resident signed up to speak. No commits were made.

## Minutes

4. Approval of the minutes for the Board of Directors Regular Monthly Meeting held on Thursday, August 24, 2023. (T. Miller)

Board President Paul Macaluso asked for a motion to approve the Minutes of the Board of Directors Regular Monthly Meeting held Thursday, August 24, 2023.

Moved by Board Member Roy Richard, seconded by Vice President Jesse Hamilton.

AYE: Board President Paul Macaluso, Vice President Jesse Hamilton, Board Secretary/Treasurer Sammi Morrill  
Board Member Roy Richard, Board Member Bill Dixon, Board Member Eryn McElroy.

## Presentations

5. Staff briefing on SEDC monthly financial statement for the month of August 2023. (S. Wayman)

Scott Wayman, Executive Director provided a summary and overview on the SEDC Financials for the month of August, 2023.

August, 2023 sales tax received was \$596,424, a 1.9% decrease over the year prior. The 12-month rolling average is 8.9% still trending up. Expenditures for August was small with only 2 vendors invoicing over \$1,000 Community Impact and Scenic Texas. Total Cash & Investments figure at the end of August was 31.1 million.

6. Presentation by Applicant regarding Caterpillar Projects.

Scott Wayman, Executive Director introduced Evan Horn, Senior Manager and Troy Reed, Senior Tax Manager with Ernst Young LLP. Mr. Horn introduced Bill Bates, Business Resources Manager with Caterpillar.

Mr. Bates gave an update on Project Hydra and Project Aquos.

The Schertz facility makes cylinder heads and a few cylinder blocks that go into engines in their plant in Seguin for Project Hydra. Since 2022 Project Hydra is making 27L/32L cylinder heads and blocks for engines. Production will be starting 1st quarter in 2024. The Hydra Incentive Agreement commits to 24 new jobs with \$50,000 annual salary and 22 million in capital.

Project Aquos currently makes 13L cylinder blocks and head machining operations to support newly announced C13D engine. The C13D will replace existing 11L, 13L, 15L and some 18L products. The Project Aquos will create over 25 new jobs with \$43,000 annual salary and 70 million in capital.

Mr. Horn gave a summary of the Project Hydra proposed amendment for the annual compliance for both the City and Caterpillar.

Mr. Reed gave a summary of the Project Aquos proposed amendment for the annual compliance.

## Public Hearing

7. **Resolution 2023-13** - An amendment to Economic Development Performance Agreement between Caterpillar Project Hydra and the City of Schertz Economic Development Corporation. (S. Wayman)
8. **Resolution 2023-14** - An Economic Development Performance Agreement between Caterpillar Project Aquos and the City of Schertz Economic Development Corporation.

Board President Paul Macaluso opened the public hearing for Items 7 & 8 at 6:25 pm.

1. Mr. Henry Hayes, Schertz Citizen - Inquired about permits or variances and any long term adjustments that may be a challenge to the city.

Board Present Paul Macaluso closed the public hearing for Items 7 & 8 at 6:26 pm.

## Closed Session

9. Called in accordance with Section 551.087 of the Texas Government Code, Deliberation Regarding Economic Development Negotiations; Closed Meeting. The governmental body is not required to conduct an open meeting (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) the deliberate the offer of a financial or other incentive to a business prospect.

- |        |        |        |
|--------|--------|--------|
| • E-92 | • E-88 | • E-91 |
| • E-81 | • E-86 |        |

Start time: 6:28 p.m.

End time: 7:40 p.m.

Board President Paul Maculso reconvened to open session at 7:41 p.m.

## Reconvene to Regular Session

10. Take any actions based on discussion held in closed session under Agenda Item No. 9.

No action taken based on discussion in closed session.

11. **Resolution 2023-13** - Approval of an amendment to Economic Development Performance Agreement between Caterpillar Project Hydra and the City of Schertz Economic Development Corporation. (S. Wayman)

Motioned by Board Vice President Jesse Hamilton, seconded by Board Member Bill Dixon.

AYE: Board President Paul Macaluso, Vice President Jesse Hamilton, Board Secretary/Treasurer Sammi Morrill  
Board Member Roy Richard, Board Member Bill Dixon, Board Member Eryn McElroy.

12. **Resolution 2023-14** - Approval of an Economic Development Performance Agreement between Caterpillar Project Aquos and the City of Schertz Economic Development Corporation. (S. Wayman)

Board President Paul Macaluso read the following caption into record and asked for a motion:

**Resolution 2023-14 - Approval of an Economic Development Performance Agreement between Caterpillar Project Aquos and the City of Schertz Economic Development Corporation.**

Moved by Board Member Bill Dixon, seconded by Board Secretary/Treasurer Sammi Morrill.

AYE: Board President Paul Macaluso, Vice President Jesse Hamilton, Board Secretary/Treasurer Sammi Morrill  
Board Member Roy Richard, Board Member Bill Dixon, Board Member Eryn McElroy.

### **Requests and Announcements**

Announcements by staff:

- Orientation Book for Board Members
- Office closed for Columbus Day October 9, 2023
- Next Board Meeting - October 26, 2023
- Lauren Shrum, Parks and Recreation Director, will present November 2023
- Goals and Mission Statement discussion will be presented in November 2023
- Ribbon cutting for Schertz/Cibolo/Selma Chamber October 26, 2023
- Recognition for Roy Richard at City Council Meeting October 17, 2023
- Establishing a Holiday Dinner Date

Requests by Board Members to place items on a future SEDC Board Meeting agenda.

- No requests by Board Members to place items on a future SEDC Board Meeting agenda.

### **Adjournment**

Board President Paul Macaluso adjourned meeting at 7:46 p.m.

**MINUTES PASSED AND APPROVED THIS \_\_\_\_ DAY \_\_\_\_ 2023.**

\_\_\_\_\_  
Paul Macaluso  
Board President

\_\_\_\_\_  
Sammi Morrill  
Board Secretary

**SEDC MEMORANDUM**

**SEDC**  
**Board Meeting:** 10/26/2023  
**Department:** Economic Development Corporation  
**Subject:** Staff briefing on SEDC monthly financial statement for the month of September 2023. (S.Wayman)

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**SUBJECT:**

Staff briefing on SEDC monthly financial statement for the month of September 2023. (S.Wayman)

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**Attachments**

September Financials

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**CITY OF SCHERTZ**  
REVENUE AND EXPENSE REPORT (UNAUDITED)  
AS OF: SEPTEMBER 30th, 2023

\*\*\*\*\* 2022 - 2023 \*\*\*\*\*

**620-SED CORPORATION**  
FINANCIAL SUMMARY

OVERVIEW

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Revenues

Sales Tax	\$ 533,947.58	Payment Received in September
	0.4%	Annual Increase
	7.5%	12-Month Rolling Average

Expenses

COSTAR Suite - Annual	\$ 6,615.00
Resimplifi Annual Subscription	\$ 4,200.00
Promotional Items	\$ 2,595.02
Proj Tiger Impact Analysis	\$ 2,500.00

Year-to-Date

Total Revenue	\$ 7,994,813.96	
Total Expenses	\$ 884,093.53	
Over/Under		<u>\$ 7,110,720.43</u>

Cash & Investments

Cash	\$ 326,935.65	
Investments	\$ 31,485,837.53	
Total		<u>\$ 31,812,773.18</u>



**CITY OF SCHERTZ**  
REVENUE AND EXPENSE REPORT (UNAUDITED)  
AS OF: SEPTEMBER 30th, 2023

***** 2022 - 2023 *****							
<b>620-SED CORPORATION</b>	<b>CURRENT</b>	<b>CURRENT</b>	<b>PRIOR YEAR</b>	<b>CURRENT</b>	<b>Y-T-D</b>	<b>BUDGET</b>	<b>100% OF</b>
<b>FINANCIAL SUMMARY</b>	<b>BUDGET</b>	<b>PERIOD</b>	<b>Y-T-D ACTUAL</b>	<b>Y-T-D ACTUAL</b>	<b>ENCUMBR</b>	<b>BALANCE</b>	<b>BUDGET</b>
<u>REVENUE SUMMARY</u>							
Taxes	6,548,000	670,671.64	6,025,703.00	6,732,306.69	-	(184,306.69)	102.81%
Miscellaneous	182,000	131,187.47	201,279.17	1,262,507.27	-	(1,080,507.27)	693.69%
<b>TOTAL REVENUES</b>	<b>6,730,000</b>	<b>801,859.11</b>	<b>6,226,982.17</b>	<b>7,994,813.96</b>	<b>-</b>	<b>(1,264,813.96)</b>	<b>118.79%</b>
<u>EXPENDITURE SUMMARY</u>							
<u>NONDEPARTMENTAL</u>							
City Assistance	3,000,079	-	-	81,944.29	-	2,918,134.71	2.73%
Fund Charges/Transfer	5,750,000	-	1,240,000.00	-	-	5,750,000.00	0.00%
<b>TOTAL NONDEPARTMENTAL</b>	<b>8,750,079</b>	<b>-</b>	<b>1,240,000.00</b>	<b>81,944.29</b>	<b>-</b>	<b>8,668,134.71</b>	<b>0.94%</b>
<u>ECONOMIC DEVELOPMENT</u>							
Supplies	1,000	162.84	1,011.27	529.61	56.93	413.46	58.65%
City Support Services	18,359	54.68	7,311.03	10,895.12	-	7,463.88	59.34%
Utility Services	2,975	40.00	2,211.58	179.69	-	2,795.31	6.04%
Operations Support	437,610	17,705.89	186,417.42	139,530.27	1,624.99	296,454.74	32.26%
Staff Support	25,775	3,389.90	21,350.37	17,692.84	(335.00)	8,417.16	67.34%
City Assistance	206,641	3,525.00	-	45,640.94	-	161,000.06	22.09%
Professional Services	61,300	798.00	20,751.72	44,844.50	-	16,455.50	73.16%
Fund Charges/Transfers	542,221	-	506,984.00	542,221.00	-	-	100.00%
Operating Equipment	5,000	37.99	4,046.67	615.27	-	4,384.73	12.31%
<b>TOTAL ECONO DEVELOPMENT</b>	<b>1,300,881</b>	<b>25,714.30</b>	<b>750,084.06</b>	<b>802,149.24</b>	<b>1,346.92</b>	<b>497,384.84</b>	<b>61.77%</b>
<b>TOTAL EXPENDITURES</b>	<b>10,050,960</b>	<b>25,714.30</b>	<b>1,990,084.06</b>	<b>884,093.53</b>	<b>1,346.92</b>	<b>9,165,519.55</b>	<b>8.81%</b>
<b>** REVENUE OVER(UNDER) EXPEND</b>	<b>(3,320,960)</b>	<b>776,144.81</b>	<b>4,236,898</b>	<b>7,110,720</b>	<b>(1,346.92)</b>	<b>(10,430,333.51)</b>	

# CITY OF SCHERTZ

## REVENUE REPORT (UNAUDITED)

AS OF: SEPTEMBER 30th, 2023

***** 2022 - 2023 *****							
620-SED CORPORATION REVENUES	CURRENT BUDGET	CURRENT PERIOD	PRIOR YEAR Y-T-D ACTUAL	CURRENT Y-T-D ACTUAL	Y-T-D ENCUMBR	BUDGET BALANCE	100% OF BUDGET
<u>Taxes</u>							
000-411500 Sales Tax Revenue (4B)	6,548,000	670,671.64	6,025,703.00	6,732,306.69	-	(184,306.69)	102.81%
<b>TOTAL Taxes</b>	<b>6,548,000</b>	<b>670,671.64</b>	<b>6,025,703.00</b>	<b>6,732,306.69</b>	<b>-</b>	<b>(184,306.69)</b>	<b>102.81%</b>
<u>Miscellaneous</u>							
000-491000 Interest Earned	2,000	961.24	1,438.01	11,479.91	-	(9,479.91)	574.00%
000-491200 Investment Earnings	180,000	130,226.23	199,841.16	1,251,027.36	-	(1,071,027.36)	695.02%
<b>TOTAL Miscellaneous</b>	<b>182,000</b>	<b>131,187.47</b>	<b>201,279.17</b>	<b>1,262,507.27</b>	<b>-</b>	<b>(1,080,507.27)</b>	<b>693.69%</b>
<b>TOTAL REVENUES</b>	<b>6,730,000</b>	<b>801,859.11</b>	<b>6,226,982.17</b>	<b>7,994,813.96</b>	<b>-</b>	<b>(1,264,813.96)</b>	<b>118.79%</b>

**SED CORPORATION**  
**CASH IN BANK AND INVESTMENTS**

AS OF: SEPTEMBER 30th, 2023

Cash in Bank

Claim on Operating Cash Pool-Checking	\$ 326,935.65
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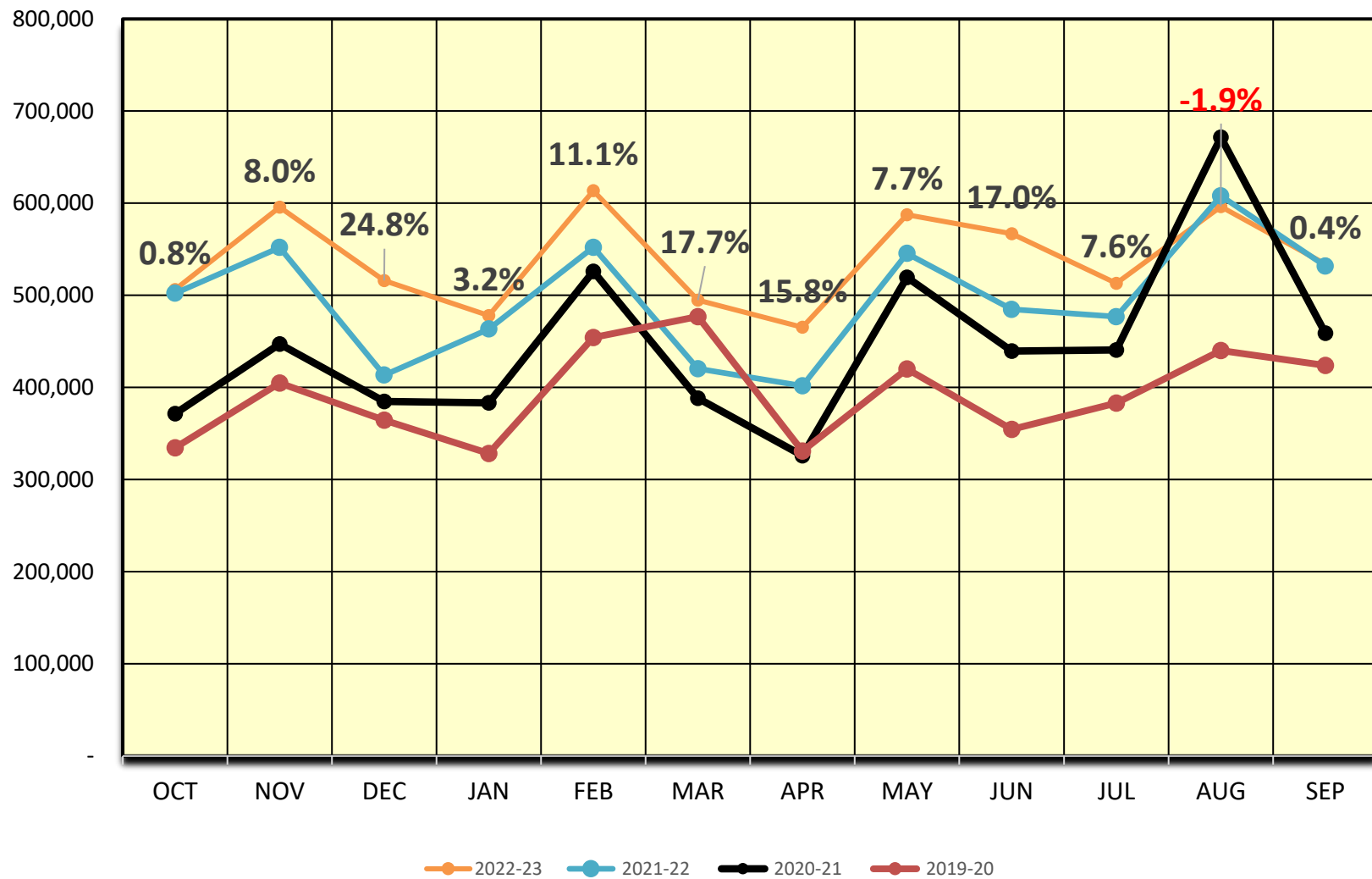
Cash in Investments

Texas Class Investment-Economic Development Corp	29,232,797.22
Schertz Bank & Trust-Certificate of Deposit	1,099,538.79
Schertz Bank & Trust-Certificate of Deposit	<u>1,153,501.52</u>

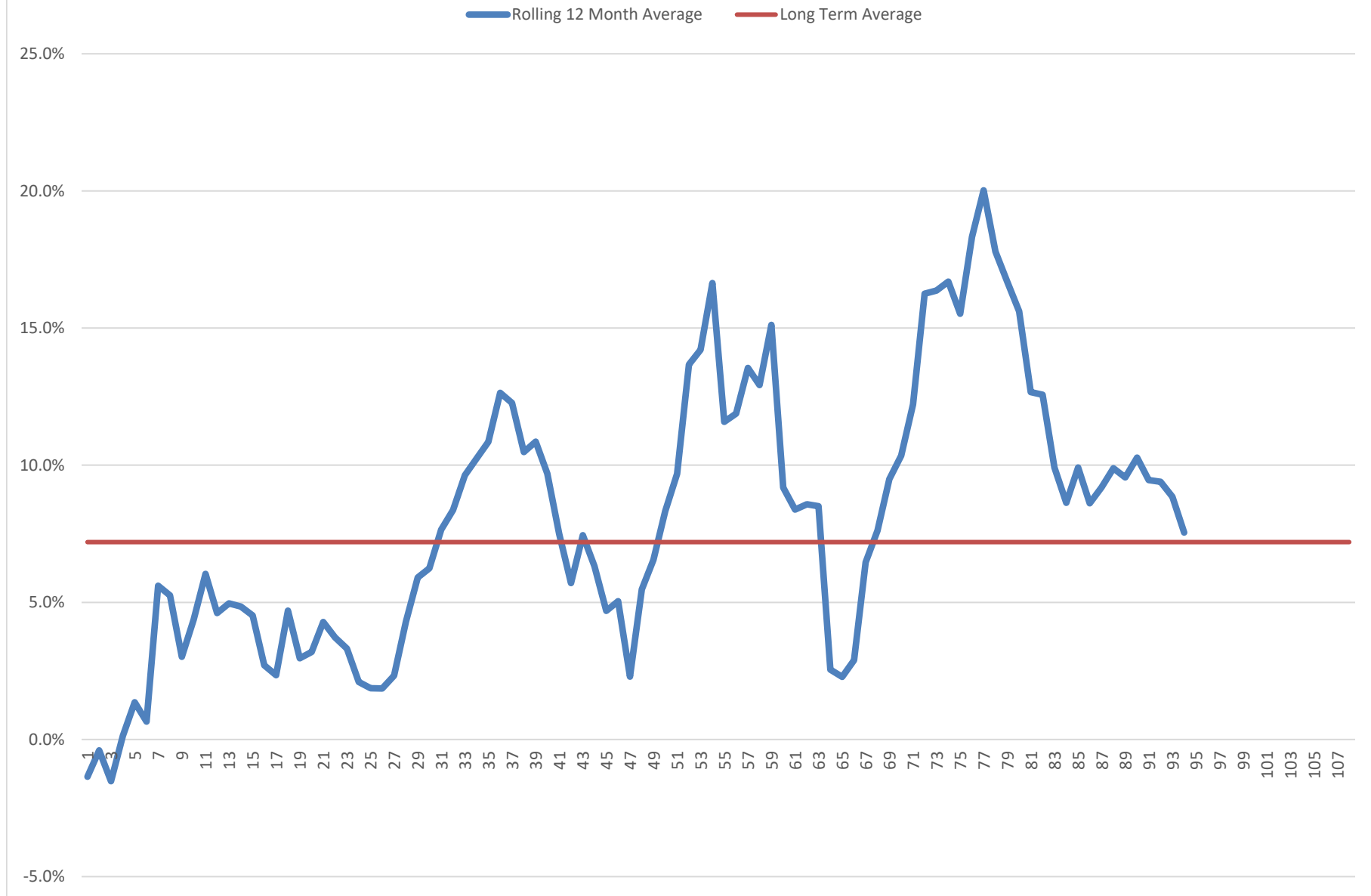
<b>Total Cash in Bank &amp; Investments</b>	<b><u>\$ 31,812,773.18</u></b>
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## 4B SALES TAX

By Collection Month



## 12 Month Rolling Average Oct 2014 - Present



## SEPTEMBER 2023 PAYABLES REPORT

FUND	VENDOR NAME	DESCRIPTION	AMOUNT
Economic Development	SED CORPORATION	Office Depot, Inc	Paper/Sheet Protectors
			86.75
	THE WATERMARK GROUP, INC	Business Cards	48.50
	UBEO	Monthly Copier	276.55
	COSTAR REALTY INFORMATION, INC.	COSTAR Suite - Annual	6,615.00
	SCHERTZ EMBROIDERY, LLC	Fully Promoted	20.00
	LIANE GARRETT	Promotional Items	2,595.02
	WEX BANK	Monthly Fuel	40.00
	AMAZON CAPITAL SERVICES, INC.	Keyboard/Mouse	37.99
		Binders/Dividers	76.09
	HOLLY MALISH	Per Diem-Dallas, Texas	264.42
	RESIMPLIFI, INC	Resimplifi Annual Subscription	4,200.00
	SCOTT WAYMAN	TML Region 7 Meeting	30.00
		Per Diem-Dallas, Texas	207.99
	LARRY MAULDIN & JANE FELTS MAULDIN	WTR Color Paintings	385.00
	IMPACT DATA SOURCE	Proj Tiger Impact Analysis	2,500.00
	DENTON, NAVARRO	Legal Services July 2023	273.00
		Legal Services August 2023	525.00
	GREATER NEW BRAUNFELS	Feb 23 Regional Job Fair	645.75
	CITIBANK	Notarize Inc	25.00
		Mailchimp	42.11
		IEDC - EXAM Retake	375.00
		Adobe Stock - August	29.99
		Americana Coffee	9.58
		Northeast Partnership	20.00
		Bluehost SiteLock Secur	95.88
		Adobe Creative Cloud	599.88
		Zipliners- Board Meal	225.00
		Umast Membership	40.00
		Walmart	54.68
		Odessa Marriot Hotel	543.00
		BJ's Restaurant	52.01
		Formassebbly	99.00
		Mailchimp	42.11
		IEDC Webinar	149.00
		Adobe Stock - September	32.46
		Hilton Anatole Dallas	711.45
		Frame	151.20
		Engraved Plate	24.00
		Residence Inn by Marriott	1,307.40
		Southwest Airlines	338.96
		Chamber Luncheon	22.00
		Northeast Partnership	20.00
		Southwest Airlines	236.42
		Chili's-Board Meal	230.42
		TMCCP Seminar	380.00
	OFFICE OF THE GOVERNOR	Texas Enterprise	1,000.00
	CITY OF SCHERTZ	Postage	<u>30.69</u>

## SEPTEMBER 2023 PAYABLES REPORT

FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		SUBTOTAL:	25,714.30
		TOTAL:	\$25,714.30