



NOTICE OF A REGULAR MEETING  
SEALY ECONOMIC DEVELOPMENT CORPORATION  
SEALY EDC BOARD ROOM  
330 MAIN STREET SUITE 5  
SEALY, TX 77474  
TUESDAY, MARCH 24, 2026  
6:00 P.M.

Notice is hereby given of a meeting of the Sealy Economic Development Corporation to be held on the above-mentioned date, time, and location for the purpose of discussing the following agenda items. All agenda items are subject to action.

The Board of Directors reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by Title 5, Chapter 551, of the Texas Government Code.

1. Call to Order
2. Invocation and Pledge of Allegiance
3. Roll Call and Certification of a Quorum
4. Petitions, Requests, or Comments from the Public. Speaker time shall be limited to three minutes.
5. Discussion and possible action to approve the minutes for the following date(s):
  - Tuesday, January 27, 2026
6. **PUBLIC HEARING:** The SEDC will receive comments for an Event Hall Project regarding a Historic District and Business Improvement Grant for the Sealy Columbus Club, the building owner of 1310 Highway 90 West. The proposed expenditure of funds will be used for façade improvements, pressure washing, gutters, lighting, landscaping, signage, ADA parking improvements, and other related expenses. The project is authorized by the Texas Local Government Code, Section 505.158, to promote new or expanded business. The SEDC proposed grant and expenditure of funds is not to exceed \$12,500.00.
7. Discussion regarding the monthly Treasurer's Reports, the monthly Payables Report, Gatekeeping Report, and the monthly Fiscal Year 2025-2026 Budget Review Spreadsheet:
  - a. Payment Register Report
  - b. Budget to Actual Report
  - c. Sales Tax Report
  - d. Balance Sheet with Cash & Investments
  - e. Payables Report & Gatekeeping Report – SEDC Staff
  - f. Fiscal Year 2025-2026 Budget Review Spreadsheet
8. Discussion and possible action to approve the Sealy EDC investment policy.
9. Discussion and possible action to approve the Liedertafel Project and the EDC Budget amendment for the project not to exceed \$155,000.00 pursuant to Texas Local Government Code 505.152.
10. Presentation and update on the Cryan Park Improvement Project by Strand Associates, Inc.

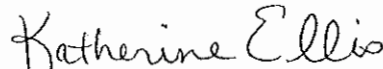
**Sealy Economic Development Corporation  
Meeting Agenda  
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11. Discussion and possible action to approve Task Order No. 26-01 with Strand Associates, Inc. to conduct a Downtown Parking Assessment for the Downtown area pursuant to Texas Local Government Code 505.158.
12. Discussion and possible action to approve Task Order No. 26-02 with Strand Associates, Inc. for the City of Sealy Public Works Facility Relocation Phase I assessment pursuant to Texas Local Government Code 505.152.
13. Sealy EDC Executive Director's Report, entailing discussion of the following item(s):
  - a. Downtown Planning and Improvements Update
  - b. Strategic Plan and Budget Forthcoming
  - c. Update regarding funding for park playground and recreation equipment
14. Request(s) for future agenda items and comment(s).
15. Adjournment

**CERTIFICATION**

I hereby certify that a copy of the March 24, 2026, agenda of items to be considered by the Sealy Economic Development Corporation Board of Directors was posted at City Hall, 415 Main Street, City of Sealy, Texas, and on the Sealy EDC website at least 3 business days before the scheduled date of the meeting.



\_\_\_\_\_  
Katherine Ellis, Secretary  
Sealy Economic Development Corporation

Date posted: 3.20.26

**NOTICE OF ASSISTANCE AT PUBLIC MEETING:** In compliance with the Americans with Disabilities Act, the Sealy Economic Development Corporation will provide for reasonable accommodations for persons with disabilities who plan to attend the meeting and who might need auxiliary aids or services. Please contact the Secretary at 979-627-6127 or [kellis@ci.sealy.tx.us](mailto:kellis@ci.sealy.tx.us).

**Minutes**

**January 27, 2026**

**Item #5**



MINUTES  
REGULAR MEETING  
SEALY ECONOMIC DEVELOPMENT CORPORATION  
SEALY EDC BOARD ROOM  
330 MAIN STREET SUITE 5  
SEALY, TX 77474  
TUESDAY, JANUARY 27, 2026  
6:00 P.M.

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1. **Call to Order**

President Schiller called the meeting to order at 6:03 p.m.

2. **Invocation and Pledge of Allegiance**

Carolyn Bliski gave the invocation and led the Pledge of Allegiance.

3. **Roll Call and Certification of a Quorum**

Present:

Sterling Schiller  
Jennifer Sullivan  
Carolyn Bliski  
Brenda Krchnak  
Michael Nowotny  
James Brooks  
Cody Hogue

Absent:

None

A quorum was declared present.

Staff Attending:

Bill Atkinson, Sealy EDC Executive Director  
Katherine Ellis, SEDC Deputy Executive Director / EDC Secretary  
Kimbra Hill, Sealy City Manager  
Mike Barrow, Sealy Assistant City Manager, Director of Planning  
Sandra Vrabec, Sealy City Secretary

4. **Petitions, Requests, or Comments from the Public**

*(Comments made under this agenda item are limited to five minutes per person; however, if a large quantity of individuals has registered to speak, the time may be reduced. In accordance with the Texas Open Meetings Act, the Board of Directors will not discuss or consider any item addressed during this agenda item. However, the President or Executive Director may make statements of fact, for example, identifying the procedure for reporting an issue or referring the speaker to the cognizant agency or individual.)*

There were none.

5. **Discussion and possible action to approve the minutes for the following date(s):**

**Sealy Economic Development Corporation  
Meeting Minutes  
January 27, 2026**

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- **Monday, December 15, 2025**

Carolyn Bilski made a motion to approve the minutes for the following date(s): Monday, December 15th, 2025. Cody Hogue seconded the motion. President Schiller called for the vote.

AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

6. **PUBLIC HEARING: The SEDC will receive comments for the proposed expenditure of funds for a Sign Project, at approximately 419 Meyer Street, Sealy, Texas 77474. Funding will provide for 1. A sign for a retail shop and 2. A sign for a health spa, and other expenses related to the same, to promote new or expanded business development. The project is authorized by the Texas Local Government Code, Section 505.158, for projects related to business development to promote new or expanded business. The SEDC proposed expenditure of grant funds is not to exceed \$3,000.00.**

President Schiller opened the public hearing at 6:03 p.m. to receive comments regarding the proposed expenditure of funds for a sign improvement project located at approximately 419 Meyer Street.

Katherine Ellis discussed the request of the property owner of Outrigger Outdoors and their tenant, Fit & Healthy Health Spa. The project consists of the installation of two (2) new exterior signs to formalize walk-in retail operations. The total projected EDC participation is not to exceed \$3,000.

The public hearing was closed at 6:04 p.m.

7. **Discussion regarding the monthly Treasurer's Reports, the monthly Payables Report and Gatekeeping Report, and the monthly Fiscal Year 2025-2026 Budget Review Spreadsheet:**
  - a. **Payment Register Report**
  - b. **Budget to Actual Report**
  - c. **Sales Tax Report**
  - d. **Balance Sheet with Cash & Investments**
  - e. **Payables Report & Gatekeeping Report – SEDC Staff**
  - f. **Fiscal Year 2025-2026 Budget Review Spreadsheet**

Bill Atkinson presented the Treasurer's Reports for the periods ending October 31, 2025, and November 30, 2025. Katherine Ellis reviewed updates to committed EDC expenditures, business incentives, agreements, and historic district improvement grants. The discussion included clarification regarding capital expenditures for Jacqueline A. Cryan Park obligations. President Schiller reviewed the Fiscal Year Spreadsheets.

8. **Discussion and possible action to approve a sign project located at approximately 419 Meyer Street, which includes a performance agreement and Sealy EDC funding for a**

**Historic District and Business Improvement Grant in an amount not to exceed \$3,000.00.**

Katherine Ellis presented renderings of the new signage and performance agreement terms. A brief summary of the performance agreement terms includes:

- EDC funding not to exceed \$3,000.
- Minimum private investment of \$3,000 per sign, for a total of two (2) signs.
- Retention of three (3) jobs.
- Retention of building ownership for two (2) years.
- Compliance with City permitting and code requirements.

Cody Hogue made a motion to approve the sign project located at approximately 419 Meyer Street, which includes a performance agreement and Sealy EDC funding for a Historic District and Business Improvement Grant in an amount not to exceed \$3,000.00. James Brooks seconded the motion. President Schiller called for the vote.

AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

**9. Discussion and possible action to approve an agreement between the Sealy EDC and the Sealy Area Historical Society for a donation of holiday and event lighting.**

Bill Atkinson reviewed the EDC's plan to extend holiday lighting in the Historic District. He presented a donation agreement transferring ownership of the holiday lighting installed at the historic park to the Sealy Area Historical Society. Carolyn Bilski made a motion to approve an agreement between the Sealy EDC and the Sealy Area Historical Society for a donation of holiday and event lighting. Jennifer Sullivan seconded the motion. President Schiller called for the vote.

AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

**10. Discussion and possible action regarding a request from the City of Sealy for the Sealy EDC to expend funds for recreational equipment at the Abe & Irene Levine Park.**

Mike Barrow presented a conceptual plan to replace aging playground equipment, including new systems for ages 2–5 and 5–12, synthetic turf surfacing, ADA upgrades, fencing improvements, and swing relocation. The City has budgeted \$200,000 and is pursuing additional funding. EDC staff identified potential funding sources, including Cryan Park project savings and capital allocations.

A motion was made by Brenda Krchnak directing staff to move forward with research funding participation options and return with recommendations James Brooks seconded the motion. President Schiller called for the vote.

**Sealy Economic Development Corporation  
Meeting Minutes  
January 27, 2026**

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AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

**11. Discussion and possible action to amend the Sealy EDC Bylaws.**

Bill Atkinson provided proposed bylaw amendments, including statutory updates, clarification of promotional expenditure limits, execution authority revisions, and alignment with City financial policies. A motion was made by Brenda Krchnak and seconded by Jennifer Sullivan to approve the bylaw amendments as presented. President Schiller called for the vote.

AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

**12. Sealy EDC Executive Director's Report, entailing discussion of the following item(s):**

- a. **Fiscal Year 2024-2025 Year-End Review**
- b. **Update on Liedertafel Hall and W.E. Hill Community Center Building Improvements**
- c. **Update on the Cryan Park pond & lighting improvements**
- d. **Sealy Relief Route Feasibility Study through the Texas Department of Transportation**

The Executive Director provided an updated summary of the above items

- a. **Fiscal Year 2024-2025 Year-End Review**
  - Downtown and W.E. Hill Center parking expansions
  - Cryan Park pond and lighting improvements construction beginning February 2, 2026
  - Review of Splash Pad visitation analysis reveals 4,000+ visits in four months
  - Sika \$100 million expansion
  - Downtown façade projects
  - CVB transition to EDC administration
  - Website redevelopment
  - BlueDot CRM implementation
  - Flock camera expansion
  - Bozeman House restoration progress
- b. **Update on Liedertafel Hall and W.E. Hill Community Center Building**
  - W.E. Hill Center plans to modernize and improve the usability of the facility
  - Liedertafel Hall's historic designation being reviewed
- c. **Update on the Cryan Park pond & lighting improvements**
  - Discussed during Year-End Review
- d. **Sealy Relief Route Feasibility Study**
  - Map was provided and forms available for public input

**13. Request(s) for future agenda items and comment(s).**

Carolyn Bilski requested that the EDC receive an interpretation of promotional expenditures.

**Sealy Economic Development Corporation  
Meeting Minutes  
January 27, 2026**

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**14. Adjournment.**

At 7:50 p.m., Carolyn Bilski made a motion that the Sealy EDC Board of Directors stand adjourned until the next scheduled meeting. James Brooks seconded the motion. President Schiller called for the vote.

AYES: Hogue, Bilski, Brooks, Nowotny, Krchnak, Schiller, Sullivan  
NOES: None

The motion carried.

**PASSED AND APPROVED** this 24th day of March 2026.

\_\_\_\_\_  
Sterling Schiller, President, or Jennifer Sullivan, Vice President

ATTEST:

\_\_\_\_\_  
Katherine Ellis, SEDC Secretary

# Public Hearing

## Item #6



**SEALY EDC BOARD AGENDA ITEM NO: 6 Public Hearing** The SEDC will receive comments for an Event Hall Project regarding a Historic District and Business Improvement Grant for the Sealy Columbus Club, the building owner of 1310 Highway 90 West. The proposed expenditure of funds will be used for façade improvements, pressure washing, gutters, lighting, landscaping, signage, ADA parking improvements, and other related expenses. The project is authorized by the Texas Local Government Code, Section 505.158, to promote new or expanded business. The SEDC proposed grant and expenditure of funds is not to exceed \$12,500.00.

MEETING DATE: March 24, 2026

## STAFF REPORT

### DESCRIPTION

The Sealy Columbus Club owns the KC Hall facility, which is used for events such as weddings, meetings, and community gatherings. The organization has expressed interest in pursuing assistance through the Sealy Economic Development Corporation's Historic District & Business Improvement Grant Program to improve the exterior appearance of the building, enhance accessibility, and upgrade signage.

### ANALYSIS

The Sealy Columbus Club operates as a nonprofit, functioning as a rental venue that may generate revenue through event bookings and related services. The grant program does not exclude nonprofit applicants but prioritizes projects that support business activity and generate local economic impact and sales tax. Staff confirms the property meets the geographic eligibility requirements of the program, which require projects to be located within the Sealy Historic District or along a designated Main Thoroughfare corridor.

Eligible improvements under the program may include façade improvements up to \$10,000, sign improvements up to \$1,500, and ADA improvements up to \$1,000 when included as part of a façade project. The proposed improvements would enhance the visual appearance of the facility and the surrounding corridor, support reinvestment in an existing community asset, and improve accessibility for events.

Because the venue hosts weddings, meetings, and other gatherings, the improvements may also support increased visitor activity and local spending associated with events, including activity at nearby restaurants, retail businesses, and lodging facilities. While employment impacts are limited based on staffing structure, the venue contributes to community activity and event-related economic circulation within the city.

### FINANCIAL IMPACT

Funds for this project are available within the Historic District & Business Improvement Grant Program budget. Staff recommends a grant not to exceed \$10,000, consisting of \$7,500 for façade improvements, \$1,500 for signage improvements, and \$1,000 for ADA improvements on a matching reimbursement basis. This funding will be coming from the line item: Historic District Projects, which presently has \$178,597.84 available according to January 2026 Treasurer's Reports.

The applicant submitted estimates for façade, signage, and ADA accessibility improvements. Under the HDBIG policy, grants are provided on a matching reimbursement basis and are limited to \$10,000 for façade improvements, \$1,500 for sign improvements, and \$1,000 for ADA improvements.

Improvement Type	Maximum Per Policy	Bid Amounts Submitted by Sealy Columbus Club	Estimated SEDC 50% Reimbursement/Max
Façade Improvements	\$10,000	\$9,810.76	\$4,905.38
Sign Improvements	\$1,500	\$2,847.10	\$1,423.55
ADA Improvements	\$1,000	\$7,728.85	\$1,000.00
<b>Total</b>	<b>\$12,500</b>	<b>\$20,386.71</b>	<b>\$7,328.93</b>

The recommended award reflects the program's maximum funding limits for each eligible improvement category and remains within the approved Historic District & Business Improvement Grant Program budget.

## RECOMMENDATION

Staff recommends review of the project for the later April meeting consideration and approval of the Event Hall Project and a performance agreement in an amount not to exceed \$12,500.

## APPLICATION

### 1. CHOOSE One Project Status:

New Business

Expanding Business

Vacant Building

### 2. Indicate Jobs Created or Retained:

If existing, current number of full-time employees: \_\_\_\_\_ *NON PROFIT VOLUNTEERS*

If existing, number of full-time on-site jobs to be created: \_\_\_\_\_

If new, number of full-time jobs to be created: \_\_\_\_\_

### 3. Complete ALL applicant information:

Company Name: SEALY GALAMAND CLAC

Registered Name/DBA, if different from Company Name:

SAME

If the Company Name and Registered Name/DBA are different, which of the names will be identified on the W-9 for check payable funding purposes?

SAME

Physical Address: 1310 HWY 90 WEST SEALY, TX 77474

Mailing Address:  Same as physical address

Different, as listed:

P.O. BOX 1 SEALY, TX 77474

Primary contact name: RANDY CERNOSEK - PRESIDENT SCC

Primary contact Email address: randy@sealy.com

Primary contact Telephone Numbers: Please check the  next to the preferred contact number:

Office: \_\_\_\_\_

Cell: - -

### 4. Indicate the Building Owner:

Applicant

Other: COMPLETE THE BUILDING OWNER INFORMATION

Name(s): RANDY CERNOSEK - PRES / JOE BRASKI - VICE PRES SCC

Address: 1310 HWY 90 WEST SEALY, TX 77474

Mailing

Address: P.O. BOX 1 SEALY, TX 77474

Phone numbers: - - - - -

Email(s): com

a. If property owner is not the applicant, ensure that property owner reviews the complete Application and attach Application page 22, Written Consent of Building Owner to Allow Improvement Project.

b. If requested by EDC, attach proof of ownership of the property

**5. Choose company status:**

- FOR PROFIT, Sales Tax Generating Business
- HYBRID, Primarily Non-Sales Tax Generating Business that may sell products that generate Sales Tax (ex. Hair Salon that sells beauty products, Car Wash that sells car products)
- NON-PROFIT (attach 501(c))

**6. Please respond with a "Yes" or "No" to the following eligibility criteria:**

Eligibility Criteria:	YES	NO
Is the business located in the defined Historic/Main Street District, or on a main thoroughfare within Sealy's city limits, to include Highway 36/Meyer, US Highway 90, or Interstate 10?	X	
Is the business currently open and operating on a main thoroughfare within Sealy's city limits, to include Highway 36/Meyer, US Highway 90, or Interstate 10, or will be within six (6) months of completion of the relevant improvement project?	X	
Is the business currently open and operating in the Historic Downtown District, or will be within six (6) months of completion of the relevant improvement project?		X
Is the improvement project for an expanding business in the Historic Downtown District?		X
Is the improvement project for an expanding business on a Main Thoroughfare in Sealy's city limits, to include Highway 36/Meyer, US Highway 90, or Interstate 10?	X	
Is the improvement project NEW, not a work in progress?	X	
Is the business an occupation, profession, or trade in the purchase or sale of goods or services in an attempt to make a profit?		X
Do you certify that the business, the business owner, or the building owner DO NOT have outstanding financial obligations to the City of Sealy, or ongoing lawsuits with the City of Sealy, or are in any way parties to litigation against the City of Sealy?	X	
Do you certify that the business and/or property owner are in good financial standing upon verification with the Texas Secretary of State or other means established by the SEDC Executive Director?*	X	
Is the business/applicant current in inventory Tax payments?	X	

\* To be verified by SEDC

Business Tax ID Number: \_\_\_\_\_

Filing Number: 159 72401

Federal Employer ID: 74.6068055

Sales Tax Certificate Number: \_\_\_\_\_

Sales Tax Certificate address matches physical address of business in the city limits?

YES  NO

7. Indicate TYPE OF REIMBURSEMENT GRANT requested:

Historic District Façade Improvement (matching grant maximum \$10,000.00)

Main Thoroughfare Business Façade Improvement (matching grant maximum \$10,000.00)

Sign Improvement for businesses located in the Historic District and Main Thoroughfares in Sealy's city limits (matching grant maximum \$1,500.00)

ADA Compliance Improvement (matching grant maximum \$1,000.00)

Describe the details of the project that the EDC should consider as visually appealing improvements that might encourage expanding business activity and generate sales tax income for the City of Sealy & SEDC:

Improvements will increase rentals leading to food & beverage retail & hotel occupancy

Check box if additional page(s) are attached for the project description

Attach pictures, drawings, paint colors, and any supporting documents

Attach current/"before" pictures

B. Contact the City of Sealy Building Permit department at (979) 885-1669 to inquire if a permit is necessary for this project.

Indicate date of call: 3-6-2026 Mike Barrow, and name of the City staff that gave you the

information: Building Permit Required Under certain conditions Sign permit

YES, Permit is required and will cost \$ 403.12 Revised 3.17.26 (\$35) and Building type

HAVE YOU ALREADY SECURED THE PERMIT?

YES, it is attached

NO, but will send to EDC upon receipt

NO, Permit is not required

9. Total estimated cost of the described project, including permit:

\$ 12,1693.02

10. Attach a minimum of two bids for the above described Façade Improvement project:

Bid #1 from: Several Attached Amount: \$ \_\_\_\_\_

Bid #2 from: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

**11. Specify all source(s) of funding that have been secured, indicate**

**amount/percentage each source will contribute:** *SEDC may not contribute more than 50%, or on a project not to exceed maximum values as indicated in the Historic District and Business Improvement Grant Policy & Guidelines.*

- Business owner \$ \_\_\_\_\_ / \_\_\_\_\_ % of project total
- Building owner \$ \_\_\_\_\_ / \_\_\_\_\_ % of project total
- Other: \_\_\_\_\_ \$ \_\_\_\_\_ / \_\_\_\_\_ % of project total
- SEDC \$ \_\_\_\_\_ / \_\_\_\_\_ % of project total

**12. Has your company received grant funds from EDC in the past?** *(to be eligible, a project at the address of the site identified on the application may not have been funded for an improvement grant by SEDC within five (5) years).*

NO

YES, Date: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Describe the project that was funded: \_\_\_\_\_

**13. Self - Evaluate the impact of your proposed project on the City of Sealy:**

13. Self-Evaluate the Impact of your proposed project on the City of Sealy:	Point Recommendations	Awarded Points
<b>Impact Standard &amp; Criteria</b>		
<p><b>Economic, Employment &amp; Community Impact</b></p> <ul style="list-style-type: none"> <li>• Visually appealing and significant improvement in the attractiveness of the location and the level of blight or deterioration removed; eliminates property maintenance code violations or eliminates nuisances resulting in expanded business and customer base. Unique and new design elements of the facade and/or sign project that gives a fresh and updated look to attract attention to the business and area or Mitigates health &amp; safety issues</li> <li>• Improvement project generates economic growth &amp; opportunity, new or expanded business opportunity to generate more sales tax or the promotion thereof</li> <li>• Paint color/scheme chosen are tasteful and as applicable are consistent with the Sealy Historic District or the main thoroughfare project improves visitor's first impression of the community. <u>Paint color/sign.</u></li> </ul>	<p>10</p> <p>10</p> <p>10</p>	<p>10</p> <p>10</p> <p>10</p>

materials/landscaping, materials, drawings, pictures, examples are submitted with application	10	
• Level of improvement's impact on overall appearance of facility; how noticeable and attention getting	10	10
• Productive life of improvements - durability and quality of the products used for the improvement to resist exposure to the elements of nature <i>Gutters</i>	10	10
• Design is tasteful and enhances the style and overall character of the project area and location	10	10
• Creates or retains full time on-site employment opportunities	10	
• Creates new lease opportunity; Reuse/repurposing of vacant or underutilized property	10	10
• Amount of additional funding expended by the business, reinvestment in the property tax base	10	
• Meets Comprehensive Plan goals; Meets identified Priorities; Meets Main Street Strategic Plan goals	10	
• Level of historical significance of building/area being improved, as applicable; Level of attention to historical architecture (if applicable)	10	
• Improvements will promote tourism and hotel occupancy;	10	10
• Increase in foot traffic and use of the building, business or facility by the community;	10	10
• Funding of the ADA compliance project results in providing publicly accessible restrooms to an area of the community that needs them	10	
• Promotes the establishment or expansion of an EDC-identified target business; Level of interest/desire for business in the community; Level of value added to the community by the business;		
• OTHER: <i>Increase hotel occupancy</i> <i>Example: Wedding rental 5-30-2026</i> <i>has reserved block of rooms Holiday Inn</i>		10

By signing, I agree that all information provided is true and correct and agree to all terms and conditions.

Handwritten Signature  
Signature of Applicant (s)

03/09/2026  
Date

\_\_\_\_\_  
Signature of Building Owner(s)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Initials of Building Owner(s)

**WRITTEN CONSENT OF BUILDING OWNER TO ALLOW IMPROVEMENT PROJECT**

Date: \_\_\_\_\_

Building address: \_\_\_\_\_

Building owner name: \_\_\_\_\_

Building owner address: \_\_\_\_\_

RE: Business Name: \_\_\_\_\_

In compliance with the Sealy Economic Development Corporation's Historic District and Business Improvement Grant Policy & Guidelines, Section 4 (A), I, (Building owner name) \_\_\_\_\_

consent to allow improvement project of the site to the building address identified above, for the business identified above. I approve the work to be completed as identified in the application, pages 14-21, and with all attachments to the application, which show the before and after pictures of the proposed project.

Sincerely,

Handwritten Signature  
\_\_\_\_\_  
Signature of building owner

Please either email this completed form to [kelly@sealytx.com](mailto:kelly@sealytx.com), or mail or deliver to: Sealy Economic Development Corporation, 330 Main Street, Suite 3, Sealy, TX 77474

## Quotes for the Sealy Columbus Club

### Façade:

#### Landscape

Red River: \$1,938.76

El Guero: \$1,650.00

Mill Creek: Gutters & Power wash: \$5,544 (has not found another vendor to come out 03.16.26)

FSC: Power washing sidewalks and entrance: \$2,328.00

### ADA Parking:

FSC Pavement: \$5,128.85

Texas Parking Lot \$2,200.00

#### **Curb removal**

Martinez: \$2,600

TX Bad Co. \$2,000

### Sign

Wittenburg: \$1768.89 + 500.00 Installation = \$2,269.89

Alamo Sign: \$2,847.10



210 Meyer Street • Sealy, Texas 77474  
 (979) 885-7464 • Fax (979) 885-4914

52370

# Quote

Quote # Q026469 Date 3/11/2026

RANDY CERNOSEK SEALY COLUMBUS HALL  TX	Phone:
	Phone 2:
	Email:

Job Name: SEALY COLUMBUS HALL ROAD SIGNS Job Type: Signs

ID	Materials Description	UOM	Qty	Unit Price	Extd. Price
002023	ACRYLIC SIGNAGE, 4' X 8'	Ea.	2	\$800.00	\$1600.00
002219	DESIGN FEE	Ea.	1	\$35.00	\$35.00

Item ID	Qty	Item Description	% Disc.	Unit Price	Extd. Price
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QUOTES ARE ONLY VALID FOR 30 DAYS...

Comments: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>	Quoted By <u>KH</u>	Quote SubTotal: <b>\$1635.00</b>
	Tax Exempt: <input type="checkbox"/>	Sales Tax: <b>\$134.89</b>
	<b>QUOTE TOTAL: \$1769.89</b>	

**ALAMO LED SIGN SOLUTIONS, LLC.**

1731 S. San Marcos Bldg. 818  
 San Antonio, TX 78207  
 2102396777  
 james@alamosignsolutions.com  
 www.alamosignsolutions.com

**Estimate 2488**

*Sign & install @*



**ADDRESS**

Knights of Columbus-Sealy  
 1310 HWY 90 W  
 Sealy, Texas. 77474

**DATE**  
03/11/2025

**TOTAL**  
\$34,887.10

**JOB NAME**

Knights of Columbus

**PROJECT MANAGER**

Randy Gerosok

**PMT METHOD**

Visa

DATE	ACTIVITY	QTY	RATE	AMOUNT
	<del>Travel fee Travel</del>	<del>5</del>	<del>138.00</del>	<del>690.00</del>
	<del>Manufacturing Module Upgrade (using existing cabinet)</del>	<del>1</del>	<del>27,234.00</del>	<del>27,234.00</del>
	<del>Installation Labor to install</del>	<del>1</del>	<del>4,116.00</del>	<del>4,116.00</del>
	<b>Manufacturing</b> Manufacture/ Retrofit- Knights of Columbus face	1	1,822.10	1,822.10
	<b>Installation</b> Labor to Install/Retrofit	1	1,025.00	1,025.00

3% Processing fee for Credit Card payment (s)  
 2% / ACH payment (s)

**SUBTOTAL** 34,887.10  
**TAX** 0.00

Thank you for your business!  
 Regulated by the Texas Department of Licensing and Regulation  
 P.O. Box 12157 Austin, Texas 78711  
 Master Sign Electrician License #19473  
 Electrical Sign Contractor License #18700.  
 TDLR contact information at:  
 (512) 463-6599 or toll-free (in Texas) (800) 803-9202

**TOTAL** **\$34,887.10**

**THANK YOU**

Signature: \_\_\_\_\_

Sign install  
②

Katherine Ellis

---

**From:** Joe Bilski <...> et>  
**Sent:** Wednesday, March 18, 2026 9:30 AM  
**To:** Katherine Ellis  
**Subject:** Re: Sealy Columbus Club

I also received a verbal landscape bid from Tony (Antonio) for \$1600. I asked him to send me something in writing and I'll forward it as soon as I get it. I also talked to Keith Oliver (KO electric) and he agreed he would do the sign installation for the \$500 we discussed so I think that's all the bids. Let me know if there's anything else I need to provide.  
Thanks again for all your help and support.

Sent from my iPhone

Landscaper ①



**Prepared For**

Joe Bilski  
Kc Hall  
Sealy, Tx 77474  
(281) 960-9456

**Red River Landscape & Design**

521 N Fowlkes St  
Sealy, TX 77474  
Phone: (979) 900-0663  
Email: keepemloaded@yahoo.com

Estimate # 1361

Date 02/26/2026

**Description** **Total**

---

Sprinkler Repair \$585.10

Work order :

Remove and replace broken sprayer and drip line.

- 2 spray heads
- 3 drip line
- 1 drip manifold



Bed Renovation \$1,205.90

Work order:

- 1. Removal of existing weeds and excess debris
- 2. Installation of professional landscaping fabric.
- 3 Installation of 1yard enriched topsoil

Design layout :-

22



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<b>Subtotal</b>	<b>\$1,791.00</b>
Texas	\$147.76
<b>Total</b>	<b>\$1,938.76</b>
<b>Deposit Due</b>	<b>\$969.38</b>

# El Guero Landscaping Llc

Antonio Juarez 979 645 0370  
1023 brandywilde circle Sealy Tx, 77474  
Estimate for KC Hall 1310 US-90, Sealy, TX 77474  
3/19/2026

DESCRIPTION	AMOUNT
Hardscape flowerbed with plants , materials and labor	\$750.00
Sprinkler system installed materials and labor	\$900.00
<b>TOTAL</b>	<b>\$1,650.00</b>



*Striping ✓*

**FSC PAVEMENT MARKING**

8274 hillboldt rd  
 cat spring, tx 78933  
 CELL (979)559-2904

**Estimate**

Date	Estimate #
2/18/2026	5263

Name / Address
SEALY COLUMBUS CLUB SEALY, TX 281-787-4532 cernosekr57@hotmail.com

			Project
Description	Qty	Cost	Total
WE WILL PAINT AS ALL PARKING SPACES, 3 HC SPACES AND HASHOUTS, 12 ARROWS, RED and YELLOW CURB IN FRONT, 4 NEW SIGNS ATTACHED TO BUILDING.	1	1,800.00	1,800.00T
ALT 1 WASH WHERE PAINT GOES ONLY	1	1,000.00	1,000.00T
ALT 2 PRESSURE WASH ALL OF PARKING LOT AND SIDEWALKS, FRONT DOOR AREA	42,335	0.11	4,656.85T
Out-of-state sale, exempt from sales tax		0.00%	0.00
			<b>\$5,128.85</b>
THANK YOU FOR THE OPPORTUNITY TO EARN YOUR BUSINESS.		<b>Total</b>	\$7,456.85

*2,328  
to  
feed  
for  
Pressure  
wash*

Customer Signature \_\_\_\_\_

*26*



# ESTIMATE

# EST-001582

Estimate Date: Mar 10, 2026

Expiry Date: Apr 07, 2026

**FROM:**

**Texas Parking Lot Striping, LLC**  
EIN # 92-3027322  
1852 Bending Stream Drive  
League City, TX, 77573  
Email: info@texasparkinglotstripingllc.com  
Phone: (713) 480-5335

**TO:**

**Randy Cernosek**  
Phone: (281) 787-4532

**JOB LOCATION:**

1310 U.S. 90  
Sealy, TX, 77474

**JOB:**

#	Services	Qty	Price	Discount	Tax (%)	Total
1	Restripe Restripe all parking areas handicaps fire lanes	1.00	\$2,200.00	\$0.00	No Tax	\$2,200.00
					Subtotal	\$2,200.00
					<b>Grand Total (\$)</b>	<b>\$2,200.00</b>

**Accepted payment methods**

Credit Card, Check, Cash, Venmo, Zelle

**Message**

I would be happy to have an opportunity to work with you.

**Terms**

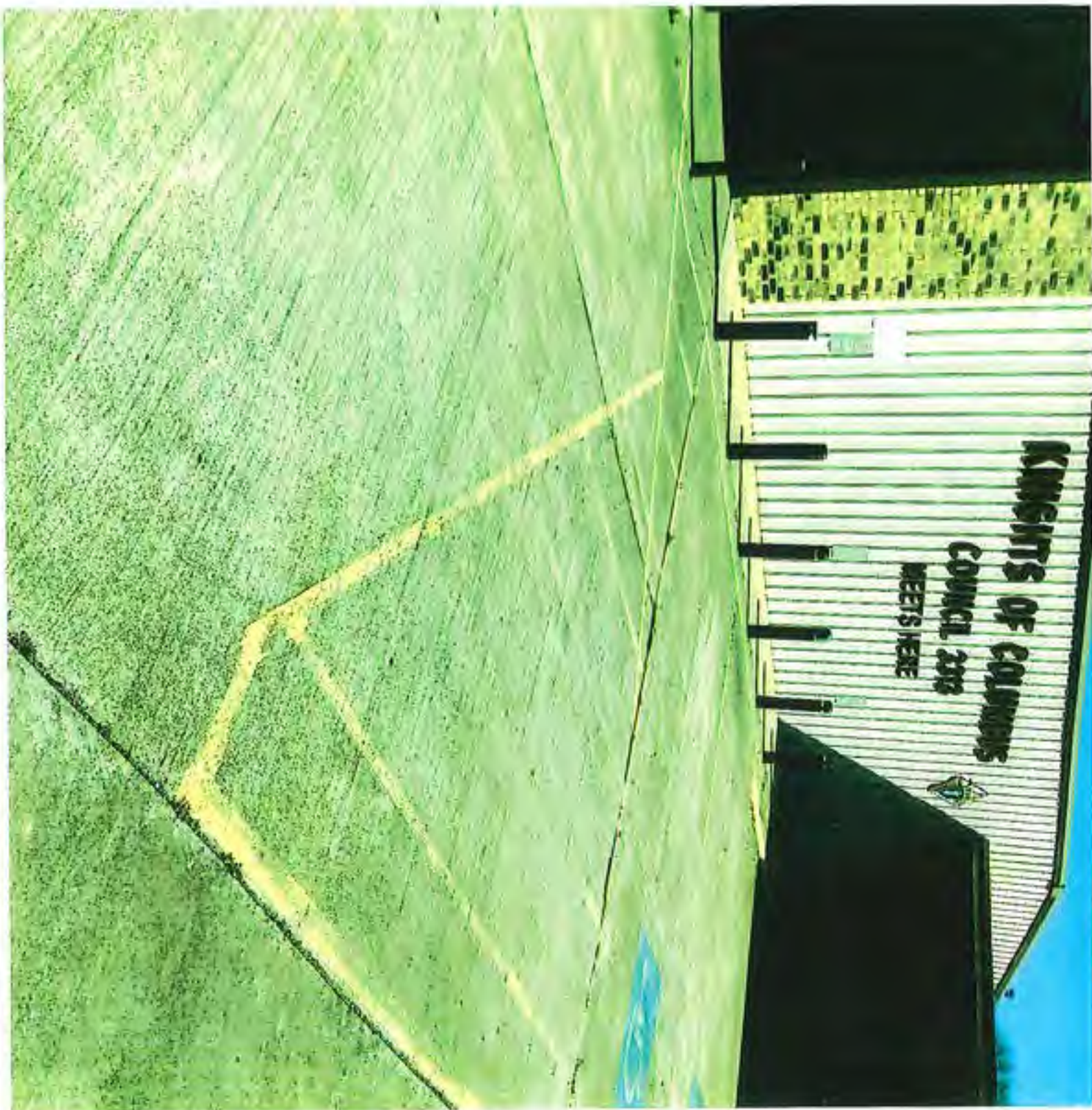
Thank you for considering Texas Parking Lot Striping, LLC for your project. Please review the following payment terms carefully:

**1. Payment Terms:**

For jobs valued at \$7,500 or greater, payment terms are NET 30. Payment must be received within 30 calendar days from the date of project completion.

For jobs valued at less than \$7,500, payment is due within 3 calendar days from the date of project completion.

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**KNIGHTS OF COLUMBUS  
COUNCIL 2312  
MEETS HERE**





# ESTIMATE

Grand Total (USD)  
**\$2,600.00**

**BILL TO**  
**Sealy Columbus Club**  
Randy Cemosek  
  
Cemosekr57@hotmail.com

*CRB ①*  
*No other quote yet*  
*posting 2/16/26*

**Estimate Number:** 588  
**Estimate Date:** February 24, 2026  
**Valid Until:** March 26, 2026  
**Grand Total (USD):** \$2,600.00

ITEM	QUANTITY	UNIT	AMOUNT
<b>Demo and replace concrete pad</b> 22'x24" wide section 18'x24" wide section  -Saw cut, Demo/jack hammer and remove old concrete -Haul away concrete -6" wide x 6" deep beam on the edge to leave a solid flush finish -3/8" rebar @ 24" spacing each way, dialed into to existing concrete -4" thick concrete, 3,000 psi -Broom finish  All materials, concrete and labor included	1		\$2,600.00
		<b>Grand Total (USD):</b>	<b>\$2,600.00</b>

### Notes / Terms:

The Client acknowledges and agrees that Martinez Construction and Son will provide the services mentioned in the quote above for the total.

Please make checks payable to  
Martinez Construction and Son Inc.  
40% due on the first day on the jobsite.

**Martinez Construction and Son**  
1603 tower road  
Wallis, Texas 77485  
United States

# Texas Bad Company

Curb ②

## Proposal

Prepared For: Randy Cernosek

Date: 3/17/2026

Sealy Columbus Club

Item	Quantity	Unit Price	Price
Redesign of curb -40'x2.5'	100 SF	\$20.00	\$2000.00

Any additional work to be addressed via change order.

Total Amount:

\$2000.00

To accept, please sign below:

X \_\_\_\_\_

Date: \_\_\_\_\_



Work found another vendor that could do  
3/16/24

### ESTIMATE

Mill Creek Gutters a division of  
MCG Laundry Services  
9334 Skidmore Wood Ln  
Saly, TX 77474-0581

millcreekgutters@gmail.com  
tel (281) 312-1225

Bill to  
Saly Columbus Club

#### Estimate details

Estimate no.: 478

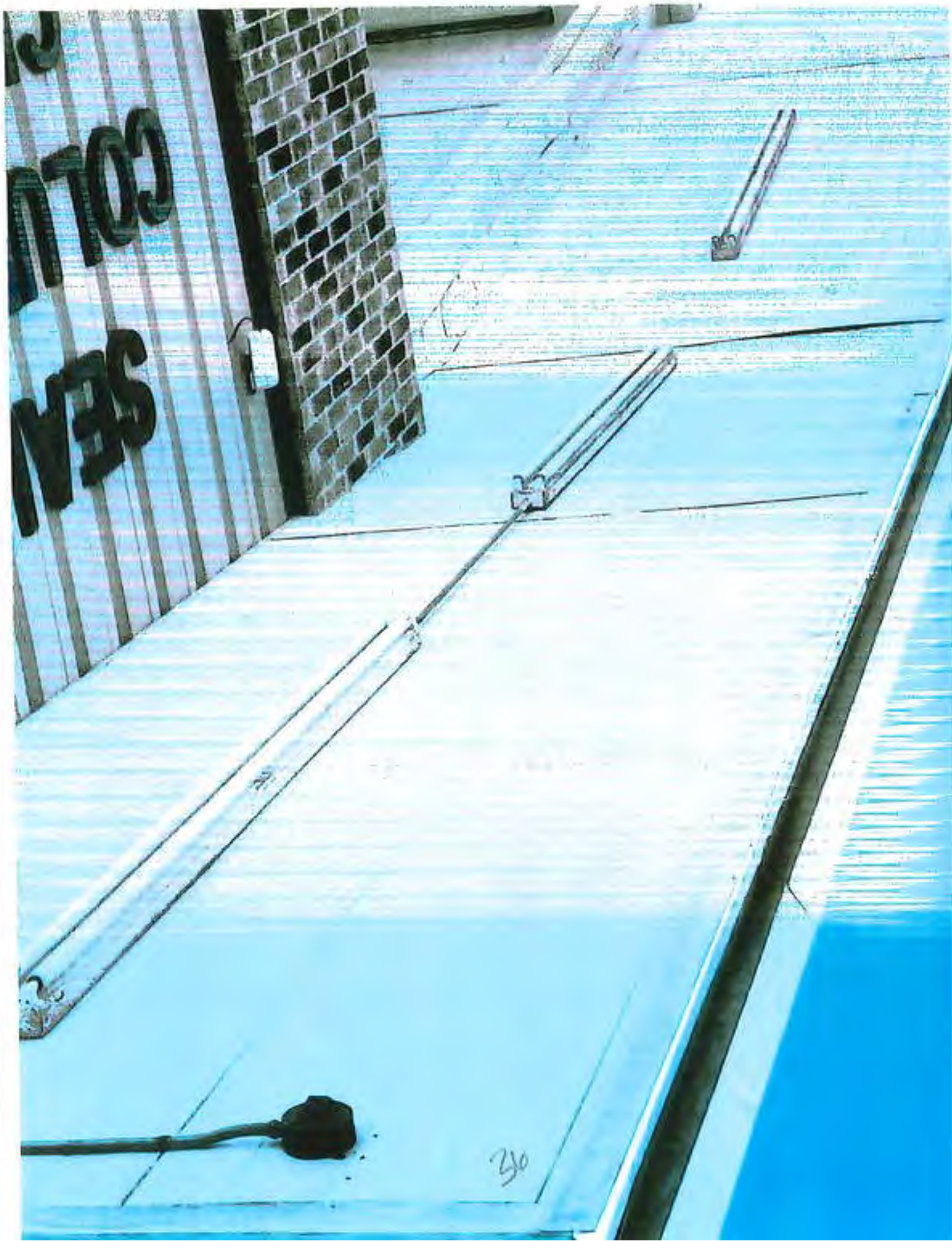
Estimate date: 03/02/2025

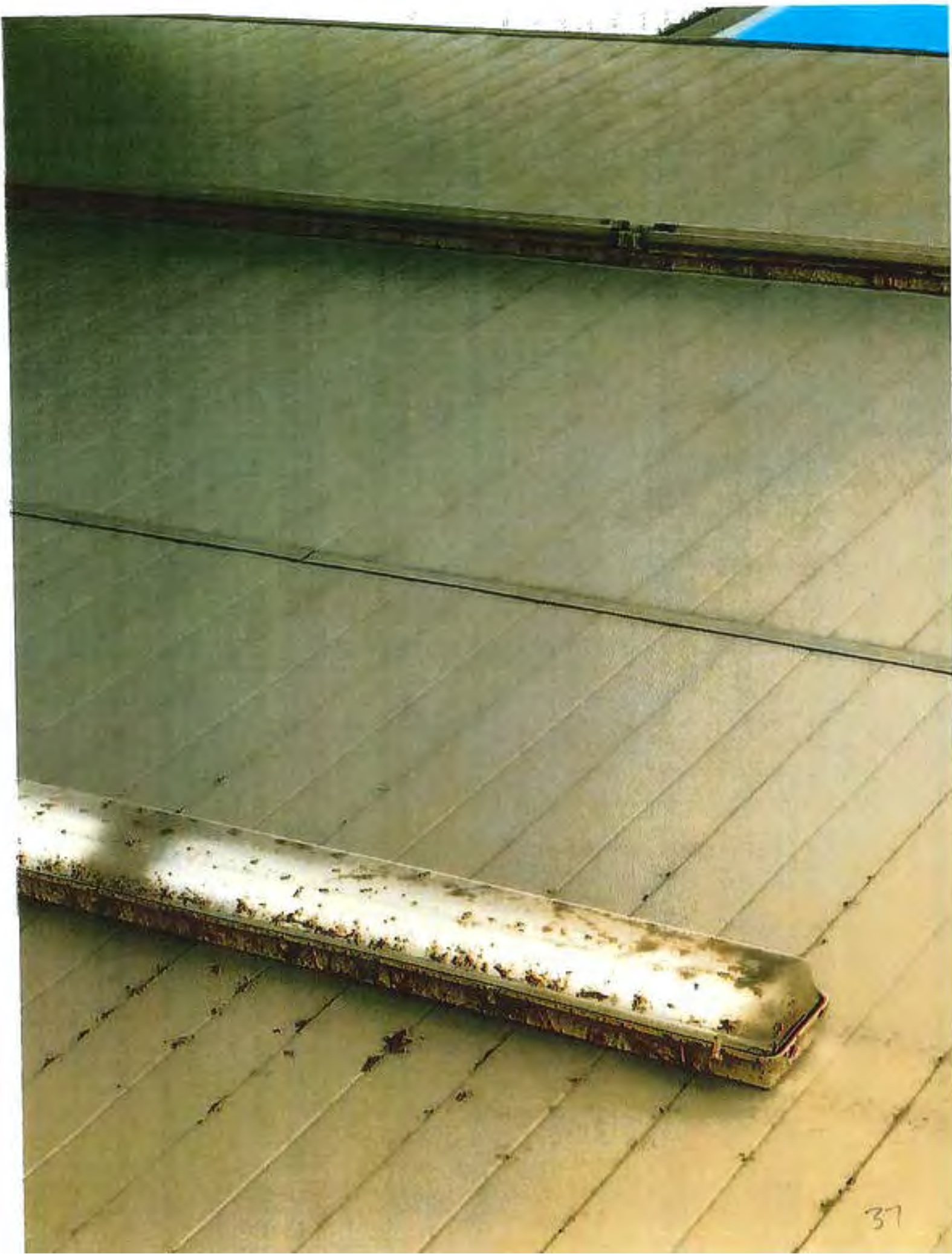
#	Date	Product or service	Description	Qty	Rate	Amount
1.		Gutter	Remove and replace gutter Custom bend profile	1	\$3,958.00	\$3,958.00
2.		Paint	Pressure wash Prep Paint  All material and labor included	1	\$476.00	\$476.00
3.		Electrical	LED fixtures included	6	\$185.00	\$1,110.00
					<b>Total</b>	<b>\$5,544.00</b>

Accepted date

Accepted by









**PUBLIC NOTICES**

**PUBLIC NOTICES**

**PUBLIC NOTICES**

**NOTICE OF PUBLIC HEARING**

The Sealy 4B Economic Development Corporation (SEDC) will receive public comments for the following proposed project and the expenditure of funds:

- 1) The SEDC will receive comments for an Event Hall Project regarding a Historic District and Business Improvement Grant for the Sealy Columbus Club, the building owner of 1310 Highway 90 West. The proposed expenditure of funds would be utilized for façade improvements, pressure washing, gutters, lighting, landscaping, signage, ADA parking improvements, and other expenses related to the same. The project is authorized by the Texas Local Government Code, Section 505.158, to promote new or expanded business. The SEDC proposed grant and expenditure of funds is not to exceed \$12,500.00.

The SEDC will hold a public hearing in which all interested persons shall have the right to appear and be heard regarding such proposed project and expenditures of funds. The public hearing will be held in the Sealy EDC Board Room, 330 Main Street, Suite 5, Sealy, Texas, 77474, on Tuesday, March 24, 2026, at 6:00 p.m.

# Treasurer's Reports

## Item #7

**December 2025**



SEALY EDC BOARD AGENDA ITEM NO: December Treasurer's Report

MEETING DATE: February 24, 2026

## STAFF REPORT

### DESCRIPTION

As of December 31, 2025, SEDC continues to outperform revenue expectations while maintaining disciplined expenditure control in early FY 2026, with 25% of the fiscal year elapsed. The organization remains financially stable and highly liquid, with expenditures paced to aligned with board-directed projects.

Sales tax revenues remain ahead of the prorated budget despite a 6.89% year-over-year decline in December sales tax collections. Collections have been received on time and in accordance with state distribution schedules. The year-over-year variance appears consistent with broader consumer spending moderation rather than any operational or structural issue with the tax base.

### ANALYSIS

#### Revenue Performance: Actual vs. Budget 25% of the fiscal year has elapsed

Category	FY 2026 Budget	YTD Actual	% of Budget	Performance
Sales Tax	\$1,363,683	\$363,895	26.67%	Ahead of pace
Investment Income	\$80,000	\$21,032	26.29%	On pace
Total Revenues	\$1,243,683	\$384,927	30.95%	Ahead of prorated budget

#### Sales & Use Tax Summary — SEDC Only

	December 2025	December 2024	Change
Sales Tax Collections	\$135,142.65	\$145,146.46	-\$10,003.81
Percentage Change Total			-6.89%

#### Expenditure Performance: Actual vs. Budget

Category	FY 2026 Budget	YTD Actual	% of Budget	Assessment
Personnel	\$221,710	\$51,019.11	23.01%	On pace
Operations	\$513,288	\$88,303.62	17.20%	Below pace
Capital Outlay	\$1,132,500	\$20,915	1.85%	Intentionally deferred
Total Expenditures	\$1,867,498	\$160,237.37	8.58%	Well below pace

**Key takeaway:** Expenditures remain significantly below straight-line projections, which is intentional and appropriate at this stage of the fiscal year.

#### Major December Expenditures

December disbursements totaled \$56,483.72, consisting primarily of routine and board-approved costs. Notable expenditures include:

- Professional Services
  - Engineering services related to Cryan Park Pond improvements (\$4,850)

- Website and software project costs (\$4,050)
- Legal and consulting services consistent with ongoing operations
- **Community and Project Investments**
  - Christmas decorating services
  - Fantasy of Lights event costs, including equipment rentals, supplies, and entertainment
  - Marketing and promotional materials
- **Personnel & Benefits**
  - Payroll and benefits totaled \$9,210.90 for the month, consistent with budgeted staffing

#### Financial Position & Strategic Capacity

- **Total Assets:** ~\$3,688,544
- **Total Liabilities:** ~\$97,274
- **Fund Balance / Equity:** ~\$3,591,270
- **FY 2026 YTD Surplus (Revenues over Expenses):** ~\$224,689

### FINANCIAL IMPACT

SEDC continues to exceed revenue expectations while maintaining conservative and strategic expenditure control. The organization remains well-positioned with strong liquidity, no cash flow constraints, and capacity to support upcoming economic development initiatives and capital investments.

Sealy Economic Development  
Corporation

Treasurer's Report  
December 2025

# Sealy Economic Development Corporation

## Payment Register Report

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SEALY ECONOMIC DEVELOPMENT CORPORATION  
PAYMENT REGISTER  
DECEMBER 2025

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	ECON. DEV. SALEST	Internal Revenue Service	12/10/2025	FED WITHHOLDINGS	\$ 484.29
			12/24/2025	FED WITHHOLDINGS	\$ 484.29
			12/10/2025	FICA WITHHOLDINGS	\$ 354.16
			12/11/2025	FICA WITHHOLDINGS	\$ 40.30
			12/24/2025	FICA WITHHOLDINGS	\$ 354.16
			12/10/2025	MEDICARE WITHHOLDINGS	\$ 82.83
			12/11/2025	MEDICARE WITHHOLDINGS	\$ 9.42
			12/24/2025	MEDICARE WITHHOLDINGS	\$ 82.83
		State Comptroller of Public Accounts	12/19/2025	Sales tax remittance for 1	\$ (2,055.34)
		Texas Municipal Retirement System	12/3/2025	TMRS CONTRIBUTIONS	\$ 449.99
			12/3/2025	TMRS CONTRIBUTIONS	\$ 449.99
		TX Health Benefits Pool	12/31/2025	PREMIUMS FOR JANUARY 2026	\$ 1,329.01
			12/31/2025	PREMIUMS FOR JANUARY 2026	\$ 103.21
		LegalShield	12/22/2025	PREMIUMS FOR DECEMBER 2025	\$ 25.90
				TOTAL:	\$ 2,195.04
ECON DEVELOPMENT	ECON. DEV. SALEST	Internal Revenue Service	12/10/2025	FICA WITHHOLDINGS	\$ 354.16
			12/11/2025	FICA WITHHOLDINGS	\$ 40.30
			12/24/2025	FICA WITHHOLDINGS	\$ 354.16
			12/10/2025	MEDICARE WITHHOLDINGS	\$ 82.83
			12/11/2025	MEDICARE WITHHOLDINGS	\$ 9.42
			12/24/2025	MEDICARE WITHHOLDINGS	\$ 82.83
		Shred-it USA, Inc.	12/15/2025	SHREDDING SERVICE - NOVEMB	\$ 132.01
		Strand Associates, Inc.	12/16/2025	CRYAN PARK POND IMPROVEMEN	\$ 4,850.00
		The Sealy News, Inc.	12/12/2025	ADVERTISING: NOVEMBER	\$ 480.00
			12/12/2025	ADVERTISING: NOVEMBER	\$ 490.00
		Texas Municipal Retirement System	12/3/2025	TMRS CONTRIBUTIONS	\$ 970.69
			12/3/2025	TMRS CONTRIBUTIONS	\$ 970.69
		Kirwin Law Firm, PLLC	12/16/2025	EDC LEGAL SERVICES: NOVEMB	\$ 100.00
		Electron Beam Technology	12/12/2025	RENT DEC-JAN, LEASE PMT #5	\$ 900.00
			12/12/2025	RENT DEC-JAN, LEASE PMT #5	\$ 150.00
			12/12/2025	RENT NOV-DEC 2025, LEASE P	\$ 900.00
			12/12/2025	RENT NOV-DEC 2025, LEASE P	\$ 150.00
		UBEO LLC	12/12/2025	OVERAGE PERIOD 9/5/25-12/4	\$ 156.65
		Katherine Ellis	12/12/2025	SOS VERIFICATION, COMMUNIT	\$ 1.00

SEALY ECONOMIC DEVELOPMENT CORPORATION  
 PAYMENT REGISTER  
 DECEMBER 2025

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
			12/12/2025	SOS VERIFICATION, COMMUNIT	\$ 185.84
			12/12/2025	SOS VERIFICATION, COMMUNIT	\$ 78.90
			12/12/2025	VENDOR BLENDER FOL PROMO B	\$ 25.00
			12/12/2025	FOL WATER FOR PARADE VOLUN	\$ 3.79
			12/12/2025	FOL EYE CATCHER BALLOONS F	\$ 3.25
		Revize LLC	12/3/2025	YEAR 2-PROJECT COSTS, ANNU	\$ 4,050.00
		Kloss Electric, Inc.	12/12/2025	HEAVY DUTY COVERS	\$ 921.00
		TrafCo Industries, Inc.	12/16/2025	REFLECTIVE SAFETY BARREL T	\$ 2,347.50
			12/16/2025	SLIM LINE TRAFFICE CONES	\$ 2,650.00
		Charles W. Atkinson Jr.	12/2/2025	MILEAGE REIMB EDC CONFEREN	\$ 310.63
			12/12/2025	REIMB: PARKING/TOLLS	\$ 10.82
		Charles E. Oberrender	12/16/2025	CONSULTING SERVICES:NOVEMB	\$ 25.00
		RingCentral, Inc.	12/12/2025	MONTHLY SERVICE - DECEMBER	\$ 62.61
		TX Health Benefits Pool	12/31/2025	PREMIUMS FOR JANUARY 2026	\$ 2,903.55
		Brand S Lawn & Landscape LLC	12/3/2025	HOLIDAY LIGHT INSTALLATION	\$ 3,000.00
			12/3/2025	CHRISTMAS LIGHT INSTALLATI	\$ 1,800.00
			12/3/2025	HOLIDAY BOWS: EDC	\$ 1,200.00
		Beer Wholesale Jr., Inc.	12/2/2025	BOX TRUCK-SNOW, BAG ICE, S	\$ 8,200.00
			12/2/2025	DELIVERY CHARGE SNOW	\$ 660.00
			12/2/2025	ACH PAYMENT FEE	\$ 20.00
			12/2/2025	SNOW FLAKER/FLUID: FOL	\$ 1,140.00
		786 2 Rentals LLC	12/2/2025	CLIMBING ROCK WALL INCL ST	\$ 1,236.00
			12/2/2025	TRAVEL FEE	\$ 39.00
		MISC Ontheclock.Com Lic	12/8/2025	Time Clock Subscription	\$ 5.86
		Marriott S Antonio Rvr	12/8/2025	2025 Hotel Fall Conference	\$ 498.00
		Marriott S Antonio Rvr	12/8/2025	This is the receipt for ro	\$ 95.42
		Amazon Reta* Nk6br2qk2	12/8/2025	Copy Paper	\$ 46.99
		Lulu Press Inc.	12/8/2025	Book for training regardin	\$ 33.19
		Cielito Lindo Mexican	12/8/2025	Monthly luncheon with area	\$ 24.39
		Msoft * E0200x0065	12/8/2025	Microsoft G3 License	\$ 23.00
		Amazon Mktpl	12/8/2025	Batteries for flash lights	\$ 38.85
		Amazon Mktpl	12/8/2025	Totes for Fantasy of Light	\$ 111.00
		Amazon Mktpl	12/8/2025	Fantasy of Lights Make-A-W	\$ 89.99
		Amazon Mktpl	12/8/2025	Christmas Tree for Fantasy	\$ 329.99
		Amazon Mktpl	12/8/2025	Lights for FOL Old Fashion	\$ 199.13
		Amazon Mktpl	12/8/2025	Fantasy of Lights Parade S	\$ 306.03

SEALY ECONOMIC DEVELOPMENT CORPORATION  
 PAYMENT REGISTER  
 DECEMBER 2025

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		Amazon Mktpl	12/8/2025	Supplies and decorations f	\$ 260.70
		Fred D. Elliff	12/8/2025	Entertainment for the Seal	\$ 776.25
		Hobby Lobby #400	12/8/2025	Crafting Supplies for Fant	\$ 169.70
		Hometown Hardware	12/8/2025	Zip ties to secure wishing	\$ 21.66
		**PAYROLL EXPENSES	12/01/2025 - 12/31/2025		\$ 9,210.90
				TOTAL:	\$ 54,288.68
				GRAND TOTAL:	\$ 56,483.72

# Sealy Economic Development Corporation

## Budget to Actual Report

REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2025

ECON. DEV. SALES TAX FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 25.00

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
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REVENUE SUMMARY

SALES TAX	1,163,683	135,142.65	363,894.79	0.00	799,788.21	31.27
INVESTMENT INCOME	80,000	8,923.02	21,032.24	0.00	58,967.76	26.22
TOTAL REVENUES	1,243,683	144,065.74	384,927.03	0.00	858,755.97	30.95

EXPENDITURE SUMMARY

ECON DEVELOPMENT						
PERSONNEL	231,710	17,496.07	51,019.11	0.00	170,690.89	23.01
OPERATIONS	513,288	20,176.27	88,303.62	0.00	424,984.38	17.20
CAPITAL OUTLAY	1,132,500	4,275.00	20,915.00	0.00	1,111,585.00	1.93
TOTAL ECON DEVELOPMENT	1,867,498	41,947.34	160,237.73	0.00	1,707,260.27	8.58

NON-DEPARTMENTAL

DEBT SERVICE	74,620	0.00	0.00	0.00	74,620.00	0.00
TOTAL NON-DEPARTMENTAL	74,620	0.00	0.00	0.00	74,620.00	0.00

TOTAL EXPENDITURES

TOTAL EXPENDITURES	1,942,118	41,947.34	160,237.73	0.00	1,781,880.27	8.25
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REVENUE OVER/(UNDER) EXPENDITURES

REVENUE OVER/(UNDER) EXPENDITURES	( 698,435)	102,118.40	224,689.30	0.00	( 923,124.30)	32.17-
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OTHER SOURCES

OTHER SOURCES	788,170	0.00	0.00	0.00	788,170.00	0.00
OTHER USES	59,735	0.00	0.00	0.00	59,735.00	0.00
TOTAL OTHER FINANCING SOURCES & USE	698,435	0.00	0.00	0.00	698,435.00	0.00

REVENUES & OTHER SOURCES OVER

(UNDER) EXPENDITURES & OTHER USES	0	102,118.40	224,689.30	0.00	( 224,689.30)	0.00
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REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2025

ECON. DEV. SALES TAX FUND

% OF YEAR COMPLETED: 25.00

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>SALES TAX</b>						
29-40200 Sales & Use Taxes - Econ. Dev.	1,163,683	135,142.65	363,894.79	0.00	799,788.21	31.27
TOTAL SALES TAX	1,163,683	135,142.65	363,894.79	0.00	799,788.21	31.27
<b>INTERGOVERNMENTAL</b>						
<b>CONTRIBUTIONS &amp; DONATIONS</b>						
<b>INVESTMENT INCOME</b>						
29-45000 Interest Earnings	80,000	8,923.09	21,032.24	0.00	58,967.76	26.29
TOTAL INVESTMENT INCOME	80,000	8,923.09	21,032.24	0.00	58,967.76	26.29
<b>OTHER REVENUES</b>						
<b>TOTAL REVENUE</b>	1,243,683	144,065.74	384,927.03	0.00	858,755.97	30.95

REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2025

ECON. DEV. SALES TAX FUND  
DEPARTMENT - ECON DEVELOPMENT

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>PERSONNEL</b>						
29-522-51010 Salaries & Wages	150,240	11,750.82	32,743.04	0.00	117,496.96	21.79
29-522-51015 Longevity Pay	815	56.40	163.56	0.00	651.44	20.07
29-522-51020 Social Security	11,815	812.81	2,300.29	0.00	9,514.71	19.47
29-522-51030 Retirement Contributions	23,895	1,722.49	4,961.35	0.00	18,933.65	20.76
29-522-51040 Group Insurance	31,345	2,903.55	10,173.31	0.00	21,171.69	32.46
29-522-51050 Workers' Compensation	350	0.00	77.56	0.00	272.44	22.16
29-522-51080 Auto Allowance	3,250	250.00	600.00	0.00	2,650.00	18.46
TOTAL PERSONNEL	221,710	17,496.07	51,019.11	0.00	170,690.89	23.01
<b>OPERATIONS</b>						
29-522-52000 General Office Supplies	2,000	132.01	445.96	0.00	1,554.04	22.30
29-522-52020 Data Processing Supplies	5,500	23.00	448.26	0.00	5,051.74	8.15
29-522-52100 Wearing Apparel	750	0.00	0.00	0.00	750.00	0.00
29-522-52138 Food & Water Supplies	750	0.00 (	8.12)	0.00	758.12	1.08-
29-522-52150 Building & Grounds Supplie	1,000	33.24 (	35.94)	0.00	1,035.94	3.59-
29-522-53000 Engineering Services	7,000	0.00	0.00	0.00	7,000.00	0.00
29-522-53010 Auditing & Accounting	3,350	2,000.00	2,000.00	0.00	1,350.00	59.70
29-522-53020 Consultant Services	30,500	0.00	15,290.00	0.00	15,210.00	50.13
29-522-53030 Legal Services	18,000	725.00	1,225.00	0.00	16,775.00	6.81
29-522-53200 Electricity	10,000	193.82	535.84	0.00	9,464.16	5.36
29-522-53210 Telephone	2,600	62.61	336.71	0.00	2,263.29	12.95
29-522-53220 Internet Services	420	0.00	0.00	0.00	420.00	0.00
29-522-53250 Web Site Design & Update	8,000	125.00	8,762.50	0.00 (	762.50)	109.53
29-522-53260 Christmas Decorating Servi	10,000	3,050.00	4,650.00	0.00	5,350.00	46.50
29-522-53300 Dues & Subscriptions	2,933	674.86	1,066.58	0.00	1,866.42	36.36
29-522-53310 Travel & Training	10,950	79.00	1,047.22	0.00	9,902.78	9.56
29-522-53320 Newspaper Advertising	2,400	0.00	0.00	0.00	2,400.00	0.00
29-522-53330 Postage & Shipping	100	0.00	0.00	0.00	100.00	0.00
29-522-53355 Marketing	6,500	3,500.00	3,500.00	0.00	3,000.00	53.85
29-522-53360 Public Relations	7,250	75.00	99.39	0.00	7,150.61	1.37
29-522-53400 General Liability Insuranc	1,245	0.00	322.69	0.00	922.31	25.92
29-522-53900 Building & Land Rentals	12,600	0.00	3,150.00	0.00	9,450.00	25.00
29-522-53960 Copier Rental Fees	2,150	156.65	570.93	0.00	1,579.07	26.55
29-522-54410 Software License Fees	17,290	0.00	12,180.00	0.00	5,110.00	70.45
29-522-55580 Community Project Grants	70,000	8,943.92	22,314.44	0.00	37,685.56	46.16
29-522-55590 Historic District Projects	200,000	402.16	402.16	0.00	199,597.84	0.20
29-522-55610 Business Incentives	80,000	0.00	0.00	0.00	80,000.00	0.00
TOTAL OPERATIONS	513,288	20,176.27	88,303.62	0.00	424,984.38	17.20
<b>CAPITAL OUTLAY</b>						
29-522-56010 Buildings	145,000	0.00	0.00	0.00	145,000.00	0.00
29-522-56050 Park Improvements	676,000	0.00	970.00	0.00	675,030.00	0.14
29-522-56200 Roads & Parking	100,000	0.00	0.00	0.00	100,000.00	0.00
29-522-56500 Utility Line Extensions	12,000	0.00	0.00	0.00	12,000.00	0.00
29-522-56995 Engineering Services	164,000	4,275.00	19,945.00	0.00	144,055.00	12.16
29-522-56996 Architectural Services	35,500	0.00	0.00	0.00	35,500.00	0.00
TOTAL CAPITAL OUTLAY	1,132,500	4,275.00	20,915.00	0.00	1,111,585.00	1.85

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REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2025

ECON. DEV. SALES TAX FUND  
DEPARTMENT - ECON DEVELOPMENT

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
TOTAL ECON DEVELOPMENT	1,867,498	41,947.34	160,237.73	0.00	1,707,260.27	8.58

REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: DECEMBER 31ST, 2025

ECON. DEV. SALES TAX FUND  
DEPARTMENT - NON-DEPARTMENTAL

% OF YEAR COMPLETED: 25.00

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
PERSONNEL						
OPERATIONS						
CAPITAL OUTLAY						
DEBT SERVICE						
29-599-58000 Principal Retirement	70,000	0.00	0.00	0.00	70,000.00	0.00
29-599-58010 Interest Paid	4,620	0.00	0.00	0.00	4,620.00	0.00
TOTAL DEBT SERVICE	74,620	0.00	0.00	0.00	74,620.00	0.00
TOTAL NON-DEPARTMENTAL	74,620	0.00	0.00	0.00	74,620.00	0.00
TOTAL EXPENDITURES	1,942,118	41,947.34	160,237.73	0.00	1,781,880.27	8.25
REVENUE OVER/(UNDER) EXPENDITURES	( 698,435)	102,118.40	224,689.30	0.00	923,124.30	32.17-
OTHER FINANCING SOURCES & USES						
OTHER SOURCES						
29-49998 Budgeted Reduction of Fund Bal	788,170	0.00	0.00	0.00	788,170.00	0.00
TOTAL OTHER SOURCES	788,170	0.00	0.00	0.00	788,170.00	0.00
OTHER USES						
29-599-59995 Contributions to Primary F	89,735	0.00	0.00	0.00	89,735.00	0.00
TOTAL OTHER USES	89,735	0.00	0.00	0.00	89,735.00	0.00
TOTAL OTHER SOURCES & USES	698,435	0.00	0.00	0.00	698,435.00	0.00
REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	0	102,118.40	224,689.30	0.00	224,689.30	0.00

BT

# Sealy Economic Development Corporation

## Sales Tax Report

City of Sealy, Texas  
 Sales & Use Tax Revenue Report  
 February 2026

DECEMBER 2025 TAX COLLECTIONS

	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ 266,079.14	\$ 133,039.57	\$ 399,118.71
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ (2,596.24)	\$ -	\$ (2,596.24)
Net sales tax allocation from the State, excluding direct pay allocation	\$ 263,482.90	\$ 133,039.57	\$ 396,522.47
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ 263,482.90	\$ 133,039.57	\$ 396,522.47
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 4,206.16	\$ 2,103.08	\$ 6,309.24
Grand total sales tax collections	\$ 267,689.06	\$ 135,142.65	\$ 402,831.71

DECEMBER 2024 TAX COLLECTIONS

	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ 267,275.54	\$ 143,637.77	\$ 430,913.31
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ (2,596.24)	\$ -	\$ (2,596.24)
Net sales tax allocation from the State, excluding direct pay allocation	\$ 264,679.30	\$ 143,637.77	\$ 428,317.07
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ 264,679.30	\$ 143,637.77	\$ 428,317.07
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 3,017.36	\$ 1,508.69	\$ 4,526.07
Grand total sales tax collections	\$ 287,696.66	\$ 145,146.46	\$ 432,843.14

YEAR-OVER-YEAR INCREASES (DECREASES)

	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ (21,196.40)	\$ (10,598.20)	\$ (31,794.60)
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ -	\$ -	\$ -
Net sales tax allocation from the State, excluding direct pay allocation	\$ (21,196.40)	\$ (10,598.20)	\$ (31,794.60)
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ (21,196.40)	\$ (10,598.20)	\$ (31,794.60)
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 1,188.78	\$ 594.39	\$ 1,783.17
Grand total sales tax collections	\$ (20,007.62)	\$ (10,003.81)	\$ (30,011.43)

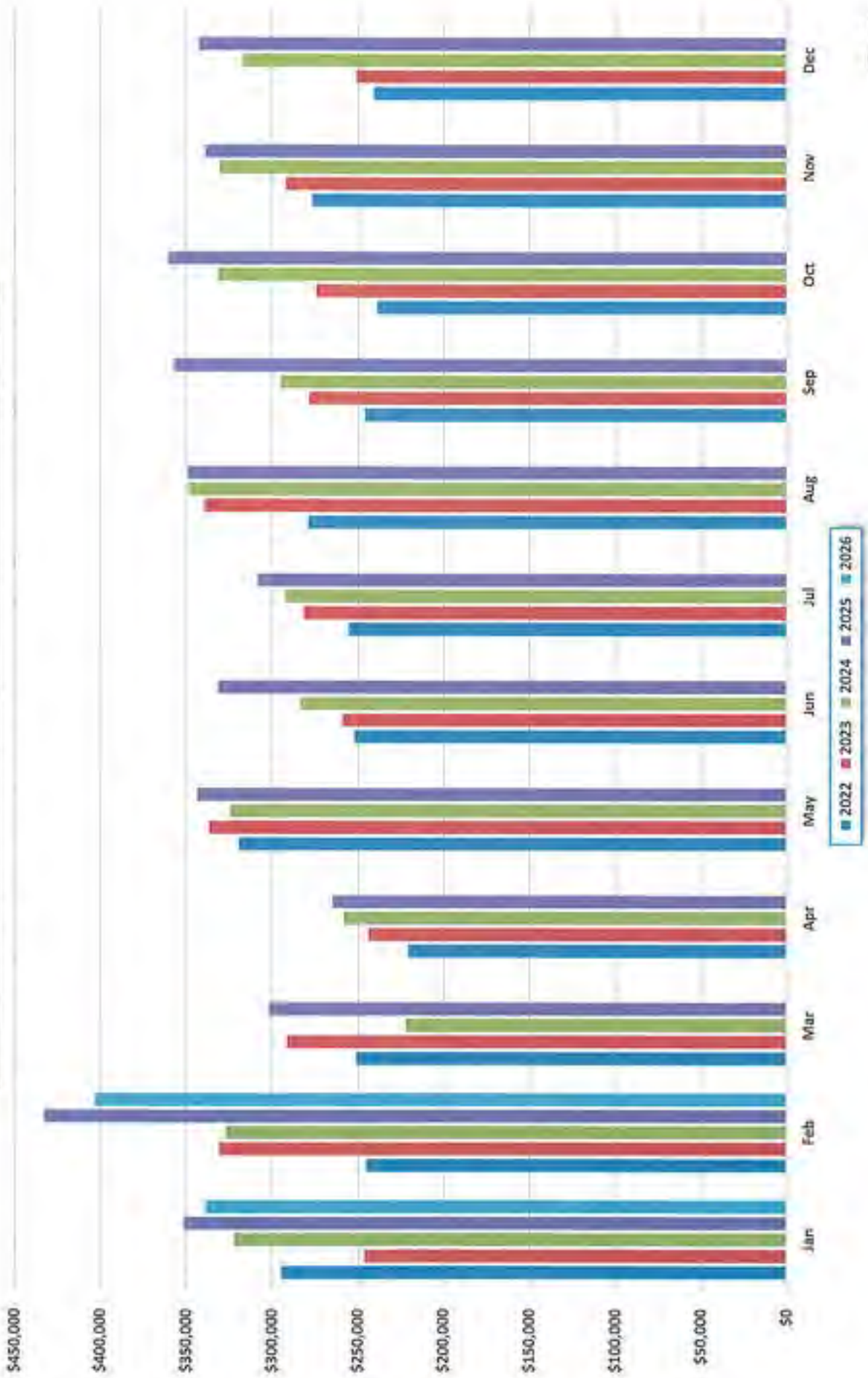
Percentage change in grand total sales tax collections

4.38%  
 5.4%

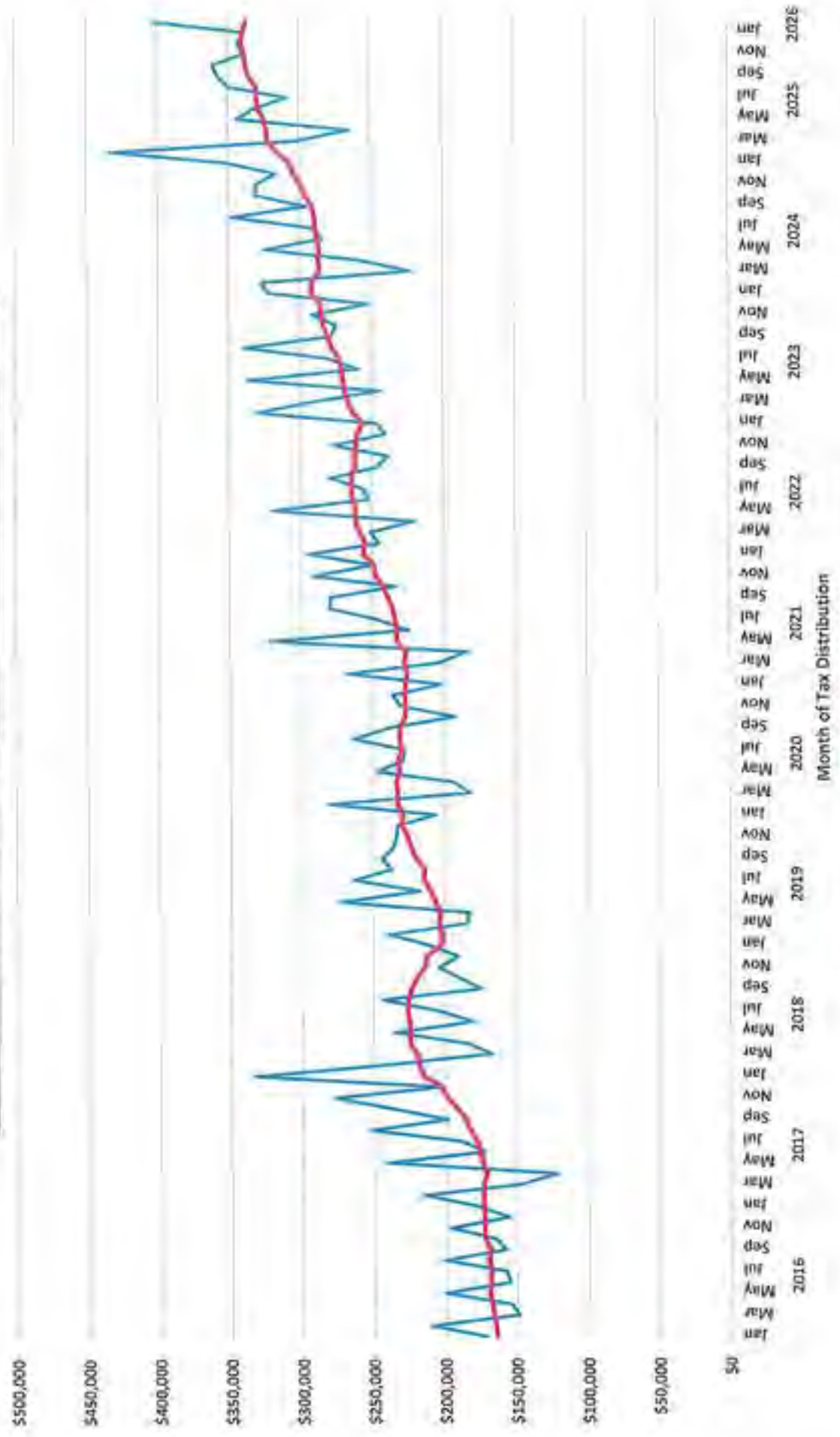
### City of Sealy, Texas

### Sales & Use Tax Allocations Yearly Comparison by Month

(Amounts include allocations to Sealy Economic Development Corporation.)

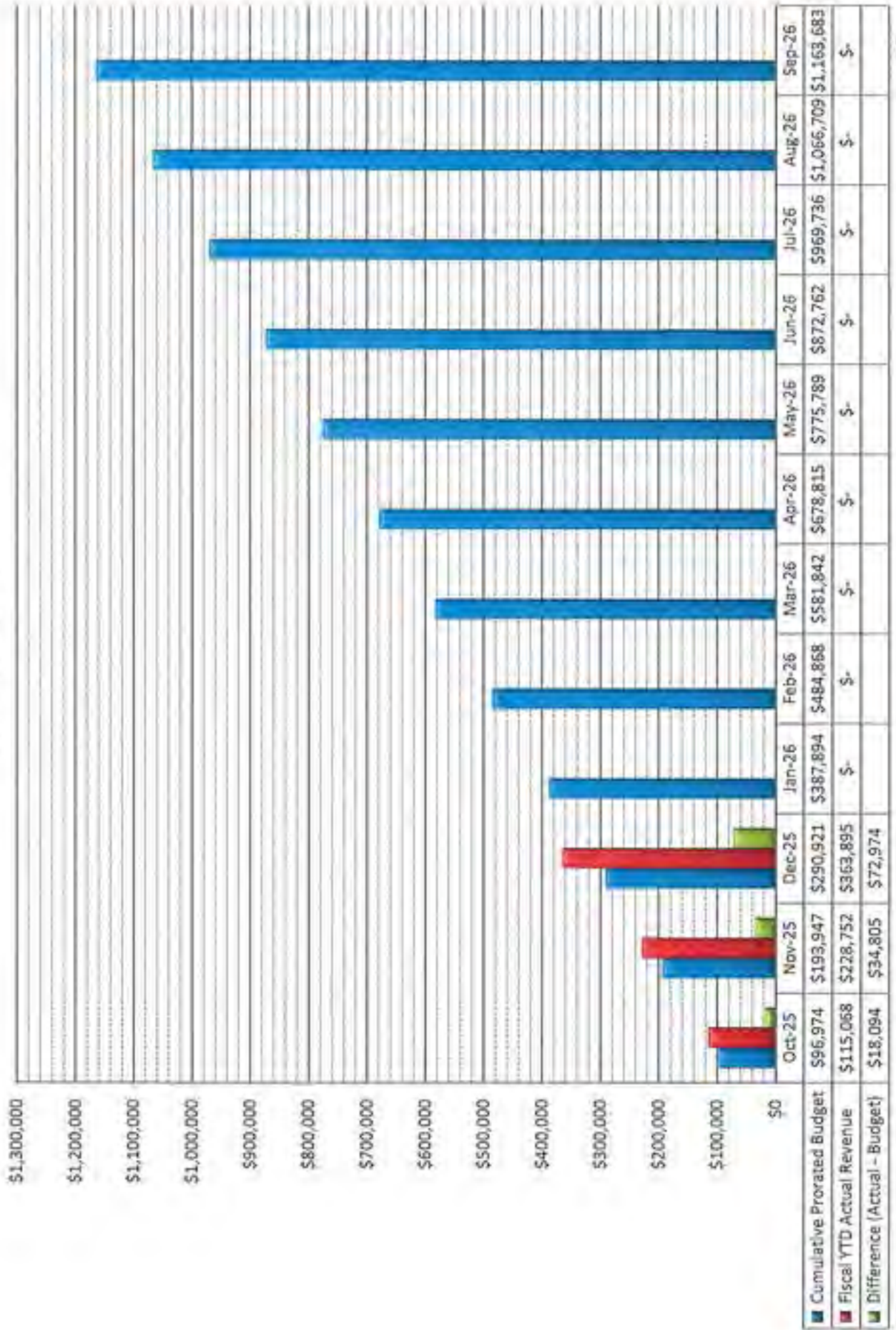


**City of Sealy, Texas**  
**Sales and Use Tax Revenue Trend**  
*(Amounts include allocations to Sealy Economic Development Corporation.)*



— Actual Allocation    — 12-month Moving Average

# Sealy Economic Development Corporation Sales and Use Tax Revenue Status Chart Fiscal Year 2026



# Sealy Economic Development Corporation

Balance Sheet with  
Cash & Investments

BALANCE SHEET  
AS OF: DECEMBER 31ST, 2025

29 -ECON. DEV. SALES TAX FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
<b>ASSETS</b>		
29-10000	Claim on Pooled Cash	( 4,870.91)
29-10003	PC ROW/Road Construction Acct	343,543.44
29-11260	BK Sealy Economic Develop Corp	278,834.27
29-12538	TP General Investment Account	756,663.01
29-12638	TS General Investment Account	1,101,917.43
29-12738	TS ROW/Road Construction Acct	742,359.66
29-13400	Sales Tax Receivable	245,040.40
29-16020	Prepaid MASA Deductions	( 7.00)
29-16500	Security Deposits	650.00
29-18200	Land & Buildings	230,460.15
29-18600	Right to Use Asset	12,230.92
29-18900	Accumulated Depreciation	( 18,277.67)
		<u>3,688,543.70</u>

TOTAL ASSETS 3,688,543.70

<b>LIABILITIES</b>		
29-20000	Accounts Payable (Pooled)	31,571.14
29-22000	Accounts Payable	( 104,659.96)
29-23010	Liab Compensated Absences	7,682.79
29-23030	Insurance Deds Pysl - BCBS	( 1,686.01)
29-23038	Ins Ded's Pay - Amer Fidelity	( 96.20)
29-23042	Insurance Deds Pysl - PrinLife	( 357.10)
29-23070	Pension Deducts Payable	945.48
29-24000	Due to Other Funds	191,902.87
29-24010	Due to Primary Government	( 30,000.00)
29-25230	Capital Lease Payable	<u>1,573.19</u>
	TOTAL LIABILITIES	<u>97,274.20</u>

EQUITY

29-30000	Fund Balance	<u>3,366,580.20</u>
	TOTAL BEGINNING EQUITY	3,366,580.20
	TOTAL REVENUE	384,927.03
	TOTAL EXPENSES	<u>160,237.73</u>
	TOTAL REVENUE OVER/(UNDER) EXPENSES	224,689.30

TOTAL EQUITY & REV. OVER/(UNDER) EXP. 3,591,269.50

TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP. 3,688,543.70

**January 2026**

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SEALY EDC BOARD AGENDA ITEM: January Treasurer's Report

MEETING DATE: March 24, 2026

## STAFF REPORT

### DESCRIPTION

As of January 31, 2026, the SEDC remains in a strong financial position, significantly exceeding revenue expectations with approximately 33% of the fiscal year elapsed.

A key driver of this performance is an unusually large sales tax payment received in January, which has materially impacted year-to-date revenues and financial trends.

### ANALYSIS

Revenue Performance: Actual vs. Budget 33% of the fiscal year has elapsed

Category	FY 2026 Budget	YTD Actual	% of Budget	Performance
Sales Tax	\$1,163,683	\$806,468	69.32%	Significantly ahead of pace
Investment Income	\$80,000	\$29,356	36.70%	On pace
Total Revenues	\$1,243,683	\$384,927	30.95%	Significantly ahead of prorated budget

Sales & Use Tax Summary — SEDC Only

	January 2026	January 2025	Change
Sales Tax Collections	\$442,573.46	\$101,428.19	+\$341,145.27
Percentage Change Total			336.10%

Sales Tax Activity & January Anomaly

This performance is largely attributable to a one-time spike in January sales tax collections. In March, the City received a total sales tax revenue payment of \$1,317,947.14 for January 2026 sales tax. This is the largest single payment in the City's history. The SEDC portion of that distribution was approximately \$440,181.13, reflecting its one-third allocation.

This resulted in a year-over-year increase of approximately 336% percent for the SEDC; a substantial deviation from normal monthly collection patterns. Preliminary information indicates that this spike may be related to a one-time manufacturing-related purchase, potentially involving the acquisition of high-value equipment delivered within the City.

Because of the magnitude of this payment, staff initiated verification efforts in coordination with the SEDC Director, ZacTax, and the Texas Comptroller's Office. At this time the payment appears to be legitimate but remains under review. ZacTax has recommended a conservative approach, advising not dedicating use of excess funds until its validity is confirmed.

It is important to note that the Comptroller's Office retains the authority to "claw back" sales tax allocations for up to four years if an error is identified. The City has previously experienced a sales tax overpayment (circa 2013) that resulted in a long term repayment obligation. Staff is taking a cautious approach to avoid a similar situation.

### Expenditure Performance: Actual vs. Budget

Category	FY 2026 Budget	YTD Actual	% of Budget	Assessment
Personnel	\$221,710	\$68,008	30.67%	On pace
Operations	\$513,288	\$120,043	23.39%	Below pace
Capital Outlay	\$1,132,500	\$35,960	3.17%	Intentionally deferred
Total Expenditures	\$1,867,498	\$224,139	12.00%	Well below pace

**Key takeaway:** Expenditures remain significantly below straight-line projections, which is intentional and appropriate at this stage of the fiscal year.

### Major January Expenditures

January disbursements totaled \$56,847,74, consisting primarily of routine and board-approved costs. Notable expenditures include:

- **Professional Services**
  - Engineering services related to Cryan Park Pond improvements (\$10,020)
  - Bludot Technologies platform (\$4,740)
- **Community and Project Investments**
  - Medrano Project (\$11,000)
  - Fantasy of Lights event costs, including equipment rentals, supplies, and entertainment
- **Personnel & Benefits (Medical, Dental, Retirement, Taxes)**
  - Payroll and benefits totaled \$14,511 for the month, consistent with budgeted staffing

### Financial Position & Strategic Capacity

- **Total Assets:** ~\$4.08 million
- **Total Liabilities:** ~\$102,203
- **Fund Balance / Equity:** ~\$3.98 million
- **FY 2026 YTD Surplus (Revenues over Expenses):** ~\$611,683\*

\*The current surplus is significantly influenced by the January sales tax payment anomaly.

## FINANCIAL IMPACT

SIDC is currently outperforming revenue projections and maintaining conserving expenditure levels, resulting in strong liquidity and financial capacity. However, a substantial portion of the current surplus is tied to a one-time and unverified sales tax allocation. Until confirmation is received from the Comptroller's office, staff recommends treating the excess revenue as non-recurring and setting aside funds and not committing them to ongoing obligations. Staff will continue to monitor and report updates to the Board.

## FINANCIAL IMPACT

Staff recommends acceptance of the Treasurer's Report for the month ending January 2026.

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# Sealy Economic Development Corporation

## Treasurer's Report January 2026

# Sealy Economic Development Corporation

## Payment Register Report

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**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
**PAYMENT REGISTER**  
**JANUARY 2026**

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	ECON. DEV. SALES T	Internal Revenue Service	1/7/2026	FED WITHHOLDINGS	\$ 465.24
			1/21/2026	FED WITHHOLDINGS	\$ 465.24
			1/7/2026	FICA WITHHOLDINGS	\$ 354.16
			1/21/2026	FICA WITHHOLDINGS	\$ 354.16
			1/7/2026	MEDICARE WITHHOLDINGS	\$ 82.83
			1/21/2026	MEDICARE WITHHOLDINGS	\$ 82.83
		State Comptroller of Public Accounts	1/16/2026	Sales tax remittance for 1	\$ (2,103.08)
		Texas Municipal Retirement System	1/6/2026	TMRS CONTRIBUTIONS	\$ 449.99
			1/6/2026	TMRS CONTRIBUTIONS	\$ 45.50
			1/6/2026	TMRS CONTRIBUTIONS	\$ 449.99
		TX Health Benefits Pool	1/27/2026	PREMIUMS FOR FEBRUARY 2026	\$ 1,329.01
			1/27/2026	PREMIUMS FOR FEBRUARY 2026	\$ 103.21
		LegalShield	1/20/2026	PREMIUMS FOR JANUARY 2026	\$ 25.90
				TOTAL:	\$ 2,104.98
ECON DEVELOPMENT	ECON. DEV. SALES T	Internal Revenue Service	1/7/2026	FICA WITHHOLDINGS	\$ 354.16
			1/21/2026	FICA WITHHOLDINGS	\$ 354.16
			1/7/2026	MEDICARE WITHHOLDINGS	\$ 82.83
			1/21/2026	MEDICARE WITHHOLDINGS	\$ 82.83
		Shred-it USA, Inc.	1/16/2026	SHREDDING SERVICE - DECEMB	\$ 133.01
		Sealy Chamber of Commerce	1/14/2026	ANNUAL FEE	\$ 104.00
		Strand Associates, Inc.	1/15/2026	CRYAN PARK POND IMPROVEMEN	\$ 10,820.00
		The Sealy News, Inc.	1/29/2026	ADVERTISING:JANUARY 2026	\$ 148.50
		Texas Municipal Retirement System	1/6/2026	TMRS CONTRIBUTIONS	\$ 970.69
			1/6/2026	TMRS CONTRIBUTIONS	\$ 98.16
			1/6/2026	TMRS CONTRIBUTIONS	\$ 970.69
		Austin County News Online, Inc.	1/15/2026	SEALY EDC/CVB:NOVEMBER	\$ 125.00
			1/15/2026	SEALY EDC MEETINGS:DEC	\$ 75.00
			1/15/2026	SEALY EDC MEETINGS:DEC	\$ 125.00
		Wittenburg Printing & Office Supplies	1/14/2026	PAPER PRINT	\$ 104.00
			1/14/2026	FULL COLOR VINYL	\$ 288.00
		Kirwin Law Firm, PLLC	1/15/2026	EDC LEGAL SERVICES:DEC	\$ 725.00
		Electron Beam Technology	1/14/2026	RENT:JAN/FEB OFFICE LEASE	\$ 900.00

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SEALY ECONOMIC DEVELOPMENT CORPORATION  
 PAYMENT REGISTER  
 JANUARY 2026

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
			1/14/2026	RENT:JAN/FEB BOARD ROOM LE	\$ 150.00
		UBEO of East Texas, Inc.	1/7/2026	EDC CONTRACT PAYMENT - DEC	\$ 112.50
			1/14/2026	EDC CONTRACT PAYMENT:JANUA	\$ 112.50
		Katherine Ellis	1/29/2026	REIMB:HILL CENTER LUNCH FO	\$ (59.99)
			1/29/2026	REIMB:HILL CENTER LUNCH FO	\$ (29.36)
			1/14/2026	REIMB:FOL EXPENSES	\$ 206.84
			1/14/2026	REIMB:FOL EXPENSES	\$ 16.30
			1/29/2026	REIMB:HILL CENTER LUNCH FO	\$ 59.99
			1/29/2026	PAPERGOODS AND DRINKS	\$ 29.36
		Texas Municipal League Intergovernment	1/15/2026	INSURANCE PREMIUMS:JANUARY	\$ 310.06
			1/15/2026	INSURANCE PREMIUMS:JANUARY	\$ 77.56
			1/15/2026	INSURANCE PREMIUMS:JANUARY	\$ (56.28)
		Sealy Rotary Club	1/15/2026	2025 FOL COMMEMORATIVE ORN	\$ 180.00
		United Site Services of Texas, Inc.	1/30/2026	PORTABLE TOILET RENTALS	\$ 402.16
		RingCentral, Inc.	1/9/2026	MONTHLY SERVICE - JANUARY	\$ 62.50
		International Economic Development Cou	1/15/2026	MEMBERSHIP PAID	\$ (195.00)
			1/15/2026	MEMBERSHIP RENEWAL	\$ 195.00
		TX Health Benefits Pool	1/27/2026	PREMIUMS FOR FEBRUARY 2026	\$ 2,903.55
		Brand S Lawn & Landscape LLC	1/15/2026	INSTALLED CHRISTMAS LIGHTS	\$ 3,050.00
		Bludot Technologies Inc.	1/30/2026	EDC PLATFORM:JAN 2026-2027	\$ 4,740.00
		Jason V Chapman	1/15/2026	FOL(8HRS)	\$ 1,200.00
		Keep Texas Beautiful, Inc	1/14/2026	MEMBERSHIP:NEW AFFILIATE F	\$ 200.00
		Hermenia Medrano	1/30/2026	FACADE AND ADA HD & BI GRA	\$ 11,000.00
		Wells Fargo Bank, N.A.	1/9/2026	REFUND OF CARD READERS	\$ (18.04)
			1/9/2026	REFUND OF ELECTRIC CARD RE	\$ (16.98)
		Verizon Wireless	1/7/2026	MONTHLY BILLING - DECEMBER	\$ 74.44
			1/27/2026	CELLULAR SERVICE	\$ 74.42
		MISC Ontheclock.Com Llc	1/9/2026	Timeclock Subscription	\$ 5.86
		Hometown Hardware	1/9/2026	Fantasy of Lights Supplies	\$ 6.99
		Amazon Mktp	1/9/2026	Fantasy of Lights Supplies	\$ 63.20
		In *classic Choice Awa	1/9/2026	Awards for the Fantasy of	\$ 1,282.50
		Wal-Mart #0437	1/9/2026	Square Credit Card Readers	\$ 39.52
		Paypal	1/9/2026	Bounce houses for the Fant	\$ 700.00
		Amazon Mktp	1/9/2026	Fantasy of Lights Supplies	\$ 55.73

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SEALY ECONOMIC DEVELOPMENT CORPORATION  
 PAYMENT REGISTER  
 JANUARY 2026

DEPARTMENT	FUND	VENDOR NAME	DATE	DESCRIPTION	AMOUNT
		Dollar Tree	1/9/2026	Kids Fantasy crafting supp	\$ 20.00
		Amazon Mktpl	1/9/2026	Fantasy of Lights Supplies	\$ 109.63
		In *promethean Promoti	1/9/2026	Banners for FOL Sponsors	\$ 359.60
		Wm Supercenter #437	1/9/2026	Kids Fantasy crafting supp	\$ 208.96
		Steinhauser S	1/9/2026	Fantasy of Lights Supplies	\$ 153.00
		Amazon Mktpl	1/9/2026	Kids Fantasy crafting supp	\$ 224.84
		Amazon Mktpl	1/9/2026	2025 Fantasy of Lights Sup	\$ 23.19
		Texas Economic Develop	1/9/2026	Training EDC Webinar - Bus	\$ 79.00
		Houston Trackless Trai	1/9/2026	Houston Trackless Train fo	\$ 748.72
		Msft * E0200xxu7b	1/9/2026	Microsoft 365 G3 Licenses	\$ 23.00
		Icma Online	1/9/2026	2026 ICMA Professional Mem	\$ 669.00
		Amazon Mktpl	1/9/2026	Frame for PASSA Map in Boa	\$ 33.24
		**PAYROLL EXPENSES		1/01/2026 - 1/31/2026	\$ 8,694.22
				TOTAL:	\$ 54,742.76
				GRAND TOTAL:	\$ 56,847.74

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# Sealy Economic Development Corporation

## Budget to Actual Report

REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2026

ECON. DEV. SALES TAX FUND  
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 33.33

CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
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REVENUE SUMMARY

SALES TAX	1,163,683	442,573.46	806,468.25	0.00	357,214.75	69.30
INVESTMENT INCOME	80,000	8,324.02	29,356.26	0.00	50,643.74	36.70
TOTAL REVENUES	1,243,683	450,897.48	835,824.51	0.00	407,858.49	67.21

EXPENDITURE SUMMARY

ECON DEVELOPMENT

PERSONNEL	221,710	16,988.66	68,007.77	0.00	153,702.23	30.67
OPERATIONS	513,288	31,739.34	120,042.96	0.00	393,245.04	23.39
CAPITAL OUTLAY	1,132,500	15,045.00	35,960.00	0.00	1,096,540.00	3.18
TOTAL ECON DEVELOPMENT	1,867,498	63,773.00	224,010.73	0.00	1,643,487.27	12.00

NON-DEPARTMENTAL

OPERATIONS	0	128.33	128.33	0.00	128.33	0.00
DEBT SERVICE	74,620	0.00	0.00	0.00	74,620.00	0.00
TOTAL NON-DEPARTMENTAL	74,620	128.33	128.33	0.00	74,748.33	0.17

TOTAL EXPENDITURES

TOTAL EXPENDITURES	1,942,118	63,901.33	224,139.06	0.00	1,717,978.94	11.54
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REVENUE OVER/(UNDER) EXPENDITURES

REVENUE OVER/(UNDER) EXPENDITURES	( 698,435)	386,996.15	611,685.45	0.00	( 1,310,120.45)	87.58-
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OTHER SOURCES

OTHER SOURCES	788,170	0.00	0.00	0.00	788,170.00	0.00
OTHER USES	89,735	0.00	0.00	0.00	89,735.00	0.00
TOTAL OTHER FINANCING SOURCES & USE	698,435	0.00	0.00	0.00	698,435.00	0.00

REVENUES & OTHER SOURCES OVER

(UNDER) EXPENDITURES & OTHER USES	0	386,996.15	611,685.45	0.00	( 611,685.45)	0.00
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ECON. DEV. SALES TAX FUND

% OF YEAR COMPLETED: 33.33

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>SALES TAX</b>						
29-40200 Sales & Use Taxes - Econ. Dev.	1,163,683	442,573.46	806,468.25	0.00	357,214.75	69.30
TOTAL SALES TAX	1,163,683	442,573.46	806,468.25	0.00	357,214.75	69.30
<b>INTERGOVERNMENTAL</b>						
<b>CONTRIBUTIONS &amp; DONATIONS</b>						
<b>INVESTMENT INCOME</b>						
29-45000 Interest Earnings	80,000	8,324.02	29,356.26	0.00	50,643.74	36.70
TOTAL INVESTMENT INCOME	80,000	8,324.02	29,356.26	0.00	50,643.74	36.70
<b>OTHER REVENUES</b>						
TOTAL REVENUE	1,243,683	450,897.48	835,824.51	0.00	407,858.49	67.21

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% OF YEAR COMPLETED: 33.33

DEPARTMENTAL EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>PERSONNEL</b>						
29-522-51010 Salaries & Wages	150,240	11,165.82	43,908.86	0.00	106,331.14	29.23
29-522-51015 Longevity Pay	815	56.40	219.96	0.00	595.04	26.99
29-522-51020 Social Security	11,815	768.06	3,068.35	0.00	8,746.65	25.97
29-522-51030 Retirement Contributions	23,895	1,823.55	6,784.90	0.00	17,110.10	28.39
29-522-51040 Group Insurance	31,345	2,903.55	13,076.86	0.00	18,268.14	41.72
29-522-51050 Workers' Compensation	350	21.28	98.84	0.00	251.16	28.24
29-522-51080 Auto Allowance	3,250	250.00	850.00	0.00	2,400.00	26.15
<b>TOTAL PERSONNEL</b>	<b>221,710</b>	<b>16,988.66</b>	<b>68,007.77</b>	<b>0.00</b>	<b>153,702.23</b>	<b>30.67</b>

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>OPERATIONS</b>						
29-522-52000 General Office Supplies	2,000	146.99	592.95	0.00	1,407.05	29.65
29-522-52020 Data Processing Supplies	5,500	23.00	471.26	0.00	5,028.74	8.57
29-522-52100 Wearing Apparel	750	0.00	0.00	0.00	750.00	0.00
29-522-52130 Food & Water Supplies	1,000	0.00	0.00	0.00	758.12	1.08
29-522-52150 Building & Grounds Supplies	7,000	39.98	4.04	0.00	995.96	0.40
29-522-53000 Engineering Services	3,350	0.00	0.00	0.00	7,000.00	0.00
29-522-53010 Auditing & Accounting	30,500	8.11	15,298.11	0.00	1,350.00	59.70
29-522-53030 Legal Services	18,000	1,275.00	2,500.00	0.00	15,500.00	13.89
29-522-53200 Electricity	10,000	194.01	729.85	0.00	9,270.15	7.30
29-522-53210 Telephone	2,600	211.36	548.07	0.00	2,051.93	21.08
29-522-53220 Internet Services	420	0.00	0.00	0.00	420.00	0.00
29-522-53250 Web Site Design & Update	8,000	125.00	8,887.50	0.00	887.50	111.09
29-522-53260 Christmas Decorating Servi	10,000	0.00	4,650.00	0.00	5,350.00	46.50
29-522-53300 Dues & Subscriptions	2,933	304.86	1,371.44	0.00	1,561.56	46.76
29-522-53310 Travel & Training	10,950	0.00	1,047.22	0.00	9,902.78	9.56
29-522-53320 Newspaper Advertising	2,400	398.50	398.50	0.00	2,001.50	16.60
29-522-53330 Postage & Shipping	100	0.00	0.00	0.00	100.00	0.00
29-522-53355 Marketing	6,500	250.00	3,750.00	0.00	2,750.00	57.69
29-522-53400 Public Relations	7,250	199.35	298.74	0.00	6,951.26	4.12
29-522-53400 General Liability Insuranc	1,245	310.06	632.75	0.00	612.25	50.82
29-522-53900 Building & Land Rentals	12,600	2,100.00	5,250.00	0.00	7,350.00	41.67
29-522-53960 Copier Rental Fees	2,150	225.00	795.93	0.00	1,354.07	37.02
29-522-54410 Software License Fees	17,290	4,740.00	16,920.00	0.00	370.00	97.86
29-522-55580 Community Project Grants	70,000	188.12	32,502.56	0.00	37,497.44	46.43
29-522-55590 Historic District Projects	200,000	21,000.00	21,402.16	0.00	178,597.84	10.70
29-522-55610 Business Incentives	80,000	0.00	0.00	0.00	80,000.00	0.00
<b>TOTAL OPERATIONS</b>	<b>513,288</b>	<b>31,739.34</b>	<b>120,042.96</b>	<b>0.00</b>	<b>393,245.04</b>	<b>23.39</b>

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
<b>CAPITAL OUTLAY</b>						
29-522-56010 Buildings	145,000	0.00	0.00	0.00	145,000.00	0.00
29-522-56050 Park Improvements	676,000	1,600.00	2,570.00	0.00	673,430.00	0.38
29-522-56200 Roads & Parking	100,000	0.00	0.00	0.00	100,000.00	0.00
29-522-56500 Utility Line Extensions	12,000	0.00	0.00	0.00	12,000.00	0.00
29-522-56995 Engineering Services	164,000	4,450.00	24,395.00	0.00	139,605.00	14.88
29-522-56996 Architectural Services	35,500	8,995.00	8,995.00	0.00	26,505.00	25.34
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,132,500</b>	<b>15,045.00</b>	<b>35,960.00</b>	<b>0.00</b>	<b>1,096,540.00</b>	<b>3.18</b>

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REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2026

ECON. DEV. SALES TAX FUND  
DEPARTMENT - ECON DEVELOPMENT

% OF YEAR COMPLETED: 33.33

CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
1,867,498	63,773.00	224,010.73	0.00	1,643,487.27	12.00
<b>TOTAL ECON DEVELOPMENT</b>					

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AS OF: JANUARY 31ST, 2026

ECON. DEV. SALES TAX FUND  
DEPARTMENT - NON-DEPARTMENTAL

% OF YEAR COMPLETED: 33.33

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	TOTAL ENCUMBERED	BUDGET BALANCE	% YTD BUDGET
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PERSONNEL

OPERATIONS						
29-599-5510 Service/Finance Charges	0	128.33	128.33	0.00	128.33	0.00
TOTAL OPERATIONS	0	128.33	128.33	0.00	128.33	0.00

CAPITAL OUTLAY

DEBT SERVICE						
29-599-58000 Principal Retirement	70,000	0.00	0.00	0.00	70,000.00	0.00
29-599-58010 Interest Paid	4,620	0.00	0.00	0.00	4,620.00	0.00
TOTAL DEBT SERVICE	74,620	0.00	0.00	0.00	74,620.00	0.00

TOTAL NON-DEPARTMENTAL	74,620	128.33	128.33	0.00	74,491.67	0.17
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TOTAL EXPENDITURES	1,942,116	63,901.33	224,139.06	0.00	1,717,978.94	11.54
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REVENUE OVER/(UNDER) EXPENDITURES	( 696,435)	386,996.15	611,685.45	0.00	( 1,310,120.45)	87.58-
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OTHER FINANCING SOURCES & USES

OTHER SOURCES						
29-49998 Budgeted Reduction of Fund Bal	788,170	0.00	0.00	0.00	788,170.00	0.00
TOTAL OTHER SOURCES	788,170	0.00	0.00	0.00	788,170.00	0.00

OTHER USES						
29-599-59995 Contributions to Primary G	89,735	0.00	0.00	0.00	89,735.00	0.00
TOTAL OTHER USES	89,735	0.00	0.00	0.00	89,735.00	0.00

TOTAL OTHER SOURCES & USES	698,435	0.00	0.00	0.00	698,435.00	0.00
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REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	0	386,996.15	611,685.45	0.00	( 611,685.45)	0.00
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# Sealy Economic Development Corporation

## Sales Tax Report

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City of Sealy, Texas  
Sales & Use Tax Revenue Report  
March 2026

	JANUARY 2026 TAX COLLECTIONS		
	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ 880,362.25	\$ 440,181.13	\$ 1,320,543.38
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ (2,596.24)	\$ -	\$ (2,596.24)
Net sales tax allocation from the State, excluding direct pay allocation	\$ 877,766.01	\$ 440,181.13	\$ 1,317,947.14
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ 877,766.01	\$ 440,181.13	\$ 1,317,947.14
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 4,784.66	\$ 2,392.33	\$ 7,176.99
Grand total sales tax collections	\$ 882,550.67	\$ 442,573.46	\$ 1,325,124.13

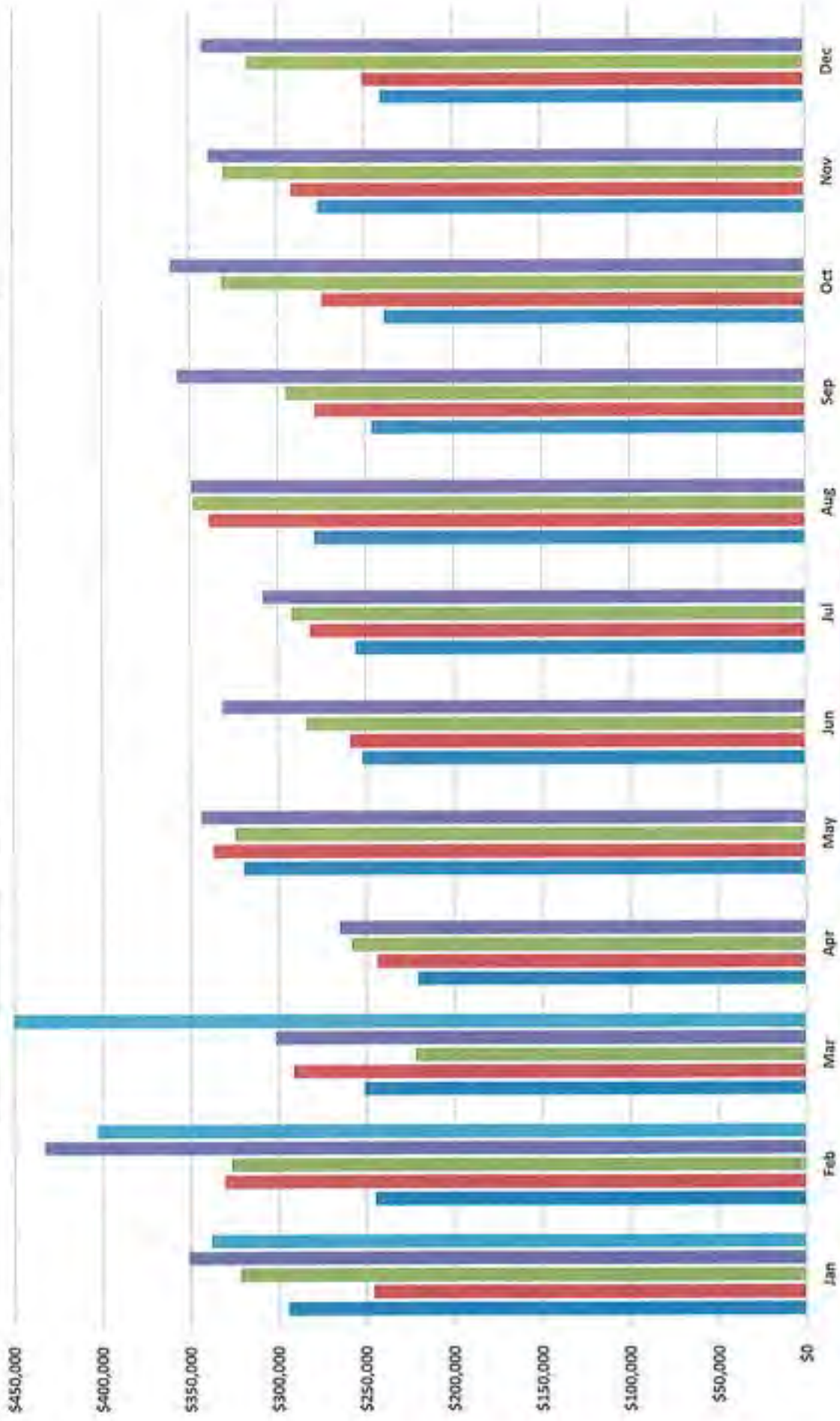
	JANUARY 2025 TAX COLLECTIONS		
	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ 199,411.12	\$ 99,705.56	\$ 299,116.68
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ (2,596.24)	\$ -	\$ (2,596.24)
Net sales tax allocation from the State, excluding direct pay allocation	\$ 196,814.88	\$ 99,705.56	\$ 296,520.44
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ 196,814.88	\$ 99,705.56	\$ 296,520.44
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 3,445.26	\$ 1,722.63	\$ 5,167.89
Grand total sales tax collections	\$ 200,260.14	\$ 101,428.19	\$ 301,688.33

	YEAR-OVER-YEAR INCREASES (DECREASES)		
	CITY OF SEALY	SEALY EDC	TOTAL
Gross sales tax allocation from the State, excluding direct pay allocation	\$ 680,951.13	\$ 340,475.57	\$ 1,021,426.70
Monthly adjustment by the State for sales tax overpayment by taxpayer	\$ -	\$ -	\$ -
Net sales tax allocation from the State, excluding direct pay allocation	\$ 680,951.13	\$ 340,475.57	\$ 1,021,426.70
Direct pay allocation from the State	\$ -	\$ -	\$ -
Net sales tax payment from the State, including direct pay allocation	\$ 680,951.13	\$ 340,475.57	\$ 1,021,426.70
Retainage of sales tax collections from taxable sales of goods and services by the City	\$ 1,339.40	\$ 669.70	\$ 2,009.10
Grand total sales tax collections	\$ 682,290.53	\$ 341,145.27	\$ 1,023,435.80

Percentage change in grand total sales tax collections 340.70% 336.34% 339.24%

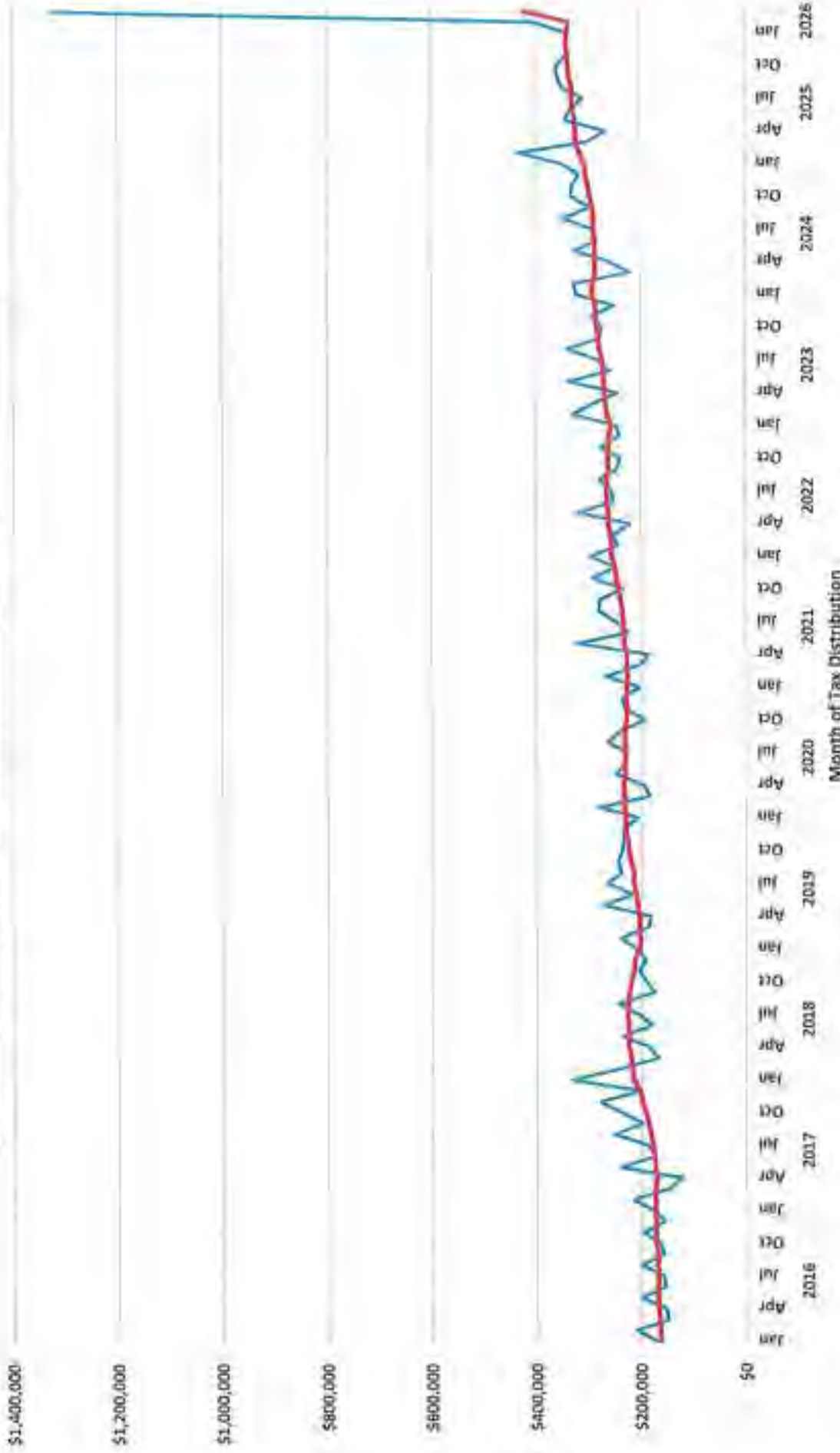
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**City of Sealy, Texas**  
**Sales & Use Tax Allocations Yearly Comparison by Month**  
*(Amounts include allocations to Sealy Economic Development Corporation.)*



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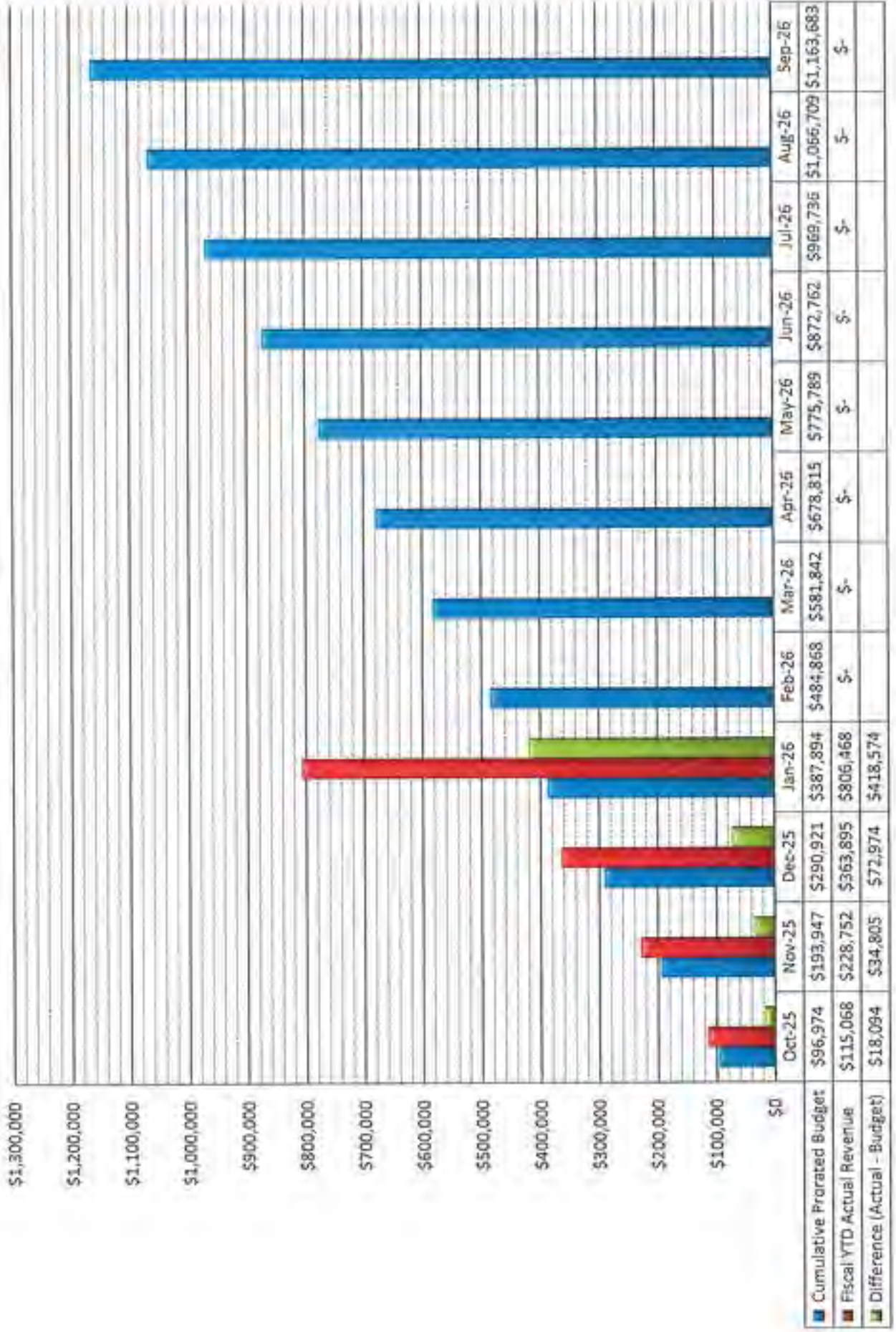
**City of Sealy, Texas**  
**Sales and Use Tax Revenue Trend**  
*(Amounts include allocations to Sealy Economic Development Corporation.)*



— Actual Allocation — 12-month Moving Average

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# Sealy Economic Development Corporation Sales and Use Tax Revenue Status Chart Fiscal Year 2026



# Sealy Economic Development Corporation

## Balance Sheet with Cash & Investments

CITY OF SEALY  
BALANCE SHEET

AS OF: JANUARY 31ST, 2026

29 -ECON. DEV. SALES TAX FUND

ACCOUNT #	ACCOUNT DESCRIPTION	BALANCE
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ASSETS

29-10000	Claim on Pooled Cash	( 57,888.03)
29-10003	PC ROW/Road Construction Acct	354,911.83
29-11260	BK Sealy Economic Develop Corp	375,374.69
29-12538	TP General Investment Account	759,047.14
29-12638	TS General Investment Account	1,105,387.11
29-12738	TS ROW/Road Construction Acct	744,697.17
29-13400	Sales Tax Receivable	573,882.21
29-16020	Prepaid WASA Deductions	( 7.00)
29-16500	Security Deposits	650.00
29-18200	Land & Buildings	230,460.15
29-18600	Right to Use Asset	12,230.92
29-18900	Accumulated Depreciation	( 18,277.67)
		<u>4,080,468.52</u>

TOTAL ASSETS 4,080,468.52

LIABILITIES

29-20000	Accounts Payable (Pooled)	35,355.28
29-22000	Accounts Payable	( 103,663.96)
29-23010	Liab Compensated Absences	7,682.79
29-23030	Insurance Deds Pybl - BCBS	( 1,686.00)
29-23038	Ins Ded's Pay - Amer Fidelity	( 98.20)
29-23042	Insurance Deds Pybl - Prnlife	( 257.09)
29-23070	Pension Deducts Payable	899.98
29-24000	Due to Other Funds	192,096.88
29-24010	Due to Primary Government	( 30,000.00)
29-25250	Capital Lease Payable	<u>1,873.19</u>
	TOTAL LIABILITIES	<u>102,202.87</u>

EQUITY

29-30000	Fund Balance	<u>3,366,580.20</u>
	TOTAL BEGINNING EQUITY	3,366,580.20
	TOTAL REVENUE	835,824.51
	TOTAL EXPENSES	<u>224,132.06</u>
	TOTAL REVENUE OVER/(UNDER) EXPENSES	611,685.45

TOTAL EQUITY & REV. OVER/(UNDER) EXP. 3,978,265.65

TOTAL LIABILITIES, EQUITY & REV.OVER/(UNDER) EXP. 4,080,468.52

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# **Payables & Gatekeeping Report**

## Payables Report

Updated 03/24/2026

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### Business Incentives Committed

Hailiang	\$	50,000.00	On Hold
Trevino Project	\$	15,000.00	2026 June
Hendrix	\$	50,000.00	Once benchmark met
<b>Total</b>	<b>\$</b>	<b>115,000.00</b>	

### Historic District Improvement Grants Committed

The Good Samaritan Project	\$	12,500.00	May. 2026
The Sign Project Outrigger/Fit&Healthy	\$	3,000.00	Aug. 2026
The Medrano Project HD&BIG	\$	11,000.00	Paid
<b>Total</b>	<b>\$</b>	<b>26,500.00</b>	

### City & Community Obligations Committed

Engineering for Cryan Park and Downtown Improvements	\$	164,000.00	paid \$24,395
Cryan Park Pond & Path Lighting	\$	545,420.00	paid \$101,475
Hill Center Building Improvement	\$	100,000.00	Sept. 2026
Liedertafel Building Improvement	\$	75,000.00	Sept. 2026
Capital Park Project	\$	25,000.00	Sept. 2026
Administrative Services Agreement	\$	30,000.00	Mar. 2026
Classic Choice Project	\$	1,500.00	Mar. 2026
Praseks	\$	10,000.00	Mar. 2026
BNSF Lease Downtown Parking	\$	4,770.00	Aug. 2026
JAC Park Interest Payment	\$	7,194.00	Sept. 2026
Sealy Area Historical Society Bozeman House	\$	20,000.00	Mar. 2026
JAC Park Principal	\$	70,000.00	Sept. 2026
<b>Total for City Obligations</b>	<b>\$</b>	<b>1,052,884.00</b>	
<b>Total of Obligations Commitments:</b>	<b>\$</b>	<b>1,194,384.00</b>	

### Future Payables, Public Hearings, Pending Approval

Liedertafel Hall Project Phase II	\$	155,000.00	
<b>Total</b>	<b>\$</b>	<b>155,000.00</b>	

### Projects in Discussion

Recreational Equipment at Parks		<b>\$270,000</b>	
<b>Total</b>	<b>\$</b>	<b>270,000.00</b>	

<b>Total commitments &amp; possible funding</b>	<b>\$</b>	<b>1,619,384.00</b>	
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Year	Project Name	Agreement with Strand	Completed	Estimated	Actual	Comments	Notes
2025	Downstreet Parking Project Mill Center Parking Project	Agreement with Strand	Completed	\$625,400	\$625,400	Complete	Final 2024 expenditures @ 7/2024
2025	Flood Campaign	Agreement with Strand	Completed	\$835,400	\$835,400	Complete	Final 2024 expenditures @ 7/2024
	EDC Letter Agreement	Between Strand and City	In Progress	\$ 24,625.00	\$ 24,625.00	Final 2025 will also fund 2024 & 2027	Final 2024 expenditures @ 7/2024
	Administrative Services Agreement	with Disaster Relief	In Progress	\$1,250.00	\$1,250.00	Final 2025 will also fund 2024 & 2027	Final 2024 expenditures @ 7/2024
	Writing Photo and Video Package	Interlocal	In Progress	\$ 30,000.00	\$ 30,000.00	Approved by City Council and Legislature	Final 2024 expenditures @ 7/2024
	Charitable Creative	PSA with Strand	In Progress	\$ 2,500.00	\$ 2,500.00	Agreement executed and in progress, cost was completed July 2024	Final 2024 expenditures @ 7/2024
	Streetlight Barrier Treats Petrowski	PSA	In Progress	\$750.00	\$750.00	Agreement re-executed for 2025	Final 2024 expenditures @ 7/2024
	Trening Project Interlocal Improvements	PSA	In Progress	\$5,000.00	\$5,000.00	Final 2024 expenditures @ 7/2024	Final 2024 expenditures @ 7/2024
	Seitz Area Historical Society	Performance Agreement	In Progress	\$20,000.00	\$20,000.00	Final 2024 expenditures @ 7/2024	Final 2024 expenditures @ 7/2024
	Classic Cheese Project	Performance Agreement	In Progress	\$1,500.00	\$1,500.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Good Samaritan Project	Performance Agreement	In Progress	\$37,500.00	\$37,500.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Regatta Coach	PSA	In Progress	\$15,000.00	\$15,000.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Prayer II	PSA	In Progress	\$3,258.00	\$3,258.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Public Safety	PSA	In Progress	\$4,200.00	\$4,200.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Shower	PSA	In Progress	\$1,180.00	\$1,180.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
	Reynolds	PSA	In Progress	\$4,000.00	\$4,000.00	Sign improvements complete, did not see resident requests for sign	Final 2024 expenditures @ 7/2024
2026	Trail Sign Project - Mill Center	Performance Agreement	In Progress	\$1,000.00	\$1,000.00	Final 2024 expenditures @ 7/2024	Final 2024 expenditures @ 7/2024

\*Regimental items are changes made in current month

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# Investment Policy

## Item #8



AGENDA ITEM NO:

Discussion and possible action to approve, by resolution, the annual review and reaffirmation of the Sealy Economic Development Corporation Investment Policy.

SUBMITTED BY: Jennifer Matura, SEDC Treasurer

MEETING DATE: March 24, 2026.

## STAFF REPORT

### SUMMARY

The Sealy Economic Development Corporation (SEDC) Investment Policy governs the investment of the Corporation's funds and establishes the guidelines and procedures for managing public funds in a safe and prudent manner. The policy is adopted in accordance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The Public Funds Investment Act requires the governing body of an investing entity to review its investment policy and investment strategies not less than annually and to adopt a resolution stating that the policy and strategies have been reviewed and approved.

### DETAILS

Staff has conducted the annual review of the SEDC Investment Policy. The policy continues to emphasize the primary investment objectives required under state law, including:

- Safety of principal
- Liquidity to meet operating needs
- Maintenance of public trust
- Optimization of interest earnings

The policy also establishes guidelines related to authorized investments, diversification, maturity limitations, collateralization requirements, reporting, and internal controls.

The only revisions included in the attached redline version of the policy are:

1. Updated SEDC Logo on cover page.
2. Updating the effective date of the policy.
3. Revising the Scope section to clarify that the policy applies specifically to the financial assets of the Sealy Economic Development Corporation, including sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.

BT

4. Update to language from CAFR to ACFR (Annual Comprehensive Financial Report. GASB officially changed the name of this report via Statement No. 98.

These revisions do not change the Corporation's investment practices but clarify the applicability of the policy to SEDC funds. Prior language included funds that were under the control of the City which are not governed by the SEDC.

A redline copy of the policy highlighting the revisions and a clean copy of the policy are included in the Board's packet for review.

#### RECOMMENDATION

Staff recommends that the Board of Directors approve the attached resolution acknowledging the annual review of the Sealy Economic Development Corporation Investment Policy and Investment strategies and reaffirming the Investment Policy as presented.

# Resolution

**RESOLUTION NO. 2026-**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SEALY ECONOMIC DEVELOPMENT CORPORATION REVIEWING AND ADOPTING THE CORPORATION'S INVESTMENT POLICY AND INVESTMENT STRATEGIES IN ACCORDANCE WITH THE TEXAS PUBLIC FUNDS INVESTMENT ACT.**

**WHEREAS**, Chapter 2256 of the Texas Government Code, commonly known as the Texas Public Funds Investment Act, requires the governing body of an investing entity to adopt a written investment policy regarding the investment of its funds; and

**WHEREAS**, the Texas Public Funds Investment Act further requires that the governing body of an investing entity review its investment policy and investment strategies not less than annually; and

**WHEREAS**, the Board of Directors of the Sealy Economic Development corporation has previously adopted an Investment Policy governing the investment of the Corporation's funds; and

**WHEREAS**, the Board of Directors has designated the Treasurer of the Sealy Economic Development Corporation to serve as the Investment Officer responsible for the investment of the Corporation's funds in accordance with the Investment Policy and the Texas Public Funds Investment Act; and

**WHEREAS**, the Texas Public Funds Investment Act, requires the Investment Officer of the Corporation to attend investment training provided by an independent source approved by the governing body; and

**WHEREAS**, the Board of Directors has approved training courses sponsored by organizations including the Texas Municipal League (TML), the Government Finance Officers Association (GFOA), the Government Finance Officers Association of Texas (GFOAT), the Government Treasurers' Organization of Texas (GTOT), the Association of Public Treasurers of the United States and Canada (APT US & C), the University of North Texas Center for Public Management, the Texas State University William P. Hobby Center for Public Service, and the Houston-Galveston Area Council (H-GAC); and

**WHEREAS**, The Treasurer has completed an initial ten (10) hours of investment training through a course sponsored by Virtual Learning Concepts in conjunction with Texas Municipal League on March 6, 2025, as required by the Texas Public Funds Investment Act; and

**WHEREAS**, the Board of Directors has reviewed the attached Investment Policy and investment strategies and has determined that the policy complies with the requirements of the Texas Public Funds Investment Act and provides appropriate guidelines for the prudent investment of the Corporation's funds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SEALY ECONOMIC DEVELOPMENT CORPORATION:**

- 1. Annual Review.** The Board of Directors hereby acknowledges that it has conducted its annual review of the Corporation's Investment Policy and investment strategies as required by the Texas Public Funds Investment Act.

2. **Approval of Policy.** The Investment Policy attached hereto as "Exhibit A" is hereby approved and adopted as the official Investment Policy of the Sealy Economic Development Corporation.
  
3. **Compliance with State Law.** The Board of Directors finds that the Investment Policy and Investment Strategies comply with the requirements of the Texas Public Funds Investment Act. PASSED, APPROVED, AND ADOPTED, by the Board of Directors of the Sealy Economic Development Corporation this the 24<sup>th</sup> day of March 2026.

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Sterling Schiller  
President

ATTEST:

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Katherine Ellis  
Secretary

# Track Changes Version

Exhibit A

# Sealy Economic Development Corporation

## Investment Policy



**SEALY ECONOMIC DEVELOPMENT CORPORATION  
INVESTMENT POLICY**

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**SEALY ECONOMIC DEVELOPMENT CORPORATION  
INVESTMENT POLICY**

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# SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

## I. POLICY

It is the policy of the Sealy Economic Development Corporation (hereinafter referred to as the "Corporation") that, after allowing for the anticipated cash flow requirements of the Corporation and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the Corporation's funds. The Corporation's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of (a) safety and preservation of principal, (b) maintenance of sufficient liquidity to meet operating needs, (c) public trust from prudent investment activities, and (d) optimization of interest earnings on the portfolio.

## II. PURPOSE

The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipal corporation to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the Corporation's funds.

## III. SCOPE

This investment policy shall govern the investment of all financial assets of the Corporation. These funds are accounted for in the City of Sealy's ~~Comprehensive Annual~~ Annual Comprehensive Financial Report (CAFR/CFR) and include sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.

- ~~• General Fund~~
- ~~• Special Revenue Funds~~
- ~~• Capital Projects Funds~~
- ~~• Enterprise Funds~~
- ~~• Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately~~
- ~~• Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately~~
- ~~• Any new fund created by the City, unless specifically exempted from this policy by the City Council or by law.~~

This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **IV. INVESTMENT OBJECTIVES**

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The Corporation shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The Corporation shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

#### **Safety**

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Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The Corporation will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the Corporation will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.
  
- *Interest Rate Risk:* The Corporation will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

#### **Liquidity**

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The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

#### **Public Trust**

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All participants in the Corporation's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the Corporation's ability to govern effectively.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

### V. RESPONSIBILITY AND CONTROL

#### Delegation of Authority

In accordance with the Public Funds Investment Act, the Board of Directors designates the Treasurer as the Corporation's Investment Officer. The Investment Officer is authorized to execute investment transactions on behalf of the Corporation. No person may engage in an investment transaction or the management of Corporation funds except as provided under the terms of this investment policy as approved by the Board of Directors. The investment authority granted to investing officers is effective until rescinded by the Board of Directors.

#### Quality and Capability of Investment Management

The Corporation shall provide periodic training in investments for the designated Investment Officer and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

#### Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated investment Officer shall attend continuing investment training no less often than once every two years (based on the Corporation's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the Board of Directors. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the Corporation may engage in an investment transaction.

#### Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Corporation are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire-transfer agreement with the depository bank or third party custodian.

### Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the Corporation's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the Corporation.

### Indemnification

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

### Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the Corporation who has a personal business relationship with an organization seeking to sell an investment to the Corporation shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Directors.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **VI. SUITABLE AND AUTHORIZED INVESTMENTS**

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#### **Portfolio Management**

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The Corporation currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the Corporation require that the investment be liquidated.

#### **Investments**

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Corporation funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of Corporation funds in any instrument or security not authorized for investment under the Act is prohibited. The Corporation will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

#### **Authorized**

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- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the Corporation.
- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a \$1.00 net asset value, and (4) are authorized by resolution or ordinance of the Board of Directors.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

#### **Not Authorized**

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Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

### **VII. INVESTMENT PARAMETERS**

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#### **Maximum Maturities**

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The longer the maturity of investments, the greater their price volatility. Therefore, it is the Corporation's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

The Corporation attempts to match its investments with anticipated cash flow requirements. The Corporation will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above described certificates of deposit may be collateralized using longer dated investments.

### Diversification

The Corporation recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the Corporation's total portfolio:

- Certificates of Deposit ..... 75%
- Authorized Pools..... 75%

## VIII. SELECTION OF FINANCIAL INSTITUTIONS

### Depository

At least every five (5) years, a depository shall be selected through the Corporation's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

### Authorized Investment Providers

The Corporation shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the Corporation. All investment providers, including financial institutions, banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Corporation's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Corporation's policy.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### Competitive Bids

It is the policy of the Corporation to require competitive bidding for all individual security purchases and sales, except for transactions with local government investment pools. The Treasurer shall develop and maintain procedures for ensuring a competition in the investment of the Corporation's funds.

### Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

## IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

### Safekeeping and Custodian Agreements

The Corporation shall contract with a bank or banks for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the Corporation shall be held in the Corporation's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the Corporation and pledged to the Corporation as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the Corporation.

### Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Corporation to require full collateralization of all Corporation funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the Corporation may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the Corporation has a current custodial agreement. The Treasurer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Corporation and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

### Collateral Defined

The Corporation shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the Corporation by the Federal Home Loan Bank.

### Subject to Audit

All collateral shall be subject to inspection and audit by the Treasurer or the Corporation's independent auditors.

## X. PERFORMANCE

### Performance Standards

The Corporation's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the Corporation.

### Performance Benchmark

It is the policy of the Corporation to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the Corporation shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The Corporation's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the Corporation's weighted average maturity in days.

## XI. REPORTING

### Methods

The Investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the Corporation to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the Corporation's investment portfolio with state law and the investment strategy and policy approved by the Board of Directors.

### Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

### XII. INVESTMENT POLICY ADOPTION

The Corporation's investment policy shall be adopted by resolution of the Board of Directors. It is the Corporation's intent to comply with state laws and regulations. The Corporation's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the Corporation. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

### XIII. INVESTMENT STRATEGY

The Corporation shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

- A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.
- C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

- D. Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

### **XIV. APPROVED INVESTMENT PROVIDERS**

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#### ***Local Government Investment Pools***

TexPool  
TexPool Participant Services  
Federated Hermes, Inc.  
1001 Texas Avenue, Suite 1150  
Houston, TX 77002  
Phone: (866) 839-7665  
Fax: (866) 839-3291

TexSTAR  
TexSTAR Participant Services  
Hilltop Securities/L.P. Morgan Investment  
Management, Inc.  
717 N. Harwood, Suite 3400  
Dallas, TX 75270  
Phone: (800) 839-7827  
Fax: (214) 953-8678

#### ***Financial Institutions/Banks***

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the Entity.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **GLOSSARY OF INVESTMENT TERMS**

**ACCRETION:** The increase in value of an asset toward its redemption price over time as it approaches maturity. The discount amount is accreted to par over the life of the security on a daily basis.

**ACCRUED INTEREST:** The accumulated interest due on a bond as of the last interest payment made by the issuer of the bond. The security is always sold with the accrued interest included.

**AGENCY SECURITY:** A U.S. Government-issued security that was not issued by the Treasury Department but that may be backed by the full faith and credit of the United States depending upon the issuing agency. A debt security issued by a federal or federally sponsored agency, such as the Federal National Mortgage Association (FNMA).

**AMORTIZATION:** The decrease in value of an asset to its redemption price over time as it approaches maturity. On a mortgage backed security, the reduction through periodic repayments of both interest and principal. The premium amount is amortized to par over the life of the security on a daily basis.

**ARBITRAGE:** Profiting from the differences in price when the same security, currency, or commodity is traded on two or more markets.

**ARBITRAGE BONDS:** Bonds issued by a municipality in the tax exempt markets and reinvested in the taxable markets in order to gain interest rate advantage or the advantage earned by refunding higher-rate bonds in advance of their call date. Proceeds from the lower-rate refunding issue are invested in treasuries until the first call date of the higher-rate issue being refunded.

**ASK PRICE:** The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

**ASSET ALLOCATION:** The way that investments are distributed and weighted among different types of investment vehicles. The objective of asset allocation is to diversify market and credit risk while obtaining the greatest possible return consistent with the investor's risk tolerance.

**AVERAGE LIFE:** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**BANKERS ACCEPTANCE (BA):** A draft, bill, or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the issuer. Used primarily in international trade.

**BASIS POINT:** A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

**BEAR MARKET:** A prolonged period of falling security prices, usually caused by declining economic conditions and/or rising interest rates.

**BENCHMARK:** The performance of a predetermined group of securities or an individual security for comparative risk and performance purposes. Benchmarks may be based on available indexes, such as the Standard and Poor's Index or selected for specific investment strategies.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

**BID PRICE:** The price offered by the seller of a security. The price at which a governmental entity will sell a security.

**BOND:** A long-term debt obligation issued by a government, corporation, or municipality that generally pays a stated rate of interest at regular intervals and returns the face value upon maturity.

**BOOK VALUE:** The value at which a security is carried on an inventory list or other financial records of an investor. Book value reflects the price at which the security was originally bought plus net amortization/accretion to that point in time. The book value will differ significantly from the security's current market value.

**BROKER:** A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

**BULL MARKET:** A period of prolonged rises in the price of stocks, bonds, and/or commodities due to favorable market conditions producing lower interest rates.

**CALL FEATURE:** Part of the agreement a bond issuer makes with a buyer, called the indenture, describing the schedule and price of redemption before maturity. A call is an embedded option in the security allowing the seller to "call" (buy) it back at specific times.

**CALL PRICE:** Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

**CALL PROVISION:** A bond provision that allows the bond issuer to redeem the bond prior to the bond's maturity date, if the bond states that this provision can be exercised after a given number of years, or at a price greater than the par value, or the bond is not callable; the bond is said to have call protection.

**CALL RISK:** The risk to a bondholder that a bond may be redeemed prior to maturity.

**CALLABLE BOND:** A bond that has an option which can be exercised by the issuer of the bond to redeem the bond prior to its maturity date. The provision will state the times and price that the bond may be called at.

**CAPITAL GAIN:** The profitable result of the sale of a security or asset whereby the net sales price exceeds the book value of the security at the date of sale.

**CAPITAL LOSS:** The resulting loss on the sale of a security or asset whereby the net sale proceeds are less than the book value of the security at the date of sale.

**CASH FLOW ANALYSIS:** An analysis of changes in revenues and expenditures that affect the cash balance.

**CASH SALE/PURCHASE:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

**CERTIFICATE OF DEPOSIT (CD):** A time deposit issued by a bank that pays interest periodically until maturity; a time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable. There is a penalty for early withdrawal of the CD (time deposit).

**COLLATERAL:** Securities, evidences of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERAL POOLING:** Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of all entities' funds. The program is monitored by the State Comptroller.

**COLLATERALIZATION:** The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

**COMMERCIAL PAPER (CP):** Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

**COMPOUND INTEREST:** The method of computing interest on a principal sum where the interest rate is applied to the original principal and any accumulated interest.

**~~COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)~~-ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

**CONSTANT DOLLAR FUND:** A short-term money market fund whose objective is to offer safety, liquidity, and always strives to maintain a \$1 share value for all participants. SEC registered funds maintain a limited 90-day WAM (weighted average maturity). AAA-rated funds usually require a 60-day WAM.

**CONTINUOUS CALL OPTION:** A call option on a security under which the issuer maintains the right to repurchase the bond from the investor, on any date, from the time that the bond is first callable until its maturity date.

**CONVEXITY:** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

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**COUPON RATE:** The fixed annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. A certificate attached to a bond evidencing interest due on a payment date.

**CREDIT QUALITY:** The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**CREDIT RISK:** The risk that the issuer of a bond will default, fail, or have its credit rating reduced. This could involve the loss of all or part of the invested principal.

**CURRENT YIELD (CURRENT RETURN):** A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account. A dealer maintains a portfolio and can trade from that portfolio.

**DEBENTURE:** A bond secured only by the general credit of the issuer. U.S. government agency notes are debentures.

**DEFLATION:** An economic condition that is characterized by the decline in the prices of goods and services (the reverse of inflation). See also **INFLATION**.

**DELIVERY VERSUS PAYMENT (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment requires the delivery of securities before payment is made securing the assets for the entity. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities and is less secure.

**DEPOSITORY TRUST COMPANY (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of the certificates. The DTC uses computerized debit and credit entries. A member of the Federal Reserve System, the system mirrors the FedWire system and was designed to reduce the load on the FedWire system.

**DEPRECIATION:** The decline in the value of an asset or investment.

**DERIVATIVE SECURITY:** A financial instrument whose value is based on, and determined by, another security or benchmark. Examples include mortgage backed securities as well as Treasury strips, callable securities, and floaters.

**DISCOUNT:** The difference between the cost price of a security and its par, or face value, at maturity when quoted at lower than face value. A security selling below the original offering price shortly after sale also is considered to be "at a discount."

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; e.g., U.S. Treasury bills and U.S. agency discount notes.

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**DISCOUNT ON SECURITIES:** The difference between a security's par value and its price when trading at less than par price (100).

**DISCOUNT RATE:** The interest rate member banks pay the Federal Reserve when the banks use securities as collateral. Banks usually set their loan rates one point above the discount rate.

**DISCRETE CALL OPTION:** An option whereby the bondholder has sold the issuer the right to repurchase the bonds back from the investor, only on interest payment dates or dates of the schedule, from the time that the bond is first callable until its maturity date.

**DIVERSIFICATION:** The spreading of an investment over a large number of securities in order to reduce financial risk or the process of using different securities and maturities in a portfolio to reduce market and credit risk (i.e., "not putting all your eggs in one basket").

**DURATION:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**EQUITY:** Ownership possessed by shareholders in a corporation.

**FAIR MARKET VALUE:** The price at which a buyer and seller agree. In investment accounting and GASB, the market value at one point in time, usually the end of the fiscal year.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** The federal agency that insures bank deposits, currently up to \$250,000 per deposit as identified by taxpayer identification number.

**FEDERAL FUNDS (FED FUNDS):** Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

**FEDERAL FUNDS RATE (the "FED RATE"):** The rate of interest at which banks with excess reserves charge banks lacking reserves for overnight loans to meet reserve requirements. This rate is set by the market to be consistent with the daily reserve requirements and monitored by the Fed.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend money to savings and loan associations, cooperative banks, and other mortgage lenders in a manner similar to the Federal Reserve's role with commercial banks. The Federal Home Loan Bank System is made up of 12 regional FHLBs. It raises money by issuing notes and bonds and lends money to savings and loans and other mortgage lenders based on the amount of collateral the institution can provide.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"):** Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed

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by three pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

**FEDERAL HOUSING ADMINISTRATION (FHA):** Federally sponsored agency that insures lenders against loss on residential mortgages.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"):** FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, DC, twelve regional banks, and about 5,700 commercial banks that are members of the system.

**FINAL MATURITY:** The date on which a security is due and payable. The maturity date stated on the face of a security.

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):** Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

**FIXED INCOME MARKET:** The market defined by securities with set (fixed) coupon rates.

**FLEXIBLE REPURCHASE AGREEMENT (FLEX REPO):** A type of repurchase agreement used primarily for investment of bond proceeds that has a maturity corresponding with the last expected construction draw for the bond project. Flex repos pay a fixed rate of interest and allow for cash withdrawals at the buyer's discretion during the life of the agreement.

**FLOATER:** A security whose value or coupon is determined from (floats on) an index or other security, such as Libor or T-Bills.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"):** GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages. Then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the mortgagee's payments of principal and interest. GNMA's are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

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**GOVERNMENT SECURITIES:** Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL**, **TREASURY NOTE**, and **TREASURY BOND**.

**INFLATION:** The effect of generally rising prices of goods and services.

**INFLATIONARY RISK:** A form of investment risk that measures the effect of inflation on an investment. If the after-tax return on an investment is lower than the rate of inflation, the investor will have less purchasing power at the maturity of the investment. The greatest risk to fixed income securities is where the fixed rate will be devalued by the rise in inflation.

**INSTRUMENTALITY:** A federal agency whose obligations, while not direct obligations of the U.S. Government, are sponsored or guaranteed by the government and backed by the government.

**INTEREST RATE:** The fixed annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**INTEREST-RATE RISK:** A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

**INTERNAL CONTROLS:** An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

**INVERTED YIELD CURVE:** The economic condition where the yield on short term issues is greater than the yield on long-term securities. In theory, this scenario could lead to further declines in interest rates and possible recession.

**INVESTMENT POLICY:** A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT-GRADE OBLIGATIONS:** An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment grade is restricted to those obligations rated BBB or higher by a rating agency.

**ISSUE DATE:** The date from which the bond begins to accrue interest. Also known as "effective date."

**LIQUID ASSET:** An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

**LIQUIDITY:** An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.

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**LIQUIDITY RISK:** A type of investment risk whereby an investment may not be able to be sold quickly at a fair market price when cash is needed. Long-term Treasury Bonds, for example, are publicly traded and have excellent liquidity. Limited partnerships, on the other hand, are often not publicly traded and typically have poor liquidity.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

**MARGIN:** The amount of additional collateral pledged to an entity in order to accommodate changes in market prices. Normally set at 102% for treasuries and agencies.

**MARK-TO-MARKET:** The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**MARKET RISK:** The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

**MARKET VALUE:** The price at which a security is trading in the marketplace and could presumably be purchased or sold.

**MASTER REPURCHASE (REPO) AGREEMENT:** A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET ACCOUNT:** An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

**MONEY MARKET MUTUAL FUND (MMMF):** A specific type of mutual fund that invests solely in money market instruments (short-term debt instruments, such as treasury bills, commercial paper, bankers' acceptances, repos, and federal funds) as defined and registered with the SEC and regulated by the Investment Company Act of 1940 as 2a-7 funds. They strive to maintain a \$1 net share value for participants. Three types of MMMFs are Treasury, Governmental, and Prime. MMMFs are designed for safety and liquidity.

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**MUTUAL FUND:** The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which is independent of the adviser, administrator, or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO), such as the FINRA.
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

**MORTGAGE-BACKED SECURITY:** A security backed by pools of home loan mortgages. Investors in mortgage-backed certificates receive monthly payments derived from the income stream of interest and principal of the underlying mortgages.

**MUNICIPAL BONDS:** A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS**.

**NEGATIVE YIELD CURVE:** See **INVERSE YIELD CURVE**.

**NET ASSET VALUE (NAV):** The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

**NET ASSET VALUE FUNDS:** Mutual funds seeking to offer a higher yield than the constant dollar funds (money market funds). These funds purchase longer maturing securities, which translate into a higher market and volatility risk as well as longer WAM. These funds experience market fluctuation due to the risk of the longer securities and will subject the investor to a higher level of market price and volatility risk than a constant dollar fund.

**NO LOAD MUTUAL FUND:** A mutual fund which does not levy a sales charge on the purchase of its shares.

**NOMINAL YIELD:** The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

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**NORMAL YIELD CURVE:** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. Generally reflects a market in expectation of higher rates.

**OFFER PRICE:** The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

**OPPORTUNITY COST:** The maximum profit an alternative plan of action would provide.

**PAR VALUE:** For bonds, the par value is the face amount and equals the amount of principal due at maturity. The principal amount on which interest is calculated.

**PLEGGED ASSETS:** Bank-owned securities used as collateral for government deposits. Authorized collateral is defined by the Public Funds Collateral Act in Texas.

**PORTFOLIO:** Collection of securities held by an investor.

**POSITIVE YIELD CURVE (NORMAL YIELD CURVE):** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. The relationship of time and rates. Generally reflects a market in expectation of higher rates.

**PREMIUM:** (1) The difference in price between the security's price and par (face amount) if a security is selling above its par value. (2) An amount that must be paid above par in order to call or refund an issue. (3) The price of an option.

**PREPAYMENT:** The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

**PRICE/BOOK RATIO:** A financial ratio, which relates a company's stock (share price) to its total assets less any intangible assets (goodwill, patents) minus current and long-term liabilities.

**PRICE/EARNINGS RATIO:** A financial ratio, which is commonly referred to as the P/E ratio or multiple. This is the relationship of a company's stock price divided by earnings per share. It provides stock investors with an indication of how much is being paid (share price) for a company's earnings potential.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight. Primary dealers can include Securities and Exchange Commission (SEC)-registered securities broker-dealers and banks. These dealers must make the market (buy Treasuries if offered, therefore providing the liquidity) in U.S. Treasuries.

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**PRIME RATE:** The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

**PRINCIPAL:** The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**PRIVATE ACTIVITY BOND:** A taxable municipal bond.

**PROCEEDS:** Money received from the sale of a security or from the issuance of a security.

**PRODUCER PRICE INDEX (PPI):** A measure of wholesale prices.

**PROMISSORY NOTE:** An unconditional signed promise in writing to pay a specified sum in demand at a fixed time. A promise to pay.

**PROSPECTUS:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**PRUDENT PERSON RULE:** An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

**PUT:** An option that gives the holder of a security the right to sell a portion of the security back to the issuer (or put holder) at a specified time at a specified price.

**QUALIFIED PUBLIC DEPOSITORY:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

**REALIZED GAIN/LOSS:** The true gain (profit) or loss of principal resulting from a sale of a security based on the difference between the security's book value and its market value. See **Unrealized Gain/Loss**.

**REDEMPTION PRICE:** See **CALL PRICE**.

**REGULAR SETTLEMENT:** Paying for a security one day after the trade date.

**REINVESTMENT RISK:** The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

**REPURCHASE AGREEMENT (RP or REPO):** An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase

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agreements, are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

**RESET DATE:** The date on which a floating security's rate or value is reset based on an established index and schedule.

**REVENUE BONDS:** Securities issued by governmental entities and secured by the revenue stream from the project being built or supported, such as water treatment facilities or sewage plants.

**RISK:** A measure of the probability of financial loss.

**SAFE HARBOR:** The shifting of financial assets to less volatile areas to reduce risk.

**SAFEKEEPING LOCATION:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SALLIE MAE (SLMA):** Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** A governmental organization established to regulate the U.S. financial markets.

**SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA):** Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

**SELF-REGULATORY ORGANIZATION (SRO):** A stock exchange, securities, or commodities organization that is registered with the Securities and Exchange Commission and that is responsible for making sure that its members obey rules and regulations.

**SERIAL BOND:** A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**SETTLEMENT DATE:** The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE**.

**SHORT:** To have sold a security without owning the security in anticipation of subsequently purchasing it at a lower price and making a profit. Not permitted by governmental entities.

**SIMPLE INTEREST:** The method of computing interest on a principal sum where the interest rate is applied only to the original principal amount.

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**SINKING FUND:** Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**SKIP DAY SETTLEMENT:** Settlement one day after normal settlement, i.e., two-day settlement.

**SPREAD:** The difference between any two prices or measures. The difference between the current bid and the current ask of a given security or between yields on similar securities. Refers to the additional yield that may be earned on a security over and above a U.S. Treasury obligation with a comparable maturity.

**STRIP:** A security issued by the U.S. Treasury in which the coupons have been removed and only the principal remains, leaving a deeply discounted security which pays no interest but returns the principal at maturity. Other agencies and dealers "strip" securities, but only the Treasury or an agency can create a "strip." The others carry unique names, such as TDRS (Receipts) and are structured on a trust receipt.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

**SWAP:** Trading one asset for another.

**TERM BOND:** Bonds comprising a large part of all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**TERM REPURCHASE AGREEMENT:** A repurchase agreement that lasts a longer than normal period of time, i.e., more than overnight.

**TOTAL RETURN:** The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period: Price Appreciation + Dividends Paid + Capital Gains = Total Return

**TRADE DATE:** The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE**.

**TREASURY BILL (TB or T-Bill):** A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.

**TREASURY BOND:** The bedwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

**TREASURY NOTE (TN or T-Note):** A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

**TRUST INDENTURE:** A trust deed between a borrower and trust holder on the terms of the trust.

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**UNDERWRITER:** The firm that agrees to buy an issue of securities on a given date and at a given price who will then usually resell them through a distribution network.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**UNREALIZED GAIN/LOSS:** The amount of gain (profit) or loss that would be reflected on the sale of a security if that security had to be sold in the market at that time; calculated on the difference between book value and market value of the security.

**VARIABLE RATE CD:** A short-term CD with an interest rate that is reset at set intervals on an agreed upon index.

**VOLATILITY:** Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

**VOLATILITY RISK RATING:** A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the return ("aaa" by S&P, "V.1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc" by S&P, "V-10" by Fitch).

**WEIGHTED AVERAGE MATURITY (WAM):** The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

**WHEN ISSUED (WI):** A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

**WINDOW:** A term for the electronic bulletin board on which U.S. agencies sell their issues. The agencies "open their window" for the initial offering of a security.

**YIELD:** A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

**YIELD BURNING:** A situation in which securities firms artificially raise the prices on the Treasury bonds used when municipalities refinance outstanding debt, especially advance escrows. Municipalities are prohibited from making money on their tax-exempt transactions, so underwriters raise the price and "burn down" the yield on the securities to the level that municipalities are allowed to earn. Illegal under IRS regulations.

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
**INVESTMENT POLICY**

**YIELD CURVE:** A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

**YIELD TO CALL (YTC):** A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

**YIELD TO MATURITY (YTM):** A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

**ZERO COUPON BOND:** A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
**INVESTMENT POLICY**

**INDUSTRY TERMS AND ACRONYMS**

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**Accounting Terms**

- Par – Face value of the security
- Par – Price of 100 (\$1 for \$1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

**Banking Terms**

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

**Securities Terms**

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association (“Fannie Mae”)
- TB – Treasury Bill
- TN – Treasury Note
- AGY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation (“Freddie Mac”)
- FHLB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association (“Ginnie Mae”)
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fall – Security not delivered as planned
- Bearer Bond – Security with physical value

**Trading Terms**

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trade Documentation

**Other Terms**

- CPI – Consumer price index

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
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- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PFC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- US – U.S. Treasury

Clean Copy

Exhibit A

# Sealy Economic Development Corporation

## Investment Policy



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Effective 03/24/2026

**SEALY ECONOMIC DEVELOPMENT CORPORATION  
INVESTMENT POLICY**

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# **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

## **I. POLICY**

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It is the policy of the Sealy Economic Development Corporation (hereinafter referred to as the "Corporation") that, after allowing for the anticipated cash flow requirements of the Corporation and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines, seeking to optimize interest earnings to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. Investment income is a source of revenue to the Corporation's funds. The Corporation's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

Investments shall be made with the primary objectives of (a) safety and preservation of principal, (b) maintenance of sufficient liquidity to meet operating needs, (c) public trust from prudent investment activities, and (d) optimization of interest earnings on the portfolio.

## **II. PURPOSE**

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The purpose of this investment policy is to comply with Chapter 2256 of the Government Code (hereinafter referred to as the "Public Funds Investment Act"), which requires each municipal corporation to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of the Corporation's funds.

## **III. SCOPE**

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This investment policy shall govern the investment of all financial assets of the Corporation. These funds are accounted for in the City of Sealy's Annual Comprehensive Financial Report (ACFR) and include sales tax funds, project funds, debt service funds, and any other funds placed under the control of the Corporation.

This investment policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **IV. INVESTMENT OBJECTIVES**

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The Corporation shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust, and yield, expressed as optimization of interest earnings.** The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The Corporation shall maintain a comprehensive cash management program, which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of idle cash.

#### Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- *Credit Risk:* The Corporation will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
  - Limiting investments to the safest types of investments,
  - Pre-qualifying the financial institutions with which the Corporation will do business, and
  - Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.
  
- *Interest Rate Risk:* The Corporation will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity,
  - Investing operating funds primarily in certificates of deposit and local government investment pools functioning as money market mutual funds, and
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

#### Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, all or a portion of the portfolio will be invested in local government investment pools that offer same-day liquidity.

#### Public Trust

All participants in the Corporation's investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the Corporation's ability to govern effectively.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

### V. RESPONSIBILITY AND CONTROL

#### Delegation of Authority

In accordance with the Public Funds Investment Act, the Board of Directors designates the Treasurer as the Corporation's Investment Officer. The Investment Officer is authorized to execute investment transactions on behalf of the Corporation. No person may engage in an investment transaction or the management of Corporation funds except as provided under the terms of this investment policy as approved by the Board of Directors. The investment authority granted to investing officers is effective until rescinded by the Board of Directors.

#### Quality and Capability of Investment Management

The Corporation shall provide periodic training in investments for the designated Investment Officer and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act.

#### Training Requirement

In accordance with the Public Funds Investment Act, a newly appointed Investment Officer must attend a training session of at least ten (10) hours of instruction within twelve (12) months of the date the officer took office or assumed the officer's duties. After that, the designated Investment Officer shall attend continuing investment training no less often than once every two years (based on the Corporation's fiscal year) and shall receive not less than eight (8) hours of instruction relating to investment responsibilities. All required investment training shall be provided by an independent source approved by the Board of Directors. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education, or any other sponsor other than a business organization with whom the Corporation may engage in an investment transaction.

#### Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Corporation are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Separation of transactions authority from accounting and record keeping,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Custodial safekeeping,
- Avoidance of physical delivery securities,
- Clear delegation of authority to subordinate staff members,
- Written confirmation for telephone (voice) transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the depository bank or third party custodian.

### Prudence

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule. This rule states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the Corporation's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and
- Whether the investment decision was consistent with the written approved investment policy of the Corporation.

### Indemnification

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

### Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program or that would impair their ability to make impartial decisions. Employees and Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An Investment Officer of the Corporation who has a personal business relationship with an organization seeking to sell an investment to the Corporation shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Directors.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **VI. SUITABLE AND AUTHORIZED INVESTMENTS**

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#### Portfolio Management

The Corporation currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated prior to maturity for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.
- Cash flow needs of the Corporation require that the investment be liquidated.

#### Investments

Corporation funds governed by this policy may be invested in the instruments described below, all of which are authorized by Chapter 2256 of the Government Code (Public Funds Investment Act). Investment of Corporation funds in any instrument or security not authorized for investment under the Act is prohibited. The Corporation will not be required to liquidate an investment that becomes unauthorized subsequent to its purchase.

#### Authorized

- Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the Corporation.
- Local government investment pools, which (1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, (2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, (3) seek to maintain a \$1.00 net asset value, and (4) are authorized by resolution or ordinance of the Board of Directors.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

#### Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral and collateralized mortgage obligations with an inverse floating interest rate or a maturity date of over 10 years are strictly prohibited.

### **VII. INVESTMENT PARAMETERS**

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#### Maximum Maturities

The longer the maturity of investments, the greater their price volatility. Therefore, it is the Corporation's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

The Corporation attempts to match its investments with anticipated cash flow requirements. The Corporation will not directly invest in securities maturing more than two (2) years from the date of purchase; however, the above-described certificates of deposit may be collateralized using longer dated investments.

### Diversification

The Corporation recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid over-concentration in investments from a specific issuer or business sector (excluding certificates of deposit that are fully insured and collateralized in accordance with state and federal law), and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the Corporation's total portfolio:

- Certificates of Deposit .....75%
- Authorized Pools.....75%

## **VIII. SELECTION OF FINANCIAL INSTITUTIONS**

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### Depository

At least every five (5) years, a depository shall be selected through the Corporation's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of a depository will be determined by competitive bid, and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state law,
- The ability to provide requested information or financial statements for the periods specified,
- The ability to meet all requirements in the banking RFP,
- Complete response to all required items on the bid form, and
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.

### Authorized Investment Providers

The Corporation shall, at least annually, review, revise, and adopt a list of qualified financial institutions authorized to engage in investment transactions with the Corporation. All investment providers, including financial institutions, banks, and local government investment pools, must sign a certification acknowledging that the organization has received and reviewed the Corporation's investment policy and that reasonable procedures and controls have been implemented to preclude investment transactions that are not authorized by the Corporation's policy.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### Competitive Bids

It is the policy of the Corporation to require competitive bidding for all individual security purchases and sales, except for transactions with local government investment pools. The Treasurer shall develop and maintain procedures for ensuring a competition in the investment of the Corporation's funds.

### Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of investment pools. Funds will be released after notification that the purchased security has been received.

## IX. SAFEKEEPING OF SECURITIES AND COLLATERAL

### Safekeeping and Custodian Agreements

The Corporation shall contract with a bank or banks for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the Corporation shall be held in the Corporation's name as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the Corporation and pledged to the Corporation as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the Corporation.

### Collateral Policy

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Corporation to require full collateralization of all Corporation funds on deposit with a depository bank, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. At its discretion, the Corporation may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with which the Corporation has a current custodial agreement. The Treasurer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Corporation and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

### Collateral Defined

The Corporation shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A, and
- A letter of credit issued to the Corporation by the Federal Home Loan Bank.

### Subject to Audit

All collateral shall be subject to inspection and audit by the Treasurer or the Corporation's independent auditor.

## **8. PERFORMANCE**

### Performance Standards

The Corporation's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the Corporation.

### Performance Benchmark

It is the policy of the Corporation to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the Corporation shall seek to optimize interest earnings utilizing allowable investments available on the market at that time. Market value will be calculated on a quarterly basis on all securities owned and compared to current book value. The Corporation's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the Corporation's weighted average maturity in days.

## **XI. REPORTING**

### Methods

The investment Officer shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner that will allow the Corporation to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period,

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period,
- Additions and changes to the market value during the period,
- Average weighted yield to maturity of portfolio as compared to applicable benchmark,
- Listing of investments by maturity date,
- Fully accrued interest for the reporting period,
- The percentage of the total portfolio that each type of investment represents, and
- Statement of compliance of the Corporation's investment portfolio with state law and the investment strategy and policy approved by the Board of Directors.

### Monitoring Market Value

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

### XII. INVESTMENT POLICY ADOPTION

The Corporation's investment policy shall be adopted by resolution of the Board of Directors. It is the Corporation's intent to comply with state laws and regulations. The Corporation's investment policy shall be subject to revisions consistent with changing laws, regulations, and needs of the Corporation. The Board of Directors shall adopt a resolution stating that it has reviewed the policy and investment strategies annually, approving any changes or modifications.

### XIII. INVESTMENT STRATEGY

The Corporation shall maintain an investment portfolio that utilizes specific investment strategy considerations designed to address the unique characteristics of its various fund groups. In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Authorized securities will be of the highest credit quality, and when not matched to liabilities, they will be short-term and liquid. The portfolio will be diversified to avoid market and credit risks. Diversification and full liquidity requirements will be met through the use of investment pools and certificates of deposit. Investment guidelines by fund type are as follows:

- A. Investment strategies for operating funds and commingled cash pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as their primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date.
- C. Investment strategies for debt service reserve funds shall have as their primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from securities with

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
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a low degree of volatility. Securities should be of high quality and, except as may be required by this bond ordinance specific to an individual issue, of short- to intermediate-term maturities.

- 1) Investment strategies for special projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of securities held should not exceed the estimated project completion date.

**XIV. APPROVED INVESTMENT PROVIDERS**

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*Local Government Investment Pools*

TexPool  
TexPool Participant Services  
Federated Hermes, Inc.  
1001 Texas Avenue, Suite 1150  
Houston, TX 77002  
Phone: (866) 839-7665  
Fax: (866) 839-3291

TexSTAR  
TexSTAR Participant Services  
Hilltop Securities/L.P. Morgan Investment  
Management, Inc.  
717 N. Harwood, Suite 1400  
Dallas, TX 75270  
Phone: (800) 839-7827  
Fax: (214) 953-8878

*Financial Institutions/Banks*

Any bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings and loan association or a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance or its successor or secured by obligations in a manner and amount provided by law for deposits of the entity.

## **SEALY ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY**

### **GLOSSARY OF INVESTMENT TERMS**

**ACCRETION:** The increase in value of an asset toward its redemption price over time as it approaches maturity. The discount amount is accreted to par over the life of the security on a daily basis.

**ACCRUED INTEREST:** The accumulated interest due on a bond as of the last interest payment made by the issuer of the bond. The security is always sold with the accrued interest included.

**AGENCY SECURITY:** A U.S. Government-issued security that was not issued by the Treasury Department but that may be backed by the full faith and credit of the United States depending upon the issuing agency. A debt security issued by a federal or federally sponsored agency, such as the Federal National Mortgage Association (FNMA).

**AMORTIZATION:** The decrease in value of an asset to its redemption price over time as it approaches maturity. On a mortgage backed security, the reduction through periodic repayments of both interest and principal. The premium amount is amortized to par over the life of the security on a daily basis.

**ARBITRAGE:** Profiting from the differences in price when the same security, currency, or commodity is traded on two or more markets.

**ARBITRAGE BONDS:** Bonds issued by a municipality in the tax exempt markets and reinvested in the taxable markets in order to gain interest rate advantage or the advantage earned by refunding higher-rate bonds in advance of their call date. Proceeds from the lower-rate refunding issue are invested in treasuries until the first call date of the higher-rate issue being refunded.

**ASK PRICE:** The price at which securities are offered by the broker/dealer. The price at which a governmental entity buys a security.

**ASSET ALLOCATION:** The way that investments are distributed and weighted among different types of investment vehicles. The objective of asset allocation is to diversify market and credit risk while obtaining the greatest possible return consistent with the investor's risk tolerance.

**AVERAGE LIFE:** The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

**BANKERS ACCEPTANCE (BA):** A draft, bill, or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the issuer. Used primarily in international trade.

**BASIS POINT:** A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of one (1) percent of yield. For example, 1/4 of 1 percent is equal to 25 basis points.

**BEAR MARKET:** A prolonged period of falling security prices, usually caused by declining economic conditions and/or rising interest rates.

**BENCHMARK:** The performance of a predetermined group of securities or an individual security for comparative risk and performance purposes. Benchmarks may be based on available indexes, such as the Standard and Poor's Index or selected for specific investment strategies.

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
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**BID PRICE:** The price offered by the seller of a security. The price at which a governmental entity will sell a security.

**BOND:** A long-term debt obligation issued by a government, corporation, or municipality that generally pays a stated rate of interest at regular intervals and returns the face value upon maturity.

**BOOK VALUE:** The value at which a security is carried on an inventory list or other financial records of an investor. Book value reflects the price at which the security was originally bought plus net amortization/accretion to that point in time. The book value will differ significantly from the security's current market value.

**BROKER:** A broker brings buyers and sellers together for a commission (fee). The broker takes no position in a trade and does not act as a principal or own securities.

**BULL MARKET:** A period of prolonged rises in the price of stocks, bonds, and/or commodities due to favorable market conditions producing lower interest rates.

**CALL FEATURE:** Part of the agreement a bond issuer makes with a buyer, called the indenture, describing the schedule and price of redemption before maturity. A call is an embedded option in the security allowing the seller to "call" (buy) it back at specific times.

**CALL PRICE:** Price at which a bond or preferred stock with a call provision or call feature can be redeemed (repurchased) by the issuer.

**CALL PROVISION:** A bond provision that allows the bond issuer to redeem the bond prior to the bond's maturity date. If the bond states that this provision can be exercised after a given number of years, or at a price greater than the par value, or the bond is not callable, the bond is said to have call protection.

**CALL RISK:** The risk to a bondholder that a bond may be redeemed prior to maturity.

**CALLABLE BOND:** A bond that has an option which can be exercised by the issuer of the bond to redeem the bond prior to its maturity date. The provision will state the times and price that the bond may be called at.

**CAPITAL GAIN:** The profitable result of the sale of a security or asset whereby the net sales price exceeds the book value of the security at the date of sale.

**CAPITAL LOSS:** The resulting loss on the sale of a security or asset whereby the net sale proceeds are less than the book value of the security at the date of sale.

**CASH FLOW ANALYSIS:** An analysis of changes in revenues and expenditures that affect the cash balance.

**CASH SALE/PURCHASE:** A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

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**CERTIFICATE OF DEPOSIT (CD):** A time deposit issued by a bank that pays interest periodically or at maturity; a time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable. There is a penalty for early withdrawal of the CD (time deposit).

**COLLATERAL:** Securities, evidences of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERAL POOLING:** Approved for Texas banks in 2009, this allows any bank to eliminate individual collateral pledges to public units and substitute by creating a pool (or portfolio) of securities that are pledged to all their clients. It is designed to reflect 102% of *all* entities' funds. The program is monitored by the State Comptroller.

**COLLATERALIZATION:** The process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**COLLATERALIZED MORTGAGE OBLIGATION (CMO):** A mortgage-backed bond created from a pool of mortgages which creates different classes of securities (tranches) from one pool with different risk profiles.

**COMMERCIAL PAPER (CP):** Short-term obligations with maturities ranging from 1 to 270 days issued by banks, corporations, and other borrowers to investors with large temporary cash positions. Such instruments are unsecured and usually discounted, but are generally interest bearing.

**COMPOUND INTEREST:** The method of computing interest on a principal sum where the interest rate is applied to the original principal and any accumulated interest.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR):** The official annual report for the City of Sealy. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

**CONSTANT DOLLAR FUND:** A short-term money market fund whose objective is to offer safety, liquidity, and always strives to maintain a \$1 share value for all participants. SEC registered funds maintain a limited 90-day WAM (weighted average maturity). AAA-rated funds usually require a 60-day WAM.

**CONTINUOUS CALL OPTION:** A call option on a security under which the issuer maintains the right to repurchase the bond from the investor, on any date, from the time that the bond is first callable until its maturity date.

**CONVEXITY:** A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

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**COUPON RATE:** The fixed annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. A certificate attached to a bond evidencing interest due on a payment date.

**CREDIT QUALITY:** The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**CREDIT RISK:** The risk that the issuer of a bond will default, fail, or have its credit rating reduced. This could involve the loss of all or part of the invested principal.

**CURRENT YIELD (CURRENT RETURN):** A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account. A dealer maintains a portfolio and can trade from that portfolio.

**DEBENTURE:** A bond secured only by the general credit of the issuer. U.S. government agency notes are debentures.

**DEFLATION:** An economic condition that is characterized by the decline in the prices of goods and services (the reverse of inflation). See also **INFLATION**.

**DELIVERY VERSUS PAYMENT (DVP):** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment requires the delivery of securities before payment is made securing the assets for the entity. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities and is less secure.

**DEPOSITORY TRUST COMPANY (DTC):** A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of the certificates. The DTC uses computerized debit and credit entries. A member of the Federal Reserve System, the system mirrors the FedWire system and was designed to reduce the load on the FedWire system.

**DEPRECIATION:** The decline in the value of an asset or investment.

**DERIVATIVE SECURITY:** A financial instrument whose value is based on, and determined by, another security or benchmark. Examples include mortgage backed securities as well as Treasury strips, callable securities, and floaters.

**DISCOUNT:** The difference between the cost price of a security and its par, or face value, at maturity when quoted at lower than face value. A security selling below the original offering price shortly after sale also is considered to be "at a discount."

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; e.g., U.S. Treasury Bills and U.S. agency discount notes.

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**DISCOUNT ON SECURITIES:** The difference between a security's par value and its price when trading at less than par price (100).

**DISCOUNT RATE:** The interest rate member banks pay the Federal Reserve when the banks use securities as collateral. Banks usually set their loan rates one point above the discount rate.

**DISCRETE CALL OPTION:** An option whereby the bondholder has sold the issuer the right to repurchase the bonds back from the investor, only on interest payment dates or dates of the schedule, from the time that the bond is first callable until its maturity date.

**DIVERSIFICATION:** The spreading of an investment over a large number of securities in order to reduce financial risk or the process of using different securities and maturities in a portfolio to reduce market and credit risk (i.e., "not putting all your eggs in one basket").

**DURATION:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**EQUITY:** Ownership possessed by shareholders in a corporation.

**FAIR MARKET VALUE:** The price at which a buyer and seller agree. In investment accounting and GASB, the market value at one point in time, usually the end of the fiscal year.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government that supply credit to various classes of institutions and individuals; e.g., savings and loans, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** The federal agency that insures bank deposits, currently up to \$250,000 per deposit as identified by taxpayer identification number.

**FEDERAL FUNDS (FED FUNDS):** Funds deposited by commercial banks at Federal Reserve Banks, including funds in excess of bank reserve requirements. The target rate is set by the Fed but trades at slightly different rates as the *effective* rate on a daily basis.

**FEDERAL FUNDS RATE (the "FED RATE"):** The rate of interest at which banks with excess reserves charge banks lacking reserves for overnight loans to meet reserve requirements. This rate is set by the market to be consistent with the daily reserve requirements and monitored by the Fed.

**FEDERAL HOME LOAN BANKS (FHLB):** The institutions that regulate and lend money to savings and loan associations, cooperative banks, and other mortgage lenders in a manner similar to the Federal Reserve's role with commercial banks. The Federal Home Loan Bank System is made up of 12 regional FHLBs. It raises money by issuing notes and bonds and lends money to savings and loans and other mortgage lenders based on the amount of collateral the institution can provide.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC, or "FREDDIE MAC"):** Publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed

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by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

**FEDERAL HOUSING ADMINISTRATION (FHA):** Federally sponsored agency that insures lenders against loss on residential mortgages.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or "FANNIE MAE"):** FNMA is a federal corporation working under the auspices of the U.S. Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation, which includes purchases of a variety of adjustable mortgages and secondary loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. Placed in conservatorship in 2009 which effectively makes the securities full faith and credit of the United States.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The Committee meets eight times per year to set U.S. monetary policy.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, DC, twelve regional banks, and about 5,700 commercial banks that are members of the system.

**FINAL MATURITY:** The date on which a security is due and payable. The maturity date stated on the face of a security.

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):** Formerly the National Association of Securities Dealers (NASD). A self-regulating industry organization of brokers and dealers who trade securities in the United States. Designated by the Maloney Act of 1933 to establish rules of fair market practices.

**FIXED INCOME MARKET:** The market defined by securities with set (fixed) coupon rates.

**FLEXIBLE REPURCHASE AGREEMENT (FLEX REPO):** A type of repurchase agreement used primarily for investment of bond proceeds that has a maturity corresponding with the last expected construction draw for the bond project. Flex repos pay a fixed rate of interest and allow for cash withdrawals at the buyer's discretion during the life of the agreement.

**FLOATER:** A security whose value or coupon is determined from (floats on) an index or other security, such as Libor or T-Bills.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA, or "GINNIE MAE"):** GNMA buys Veterans Administration, Farmers Home Administration, and Federal Housing Administration mortgages, then issues bonds on pools of the mortgages. An investor in this bond receives monthly dividends through the mortgagee's payments of principal and interest. GNMA's are full faith and credit of the U.S. Government, unlike other mortgage based agencies.

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**GOVERNMENT SECURITIES:** Obligations of the U.S. Government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See **TREASURY BILL**, **TREASURY NOTE**, and **TREASURY BOND**.

**INFLATION:** The effect of generally rising prices of goods and services.

**INFLATIONARY RISK:** A form of investment risk that measures the effect of inflation on an investment. If the after-tax return on an investment is lower than the rate of inflation, the investor will have less purchasing power at the maturity of the investment. The greatest risk to fixed income securities is where the fixed rate will be devalued by the rise in inflation.

**INSTRUMENTALITY:** A federal agency whose obligations, while not direct obligations of the U.S. Government, are sponsored or guaranteed by the government and backed by the government.

**INTEREST RATE:** The fixed annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**INTEREST-RATE RISK:** A form of investment risk whereby changes in interest rates adversely affect the value of a security portfolio. For example, the value of bond holdings will decline should interest rates increase.

**INTERNAL CONTROLS:** An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

**INVERTED YIELD CURVE:** The economic condition where the yield on short-term issues is greater than the yield on long-term securities. In theory, this scenario could lead to further declines in interest rates and possible recession.

**INVESTMENT POLICY:** A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT-GRADE OBLIGATIONS:** An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

**ISSUE DATE:** The date from which the bond begins to accrue interest. Also known as "effective date."

**LIQUID ASSET:** An asset that can be converted easily into cash. Some examples are money market fund shares, treasury bills, and bank deposits.

**LIQUIDITY:** An asset that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if a buyer can be found easily. The spread between the bid and asked price is narrow because the securities are liquid and usually reflect high credit quality such as T-Bills.

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**LIQUIDITY RISK:** A type of investment risk whereby an investment may not be able to be sold quickly at a fair market price when cash is needed. Long-term Treasury Bonds, for example, are publicly traded and have excellent liquidity. Limited partnerships, on the other hand, are often not publicly traded and typically have poor liquidity.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** Professionally managed pool of funds composed of cash deposits from a large group of cities, counties, school districts, and local governments. In Texas, created under the Local Government Cooperation Act. A portfolio of securities is purchased and each pool participant owns a pro rata share in the pool of investments. It can be a mutual fund or a money market fund equivalent.

**MARGIN:** The amount of additional collateral pledged to an entity in order to accommodate changes in market prices. Normally set at 102% for treasuries and agencies.

**MARK-TO-MARKET:** The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**MARKET RISK:** The risk that the price of a typical security can decrease, leading to possible principal loss if a sale of the security is required before maturity.

**MARKET VALUE:** The price at which a security is trading in the marketplace and could presumably be purchased or sold.

**MASTER REPURCHASE (REPO) AGREEMENT:** A written contract covering all repo transactions between two parties to the repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The industry standard is from the Security Industry and Financial Markets Association (SIFMA).

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers acceptances, etc.) are issued and traded.

**MONEY MARKET ACCOUNT:** An interest bearing bank savings account which normally earns interest at a higher interest rate than a regular savings account, but with a minimum required balance and other restrictions. Normally restricted to six withdrawals per month.

**MONEY MARKET MUTUAL FUND (MMMF):** A specific type of mutual fund that invests solely in money market instruments (short-term debt instruments, such as treasury bills, commercial paper, bankers' acceptances, repos, and federal funds) as defined and registered with the SEC and regulated by the Investment Company Act of 1940 as 2a-7 funds. They strive to maintain a \$1 net share value for participants. Three types of MMMFs are Treasury, Governmental, and Prime. MMMFs are designed for safety and liquidity.

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**MUTUAL FUND:** The fund that pools the resources of investors who buy shares and invests the proceeds in a portfolio of securities designed to achieve the fund's investment objective. All of the owners in the fund shares participate in the gains or losses of the fund. The value of the share is calculated off the market value of the portfolio. These products can only be sold by registered representatives. Mutual funds are also known as an open-end diversified management investment company. Long-term investment funds that pool money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are designed for yield and involve more risk than money market mutual funds. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which is independent of the adviser, administrator, or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO), such as the FINRA.
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

**MORTGAGE-BACKED SECURITY:** A security backed by pools of home loan mortgages. Investors in mortgage-backed certificates receive monthly payments derived from the income stream of interest and principal of the underlying mortgages.

**MUNICIPAL BONDS:** A bond or debt obligation issued by state or local governments to fund general municipal needs or special projects. See also **REVENUE BONDS**.

**NEGATIVE YIELD CURVE:** See **INVERSE YIELD CURVE**.

**NET ASSET VALUE (NAV):** The value of a mutual fund share as determined at the close of each business day. NAV is determined by summing the market value of all securities in the portfolio, deducting expenses, and dividing this total by the number of shares outstanding. All shares redeemed on that day are done so at the NAV for that specific day.

**NET ASSET VALUE FUNDS:** Mutual funds seeking to offer a higher yield than the constant dollar funds (money market funds). These funds purchase longer maturing securities, which translate into a higher market and volatility risk as well as longer WAM. These funds experience market fluctuation due to the risk of the longer securities and will subject the investor to a higher level of market price and volatility risk than a constant dollar fund.

**NO LOAD MUTUAL FUND:** A mutual fund which does not levy a sales charge on the purchase of its shares.

**NOMINAL YIELD:** The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

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**NORMAL YIELD CURVE:** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. Generally reflects a market in expectation of higher rates.

**OFFER PRICE:** The price asked by a seller of securities. The price at which a security will be sold to a governmental entity.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee (FOMC) in order to influence the volume of money and credit in the economy.

**OPPORTUNITY COST:** The maximum profit an alternative plan of action would provide.

**PAR VALUE:** For bonds, the par value is the face amount and equals the amount of principal due at maturity. The principal amount on which interest is calculated.

**PLEGGED ASSETS:** Bank-owned securities used as collateral for government deposits. Authorized collateral is defined by the Public Funds Collateral Act in Texas.

**PORTFOLIO:** Collection of securities held by an investor.

**POSITIVE YIELD CURVE (NORMAL YIELD CURVE):** A yield curve where short-term yields are lower than long-term yields. The slope of the curve rises gradually in the early years and becomes almost flat in latter years. The relationship of time and rates. Generally reflects a market in expectation of higher rates.

**PREMIUM:** (1) The difference in price between the security's price and par (face amount) if a security is selling above its par value. (2) An amount that must be paid above par in order to call or refund an issue. (3) The price of an option.

**PREPAYMENT:** The risk that changes in interest rates will cause the anticipated maturity of a mortgage-backed security to be shortened. Homeowners prepay all or part of a mortgage when interest rates decline to refinance at lower costs, causing money to be returned to the owner of the mortgage-backed security, who must reinvest at a lower rate.

**PRICE/BOOK RATIO:** A financial ratio, which relates a company's stock (share price) to its total assets less any intangible assets (goodwill, patents) minus current and long-term liabilities.

**PRICE/EARNINGS RATIO:** A financial ratio, which is commonly referred to as the P/E ratio or multiple. This is the relationship of a company's stock price divided by earnings per share. It provides stock investors with an indication of how much is being paid (share price) for a company's earnings potential.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight. Primary dealers can include Securities and Exchange Commission (SEC)-registered securities broker-dealers and banks. These dealers must make the market (buy Treasuries if offered, therefore providing the liquidity) in U.S. Treasuries.

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**PRIME RATE:** The rate of interest at which a commercial bank offers to lend money to its most creditworthy customers.

**PRINCIPAL:** The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**PRIVATE ACTIVITY BOND:** A taxable municipal bond.

**PROCEEDS:** Money received from the sale of a security or from the issuance of a security.

**PRODUCER PRICE INDEX (PPI):** A measure of wholesale prices.

**PROMISSORY NOTE:** An unconditional signed promise in writing to pay a specified sum in demand at a fixed time. A promise to pay.

**PROSPECTUS:** A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**PRUDENT PERSON RULE:** An investment safety standard used by most governmental investors. The rule states that investments will be made under circumstances then prevailing which persons of discretion and intelligence will purchase, not for speculation, but for investment, recognizing the probable return of principal as well as the return on that investment.

**PUT:** An option that gives the holder of a security the right to sell a portion of the security back to the issuer (or put holder) at a specified time at a specified price.

**QUALIFIED PUBLIC DEPOSITORY:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state and that has segregated for the benefit of the Public Deposit Protection Commission eligible collateral having a value of not less than its maximum liability and which has been approved by the commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. Coupon rate divided by the purchase price.

**REALIZED GAIN/LOSS:** The true gain (profit) or loss of principal resulting from a sale of a security based on the difference between the security's book value and its market value. See **Unrealized Gain/Loss**.

**REDEMPTION PRICE:** See **CALL PRICE**.

**REGULAR SETTLEMENT:** Paying for a security one day after the trade date.

**REINVESTMENT RISK:** The risk that funds will have to be reinvested in a lower interest rate security if the original security is called away.

**REPURCHASE AGREEMENT (RP or REPO):** An investment agreement involving the purchase of a security and a simultaneous agreement to repurchase that security at a specified price and date. Repurchase

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agreements are used as a way to earn income on idle cash at or near the fed funds market rate. A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security buyer in effect lends the seller money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, i.e., increasing bank reserves.

**RESET DATE:** The date on which a floating security's rate or value is reset based on an established index and schedule.

**REVENUE BONDS:** Securities issued by governmental entities and secured by the revenue stream from the project being built or supported, such as water treatment facilities or sewage plants.

**RISK:** A measure of the probability of financial loss.

**SAFE HARBOR:** The shifting of financial assets to less volatile areas to reduce risk.

**SAFEKEEPING LOCATION:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SALLIE MAE (SLMA):** Securities issued by the Student Loan Marketing Association, an agency of the U.S. Government. Not authorized for public investments since it gave up its GSE designation in 2006.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION (SEC):** A governmental organization established to regulate the U.S. financial markets.

**SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION (SIFMA):** Formerly the Bond Market Association, a self-regulatory group of brokers/dealers.

**SELF-REGULATORY ORGANIZATION (SRO):** A stock exchange, securities, or commodities organization that is registered with the Securities and Exchange Commission and that is responsible for making sure that its members obey rules and regulations.

**SERIAL BOND:** A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

**SETTLEMENT DATE:** The purchase or sale date of a security on which the money changes hands. See also **TRADE DATE**.

**SHORT:** To have sold a security without owning the security in anticipation of subsequently purchasing it at a lower price and making a profit. Not permitted by governmental entities.

**SIMPLE INTEREST:** The method of computing interest on a principal sum where the interest rate is applied only to the original principal amount.

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**SINKING FUND:** Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

**SKIP DAY SETTLEMENT:** Settlement one day after normal settlement, i.e., two-day settlement.

**SPREAD:** The difference between any two prices or measures. The difference between the current bid and the current ask of a given security or between yields on similar securities. Refers to the additional yield that may be earned on a security over and above a U.S. Treasury obligation with a comparable maturity.

**STRIP:** A security issued by the U.S. Treasury in which the coupons have been removed and only the principal remains, leaving a deeply discounted security which pays no interest but returns the principal at maturity. Other agencies and dealers "strip" securities, but only the Treasury or an agency can create a "strip." The others carry unique names, such as TIGRS (Receipts) and are structured on a trust receipt.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

**SWAP:** Trading one asset for another.

**TERM BOND:** Bonds comprising a large part of all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

**TERM REPURCHASE AGREEMENT:** A repurchase agreement that lasts a longer than normal period of time, i.e., more than overnight.

**TOTAL RETURN:** The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period: Price Appreciation + Dividends Paid + Capital Gains = Total Return.

**TRADE DATE:** The date on which the agreement to buy or sell a security is made. See also **SETTLEMENT DATE**.

**TREASURY BILL (TB or T-Bill):** A marketable, short-term U.S. Government debt security issued at a discount from par value, auctioned by the U.S. Treasury with maturities of 91 days, 180 days, or 365 days.  
**TREASURY BOND:** The bellwether Treasury security. A thirty-year U.S. Government debt security issued at a fixed interest rate with a maturity. The bond is often used to set mortgage rates.

**TREASURY NOTE (TN or T-Note):** A marketable, medium-term U.S. Government debt security issued at a fixed interest rate with a maturity of one to ten years.

**TRUST INDENTURE:** A trust deed between a borrower and trust holder on the terms of the trust.

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**UNDERWRITER:** The firm that agrees to buy an issue of securities on a given date and at a given price who will then usually resell them through a distribution network.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**UNREALIZED GAIN/LOSS:** The amount of gain (profit) or loss that would be reflected on the sale of a security if that security had to be sold in the market at that time, calculated on the difference between book value and market value of the security.

**VARIABLE RATE CD:** A short-term CD with an interest rate that is reset at set intervals on an agreed upon index.

**VOLATILITY:** Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

**VOLATILITY RISK RATING:** A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the return ("aaa" by S&P, "V-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("ccc" by S&P, "V-10" by Fitch).

**WEIGHTED AVERAGE MATURITY (WAM):** The dollar weighted average remaining term to maturity of all assets in a pool or securities portfolio. The maximum WAM is usually based on an entity's cash flow analysis.

**WHEN ISSUED (WI):** A conditional transaction in which an authorized new security has not been issued. All "when issued" transactions are settled when the actual security is issued.

**WINDOW:** A term for the electronic bulletin board on which U.S. agencies sell their issues. The agencies "open their window" for the initial offering of a security.

**YIELD:** A financial ratio that measures the earnings on a capital investment. The ratio is generally expressed as a percentage of the current price.

**YIELD BURNING:** A situation in which securities firms artificially raise the prices on the Treasury bonds used when municipalities refinance outstanding debt, especially advance escrows. Municipalities are prohibited from making money on their tax-exempt transactions, so underwriters raise the price and "burn down" the yield on the securities to the level that municipalities are allowed to earn. Illegal under IRS regulations.

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
**INVESTMENT POLICY**

**YIELD CURVE:** A chart equating time and rates and consisting of the yields of bonds of the same quality but different maturities. This can be used as a gauge to evaluate the future of the interest rates.

**YIELD TO CALL (YTC):** A financial ratio that measures the rate of return on a callable bond. The yield on a bond assumes redemption of that bond by the issuer at the first possible call date as stated in the indenture agreement.

**YIELD TO MATURITY (YTM):** A financial ratio that measures the rate of return on a bond's acquisition cost and the value at maturity. The ratio accounts for any interest income from the bond and assumes that the bond is held and redeemed at maturity.

**ZERO COUPON BOND:** A bond that does not make interest payments but is sold at a deep discount. At the maturity of the bond, the full face amount of the bond is payable. The bond does result in taxable income each year.

# SEALY ECONOMIC DEVELOPMENT CORPORATION

## INVESTMENT POLICY

### INDUSTRY TERMS AND ACRONYMS

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#### Accounting Terms

- Par – Face value of the security
- Par – Price of 100 (\$1 for \$1)
- Discount – Price less than par
- Premium – Price greater than par
- Principal – Face minus discount or plus premium

#### Banking Terms

- Time Deposit – Certificate of deposit
- Demand Deposit – Checking account
- Depository – Financial institution
- ACH – Automated Clearing House
- Pre-note – Pre-notification for ACH
- FedWire – Federal Wire System
- Fed – Federal Reserve

#### Securities Terms

- SLMA – Student Loan Marketing Association
- FNMA – Federal National Mortgage Association (“Fannie Mae”)
- TB – Treasury Bill
- TN – Treasury Note
- ASY – U.S. Agency Security
- Disco – U.S. Agency Discount Note
- FHLMC – Federal Home Loan Mortgage Corporation (“Freddie Mac”)
- FHLEB – Federal Home Loan Bank
- GNMA – Government National Mortgage Association (“Ginnie Mae”)
- CMO – Collateralized Mortgage Obligation
- Strip – Principal Only Treasury
- Repo – Repurchase Agreement
- Book-entry – Securities in electronic form
- DVP – Delivery versus payment
- DK – Do not know (Fed wire rejection)
- Fail – Security not delivered as planned
- Bearer Bond – Security with physical value

#### Trading Terms

- Bid – Price at which one sells a security
- Offer – Price at which one buys a security
- Callable – Security with embedded call
- CP – Commercial paper
- BA – Bankers Acceptance
- MMMF – Money Market Mutual Fund
- Trade Ticket – Trade Documentation

#### Other Terms

- CPI – Consumer price index

**SEALY ECONOMIC DEVELOPMENT CORPORATION**  
**INVESTMENT POLICY**

- DTC – Depository Trust Corporation
- FDIC – Federal Deposit Insurance Corporation
- FFCB – Federal Farm Credit Bank
- FHA – Federal Housing Administration
- FINRA – Financial Industry Regulatory Authority
- FOMC – Federal Open Markets Committee
- FRB – Federal Reserve Bank
- MBS – Mortgage backed securities
- PPI – Producer price index
- PTC – Participatory Trust Corporation
- TVA – Tennessee Valley Authority
- TSY – U.S. Treasury

# Treasurer's TPIA Training Certificate

**VIRTUAL LEARNING CONCEPTS**  
( in conjunction with Texas Municipal League )

**Certificate of Completion**

This certification is awarded to

**Jennifer Matura**

For successfully completing Texas Public Funds Investment Act training.

In full compliance with Texas Government Code Chapter 2256.008 of the Public Funds Investment Act.

**PFIA 10 Hour Course**

Linda Patterson CPE Sponsor # 007375  
Texas Municipal League CPE Sponsor # 2554

03/06/2025

Issued Date

03/06/2027

Expiration Date

# Liedertafel Phase II

## Item #9



**AGENDA ITEM NO: 9** Discussion and possible action to approve Liedertafel Hall Project and an EDC budget amendment for the project not to exceed \$155,000.

**SUBMITTED BY:** Sealy EDC Staff

**MEETING DATE:** March 24, 2026

## STAFF REPORT

### DESCRIPTION

At the March 3rd City Council meeting, Council approved maintaining the historical marker status for Liedertafel Hall and directed staff to amend the project budget, prepare bid documents, and proceed with bidding the project.

This decision followed prior presentations and discussions. On December 2, 2025, Studio M6 presented ADA compliance modeling and proposed design elements, including ADA-compliant restrooms and entrances, a kitchen layout, a storage addition, and historically appropriate finishes. On December 16, Council discussed historic designation, phasing, and budget considerations and tabled the item to allow staff to consult with the Texas Historical Commission.

Staff has prepared the required budget amendments for SEDC Board review in March and City Council consideration in April, after which both phases of the project will be bid.

### ANALYSIS

To address the historic landmark designation, staff spoke with the Texas Historic Commission, which researched the property and found and confirmed that the Liedertafel Hall presently has a Historical Subject Marker (HSM) but has not found any evidence that the property is a Recorded Texas Historic Landmark (RTHL) or a State Antiquities Landmark (SAL).

If the designations of RTHL or a SAL were pursued, both of these state designations give the THC review authority over proposed alterations to the structure.

- For a building with an RTHL designation, no individual may alter the historical or architectural integrity of a building's exterior without first providing the commission written notice at least 60 days prior to initiating the proposed changes.
- All THC reviews are to be completed in no greater than 30 days from the date the THC receives the project documentation, and often, once the review is completed, the 60-day waiting period is waived.
- The THC reviews proposed changes to RTHL buildings and structures by applying the Secretary of the Interior's Standards for the Treatment of Historic Properties.

THC advised that due to alterations made over time to the Liedertafel Hall and property, pursuing THC designation would require extensive documentation, potential architectural modifications to meet stricter integrity standards, expanded review processes, as well as time, and may incur significant financial investment.

Based on this information, the staff recommends maintaining the current HSM designation. This approach provides regulatory clarity prior to procurement and avoids introducing additional cost and schedule risk at a critical stage of the project.

Maintaining the current Historical Subject Marker status allows the City to proceed within established regulatory parameters while protecting fiscal and scheduling flexibility.

## FINANCIAL IMPACTS

The SEDC held a public hearing on December 15, 2025, to amend the EDC Budget regarding the Liedertafel Hall Budget and expenditure of funds for the Phase II Liedertafel Improvements. The SEDC was advised that these items will be brought back to them following the action by the City Council.

Phase II of the Liedertafel Hall Improvements has been identified as a necessary continuation of the facility rehabilitation program in this fiscal year. Supporting documents show a Phase II cost of \$155,000 to fund the improvements.

### Phase I Funding Requirements

The original budget of \$75,000 from EDC Buildings, and \$35,000 from HOT Funds, for a total of \$110,000. These funds only contemplated the ADA accessibility improvements and were fully funded through HOT Category E and EDC Capital Outlay.

### Phase II Funding Requirements

The cost of Phase II, as estimated by the architect, is \$152,405, with the remainder to be identified as project contingency. Staff is recommending undertaking the Phase II scope that includes interior expansion of the kitchen area, expanded storage, structural, mechanical, electrical, the restoration of exterior shutters, and the addition of masonry skirting.

Description	Phase II Amendment	Public Notice Budget Amendment
Construction Costs Phase II	\$117,405	
Add: Shutters & Masonry Skirting	\$35,000	
Contingency	\$2,595.00	
<b>Total</b>	<b>\$155,000</b>	<b>\$155,000.00</b>

## ATTACHMENTS

- 2 - Memo Sealy Economic Development Corporation Projects Status and Updates February 13, 2026
- 3 - Pricing 2025 Phase 1
- 4 - Pricing 2025 Phase 2
- 5 - Updated Liedertafel Project Budget Details Spreadsheet
- 6 - Liedertafel Hall Combined Drawings

## RECOMMENDATION

Staff's recommendation is for the EDC Board of Directors to approve the Liedertafel Project Phase II, and amend the Sealy EDC Budget line item, Buildings, by \$155,000, to a total budget of \$265,000 total from EDC and HOT Funds for funding both Phase I and Phase II.

## POTENTIAL MOTION LANGUAGE

"Motion to approve Liedertafel Hall Project and an EDC budget amendment of \$155,000.00 from the EDC fund balance to the Buildings line item in the Capital Outlay for the project."

159

# M6 Builders

m6builders.com - 832.876.7113

COURTESY@M6BUILDERS.COM

DRIVE: 88 Atkinson, Suite C02

ADDRESS: 116 Lutz Rd, Tumble, TX 77474

FOR QUOTE ONLY  
 (understand Phase I)  
 11.18.20

DESCRIPTION	VENDOR	UNITS	UNIT \$	CONTRACT \$
<b>01 GENERAL CONDITIONS</b>				
SUPERVISION		1	\$ 6,000.00	\$ 6,000.00
TEMPORARY TOILET		1	\$ 275.00	\$ 275.00
PLAN REPRODUCTION		1	\$ 250.00	\$ 250.00
TEMPORARY PROTECTION		1	\$ 250.00	\$ 250.00
PRESSURE WASHING - ROOF, EXT WALLS AND EAVES		1	\$ 2,000.00	\$ 2,000.00
TRASH HAUL		1	\$ 800.00	\$ 800.00
DAILY/FINAL CONSTRUCTION CLEANUP		1	\$ 900.00	\$ 900.00
<b>02 DEMOLITION</b>				
INTERIOR DEMOLITION		1	\$ 900.00	\$ 900.00
<b>05 STEEL</b>				
STEEL HANDRAILS		1	\$ 5,250.00	\$ 5,250.00
<b>06 CARPENTRY</b>				
FILL IN STAIRS AT SIDE EXIT/BUILD NEW FKT STAIRS		1	\$ 4,500.00	\$ 4,500.00
FRONT DOOR LABOR		1	\$ 2,500.00	\$ 2,500.00
MOVE 2 WALLS AND RESTROOM WORK		1	\$ 3,950.00	\$ 3,950.00
<b>08 DOORS, WINDOWS AND GLASS</b>				
DOORS/FRAMES AND HARDWARE		1	\$ 3,500.00	\$ 3,500.00
<b>09 FINISHES</b>				
REPAIR WOOD FLOOR AS NEEDED		1	\$ 1,850.00	\$ 1,850.00
BANISTER LABOR - FRONT PORCH AND RAMP		1	\$ 3,800.00	\$ 3,800.00
BANISTER MATERIAL - ALLOWANCE		1	\$ 7,500.00	\$ 7,500.00
PAVER LABOR - FRONT PORCH AND RAMP		1	\$ 4,350.00	\$ 4,350.00
PAVER MATERIAL - ALLOWANCE		1	\$ 5,950.00	\$ 5,950.00
PAINTING - BANISTERS AND AROUND DOORS		1	\$ 3,400.00	\$ 3,400.00
<b>10 SPECIALTIES</b>				
FIRE EXTINGUISHERS		1	\$ 200.00	\$ 200.00
TOILET ACCESSORIE		1	\$ 600.00	\$ 600.00
MIRRORS		1	\$ 350.00	\$ 350.00
<b>15 MECHANICAL</b>				
PLUMBING		1	\$ 3,000.00	\$ 3,000.00
<b>16 ELECTRICAL</b>				
ELECTRICAL		1	\$ 750.00	\$ 750.00
<b>SUBTOTAL CONSTRUCTION COSTS</b>				\$ 64,850.00
<b>BUILDERS RISK</b>		1	\$ 650.00	\$ 650.00
<b>GENERAL CONDITIONS, INSURANCE, OVERHEAD, PROFIT</b>				\$ 12,900.00
<b>10% DISCOUNT</b>				\$ (1,290.00)
<b>Total Construction Costs</b>				\$ 76,110.00
<b>CONSTRUCTION CONTINGENCY</b>				\$ 4,192.50
<b>SIGNAGE</b>				\$ -
<b>Total Construction Costs + Contingency</b>				\$ 80,302.50

*Kurt*

# M6 Builders

m6builders.com - 832.876.7113

quote@m6builders.com

Construction Costs  
Understand Phase 2  
11/19/25

PROJECT: 200 Altonway, Jersey City  
ADDRESS: 116 10th St, Jersey, NJ 07310

DESCRIPTION	VENDOR	UNITS	UNIT \$	CONTRACT \$
<b>01 GENERAL REQUIREMENTS</b>				
SUPERVISION		10	\$ 1,500.00	\$ 15,000.00
TEMPORARY TOILET		1	\$ -	\$ -
PLAN REPRODUCTION		3	\$ 250.00	\$ 350.00
TEMPORARY PROTECTION		1	\$ 450.00	\$ 450.00
TRASH HAUL		1	\$ 1,200.00	\$ 1,200.00
DAILY/FINAL CONSTRUCTION CLEANUP		3	\$ 500.00	\$ 500.00
<b>02 DEMOLITION</b>				
DEMOLITION		1	\$ 1,500.00	\$ 1,500.00
<b>03 STEEL</b>				
STEEL HANDRAILS		3	\$ 6,250.00	\$ 6,250.00
<b>04 CARPENTRY</b>				
BUILD STORAGE ROOM 103		1	\$ 15,000.00	\$ 15,000.00
BUILD STORAGE ROOM 107		1	\$ 17,500.00	\$ 17,500.00
BUILD RAMPS AND STAIRS		1	\$ 10,000.00	\$ 10,000.00
CABINETS AND SHELVING INSTALL		1	\$ 1,800.00	\$ 1,800.00
<b>05 DOORS, WINDOWS AND GLASS</b>				
DOORS/FRAMES AND HARDWARE		1	\$ 8,000.00	\$ 8,000.00
<b>06 FINISHES</b>				
INT FLOORING IN STORAGE ROOMS		1	\$ 2,500.00	\$ 2,500.00
PAINTING - EXT FACIA AND INT DOORS		1	\$ 3,500.00	\$ 3,500.00
<b>07 SPECIALTIES</b>				
KITCHEN SHELVING AND TABLES		1	\$ 1,450.00	\$ 1,450.00
<b>08 MECHANICAL</b>				
PLUMBING - SINKS, RELOCATE WATER/WATER		1	\$ 3,900.00	\$ 3,900.00
HVAC - RELOCATE CONDENSERS, STORAGE SUPPLY DUCT		1	\$ 3,700.00	\$ 3,700.00
<b>09 ELECTRICAL</b>				
ELECTRICAL		1	\$ 4,200.00	\$ 4,200.00
<b>SUBTOTAL CONSTRUCTION COSTS</b>				\$ 89,300.00
BUILDER'S RISK		1	\$ 650.00	\$ 650.00
GENERAL CONDITIONS, INSURANCE, OVERHEAD, PROFIT				\$ 18,750.00
M6 DISCOUNT				\$ (1,879.00)
<b>Total Construction Costs</b>				\$ 116,861.00
CONSTRUCTION CONTINGENCY				\$ 1,665.00
SIGNAGE				\$ -
<b>Total Construction Costs + Contingency</b>				\$ 118,526.00

1/18/25



# Liedertafel Hall - Task Order #1

## Scope of Work:

- Kitchen renovation
- ADA-compliant restrooms
- ADA front entrance
- New storage room addition

## Progress:

- ✓ Site investigations completed
- ✓ ADA deficiency review has been completed
- ✓ Building code review has been completed
- ✓ Life safety code review has been completed
- ✓ Issue for Construction Drawings has been completed



# Kitchen & Storage Revisions



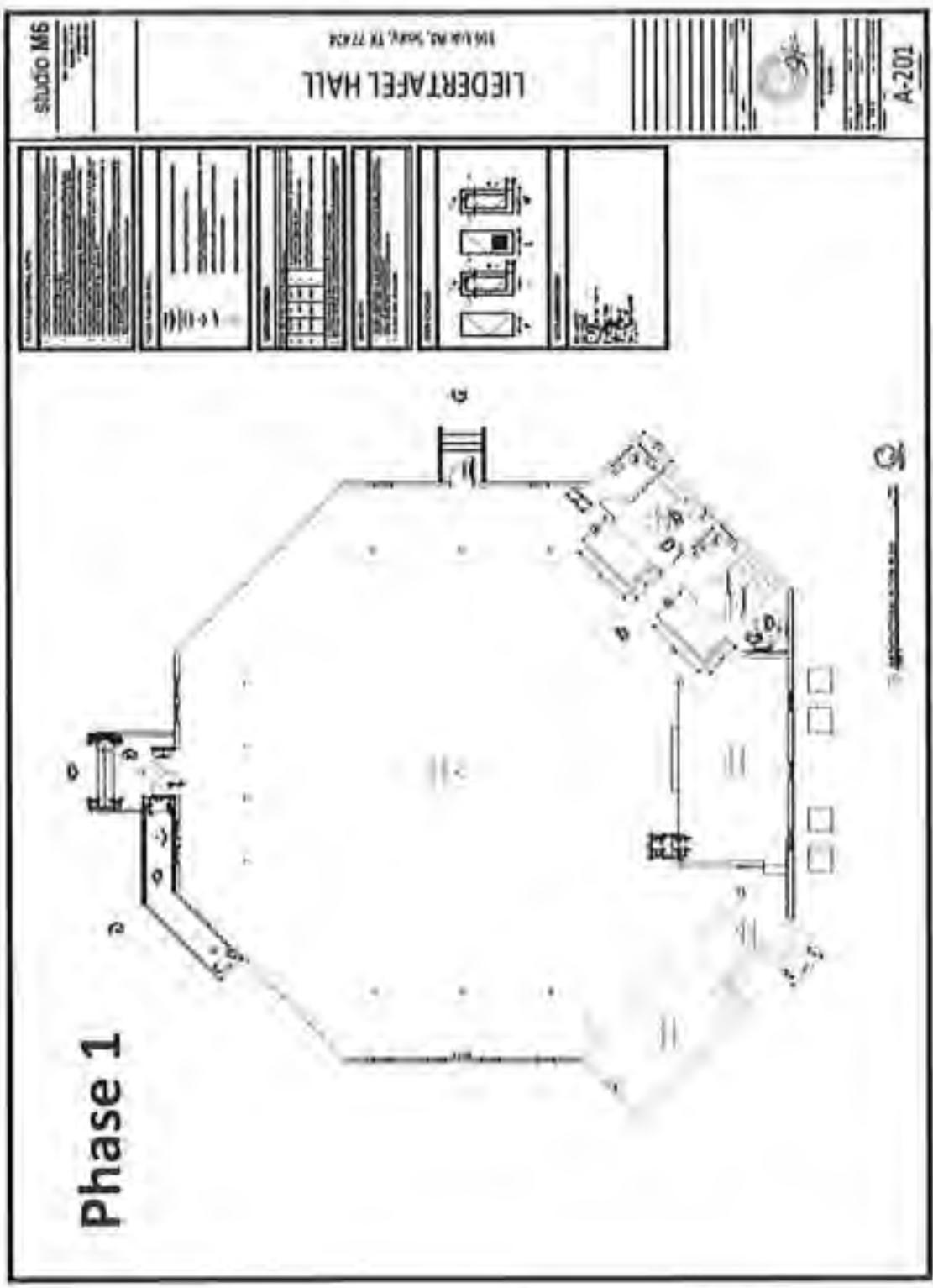
## Revised Layout:

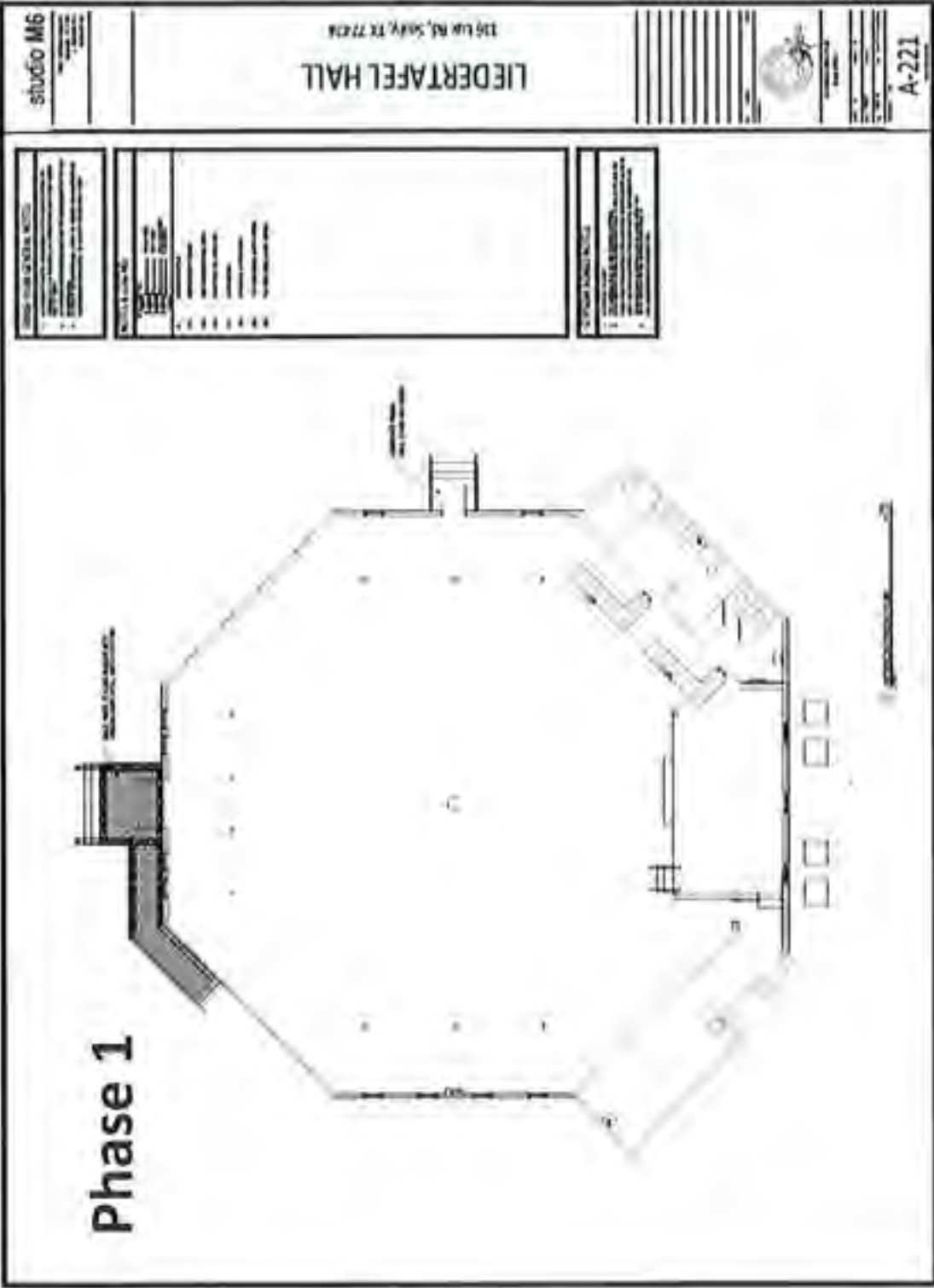
- Catering Kitchen: 132 SF
- New Storage: 268 SF
- Additional Storage: 195 SF
- Total Storage: 463 SF

## Enhancements:

- 3-compartment sink (code compliance)
- Utility sink relocated to storage room
- Wrap-around counters + shelving
- Multiple outlets above counters

105





Phase 1

studio M6  
 1100 N. 10th St.  
 Austin, TX 78701  
 (512) 476-1100

LIEDERTAFEL HALL  
 110 LAM RD, SAFFY, TX 77218



A-221

GENERAL NOTES  
 1. SEE ARCHITECT'S NOTES  
 2. SEE ELECTRICAL NOTES  
 3. SEE MECHANICAL NOTES  
 4. SEE STRUCTURAL NOTES  
 5. SEE FINISHES SCHEDULE

PHASE 1 FINISHES

NO.	FINISH	AREA
1	CONCRETE FLOOR	1000
2	PAINT	2000
3	CEILING	3000
4	WALLS	4000
5	FLOORING	5000
6	ROOFING	6000
7	MECHANICAL	7000
8	ELECTRICAL	8000
9	PLUMBING	9000
10	MECHANICAL	10000
11	ELECTRICAL	11000
12	PLUMBING	12000
13	MECHANICAL	13000
14	ELECTRICAL	14000
15	PLUMBING	15000
16	MECHANICAL	16000
17	ELECTRICAL	17000
18	PLUMBING	18000
19	MECHANICAL	19000
20	ELECTRICAL	20000
21	PLUMBING	21000
22	MECHANICAL	22000
23	ELECTRICAL	23000
24	PLUMBING	24000
25	MECHANICAL	25000
26	ELECTRICAL	26000
27	PLUMBING	27000
28	MECHANICAL	28000
29	ELECTRICAL	29000
30	PLUMBING	30000

PHASE 1 FINISHES  
 1. SEE ARCHITECT'S NOTES  
 2. SEE ELECTRICAL NOTES  
 3. SEE MECHANICAL NOTES  
 4. SEE STRUCTURAL NOTES  
 5. SEE FINISHES SCHEDULE

10/16/16

studio M6

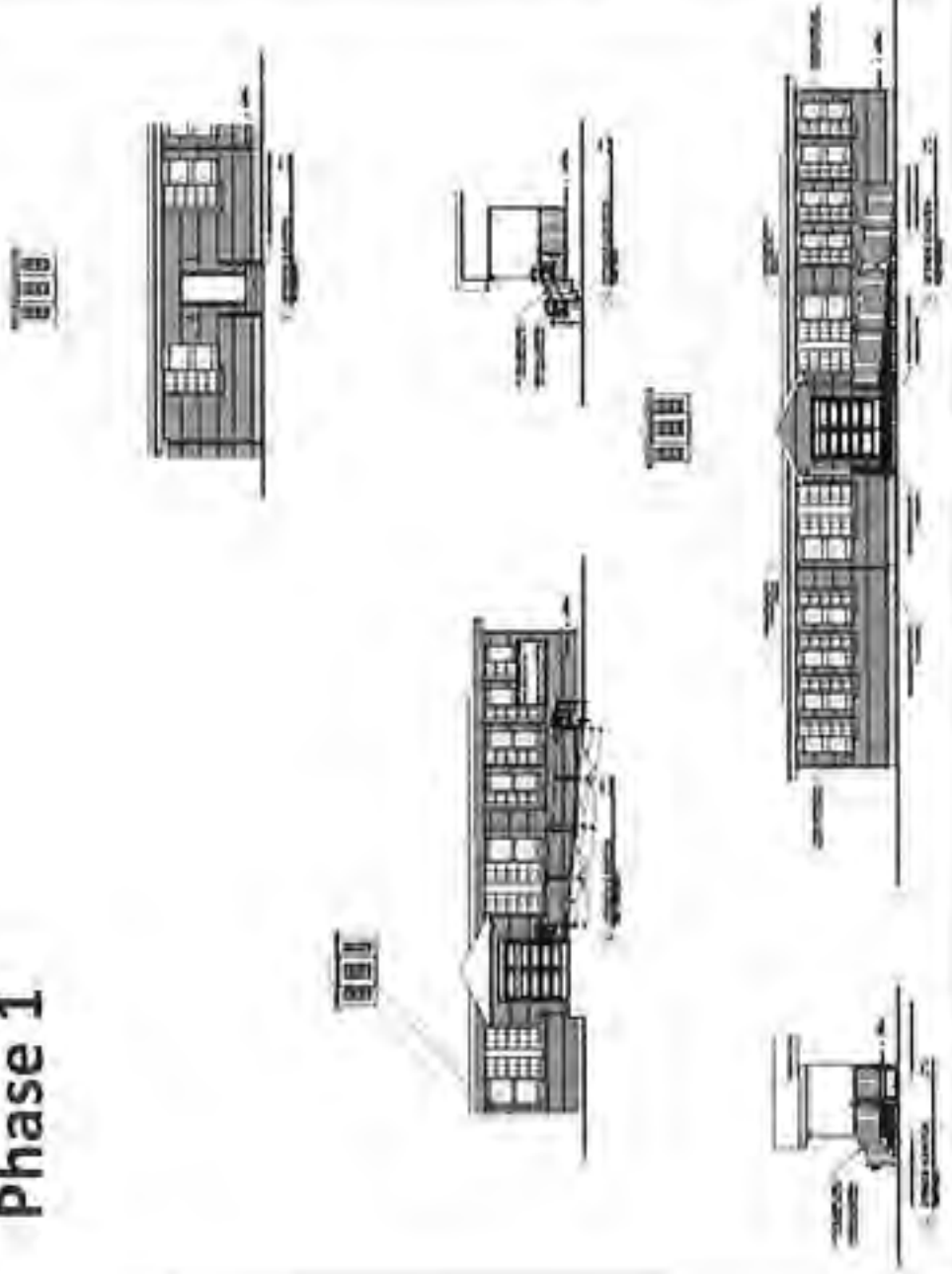
# LIEDERTAFEL HALL

100 LIA BL, SOUTH TX 77278

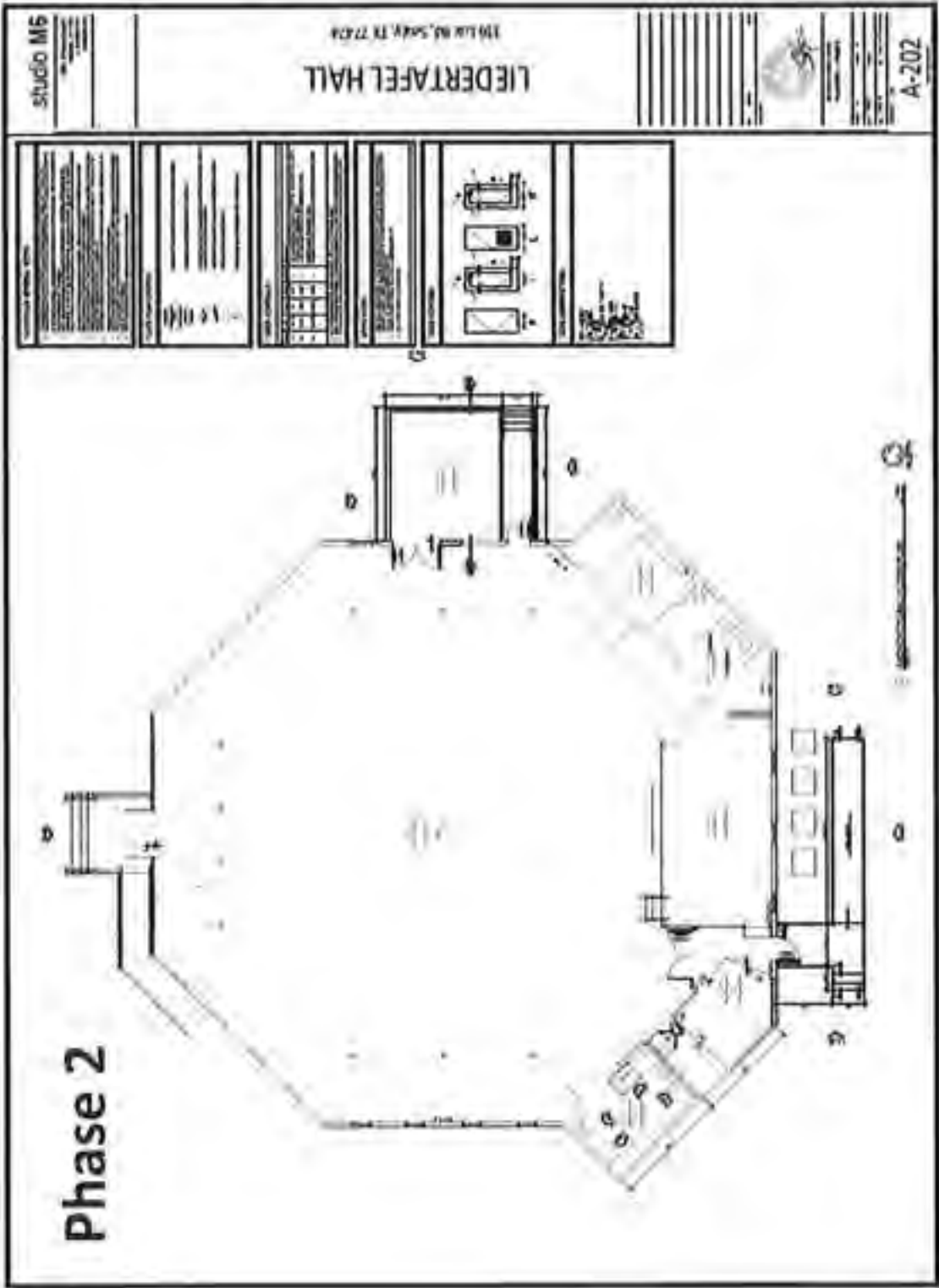
A-301

10

## Phase 1



147



105

# Phase 2

**LIEDERTAFEL HALL**

239 E. W. WAY, TX 77423

studio M6

A-302

Architectural elevation drawing of the Liedertafel Hall building, showing a long, low profile with a central entrance and a gabled roof section on the right.

Architectural elevation drawing of the Liedertafel Hall building, showing a long, low profile with a central entrance and a gabled roof section on the right.

Architectural elevation drawing of the Liedertafel Hall building, showing a long, low profile with a central entrance and a gabled roof section on the right.

11/27

studio M6  
116 Lior Rd, Soay, TX 77474

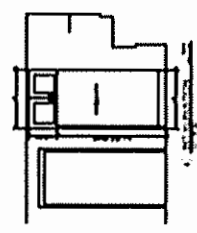
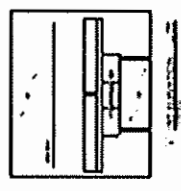
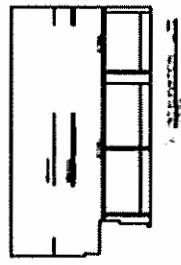
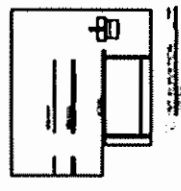
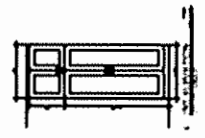
# LIEDERTAFEL HALL

116 Lior Rd, Soay, TX 77474



A-602

## Phase 2



# Benefits of Liedertafel Hall Project

- ADA compliance balanced with historic preservation
- Expanded storage for events & operations
- Functional, code-compliant catering support
- Improved service flow with back entry



# Past to the Future Community Impact





studio M6

12551 W. Shiloh Blvd. Ct.  
Houston, TX 77041  
P 281.466.1200  
F 281.466.1201

# LIEDERTAFEL HALL

116 Lux Rd, Sealy, TX 77474



DEMOLITION FLOOR PLAN LEVEL 1

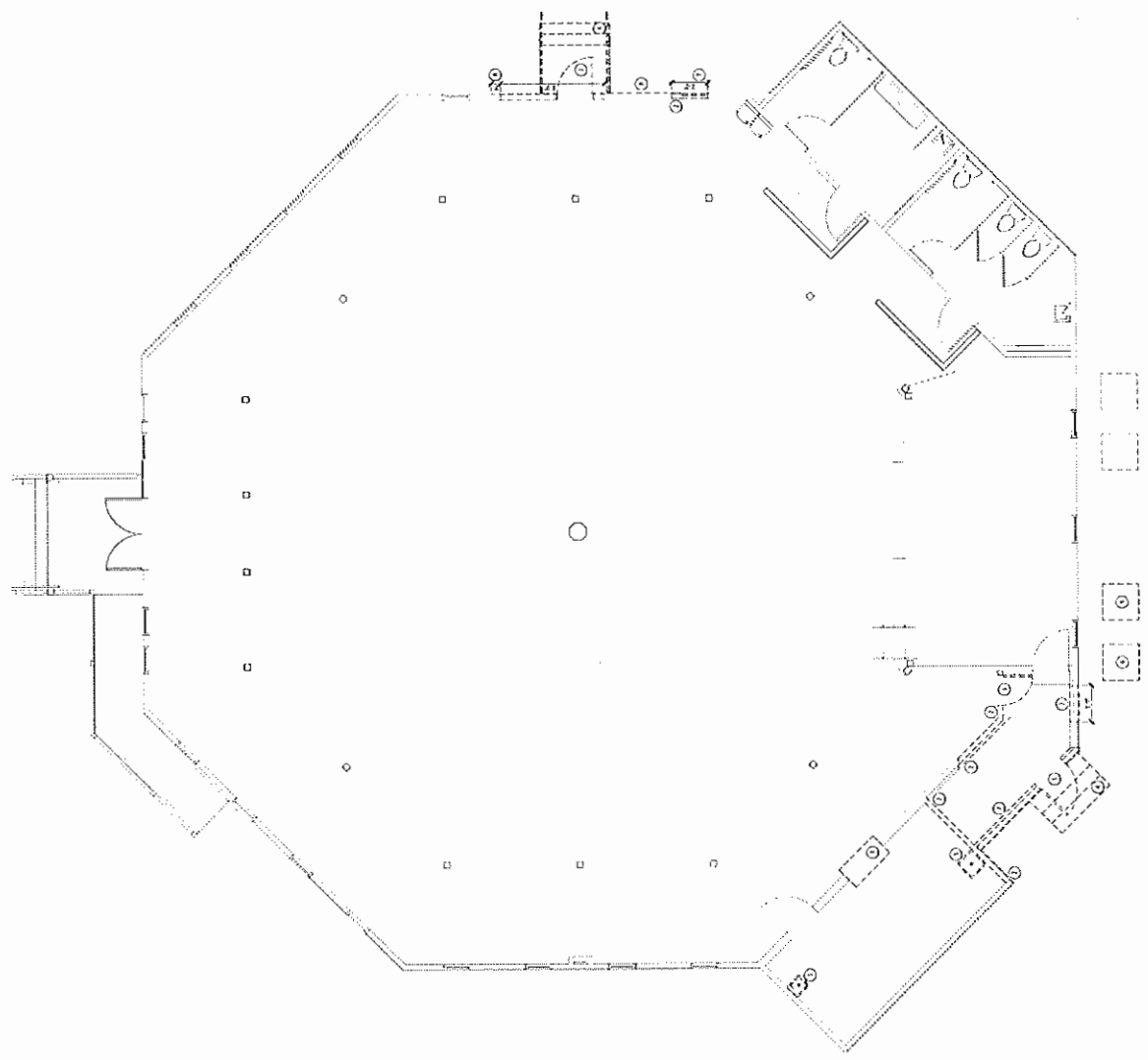
AD-202

### DEMOLITION PLAN GENERAL NOTES:

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODES AND ALL APPLICABLE LOCAL ORDINANCES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. ALL UTILITIES SHALL BE LOCATED AND DELETED PRIOR TO THE START OF DEMOLITION WORK.
4. ALL DEMOLITION WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
5. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.

### DEMOLITION KEYS NOTES:

1. DEMOLITION SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
2. ALL DEMOLITION WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
3. ALL DEMOLITION WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
4. ALL DEMOLITION WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
5. ALL DEMOLITION WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.



1 DEMOLITION FLOOR PLAN  
1/1/13

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# LIEDERTAFEL HALL

116 Lux Rd, Sealy, TX 77474



REFLECTED CEILING PLAN  
 ELECTRICAL LIGHTING PLAN AND  
 POWER PLAN, LEVEL 1

DATE: 09/15/23  
 DRAWN BY: [Signature]  
 CHECKED BY: [Signature]  
 PROJECT NO: 242

A-242

**ELECTRICAL POWER PLAN GENERAL NOTES:**

- ALL ELECTRICAL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NATIONAL ELECTRICAL CODE (NEC), THE 2022 TEXAS ELECTRICAL CODE (TEC), AND THE 2022 INTERNATIONAL WIRE-BONDING CODE (IWBC).
- CONDUIT SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.
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- CONDUIT SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

**NOTES & LEGEND:**

1. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

2. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

3. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

4. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

5. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

6. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

7. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

8. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

9. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

10. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

**ELECTRICAL LIGHTING PLAN GENERAL NOTES:**

- ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.
- ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.
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**NOTES & LEGENDS:**

1. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

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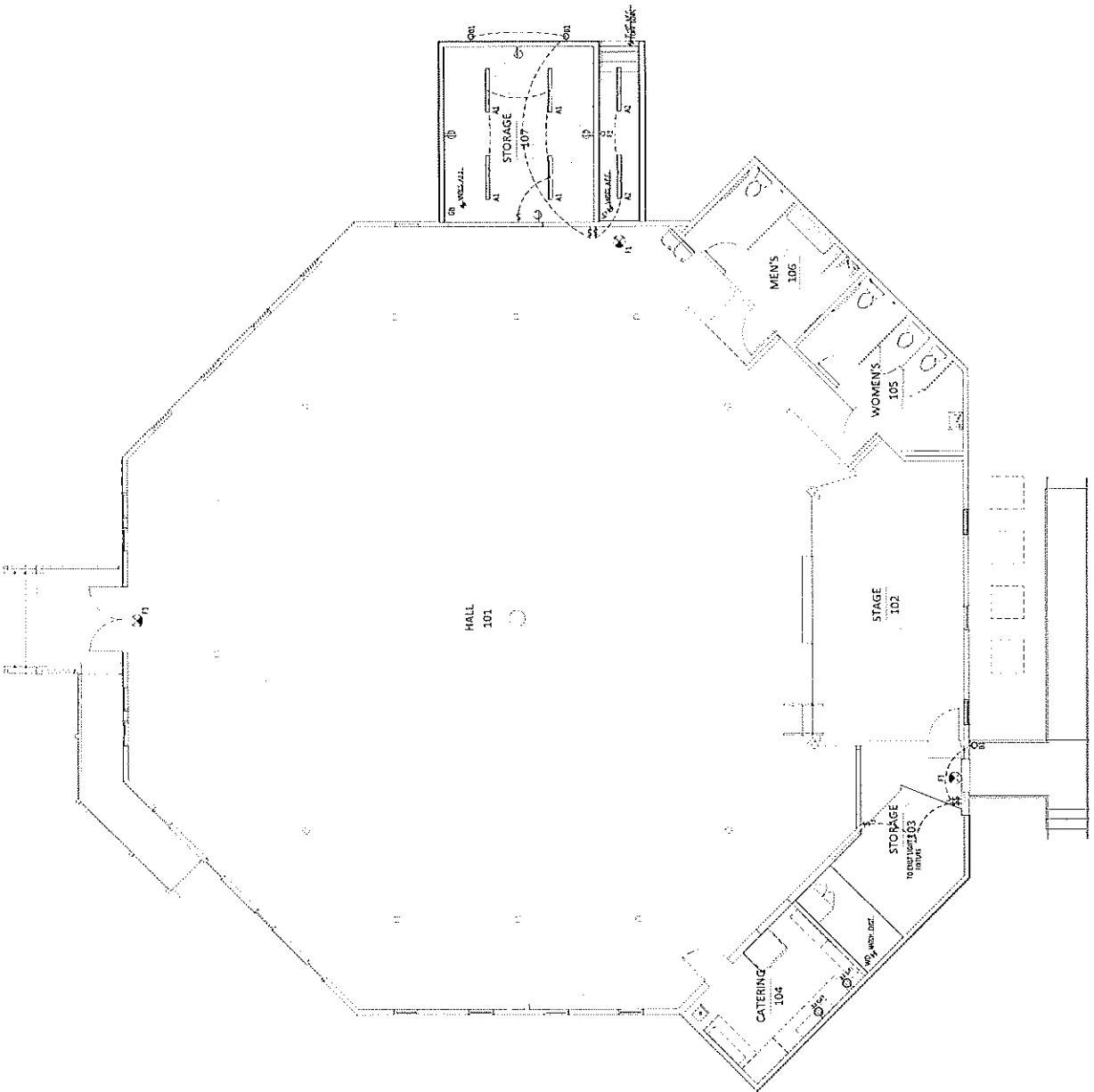
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10. ALL LIGHTING SHALL BE INSTALLED IN ACCORDANCE WITH THE 2022 NEC, THE 2022 TEC, AND THE 2022 IWBC.

**LIGHT FIXTURE SCHEDULE**

SYMBOL	FIXTURE TYPE	MANUFACTURER	MODEL	WATTAGE	VOLTS	PHASE	HEIGHT	NOTES
AL	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AO	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AP	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AS	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AT	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AV	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AW	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AX	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AY	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS
AZ	RECESSED CAN LIGHT	OSRAM	ARCTIC AURORA	40W	120V	1P	5"	INSTALL IN ALL ROOMS



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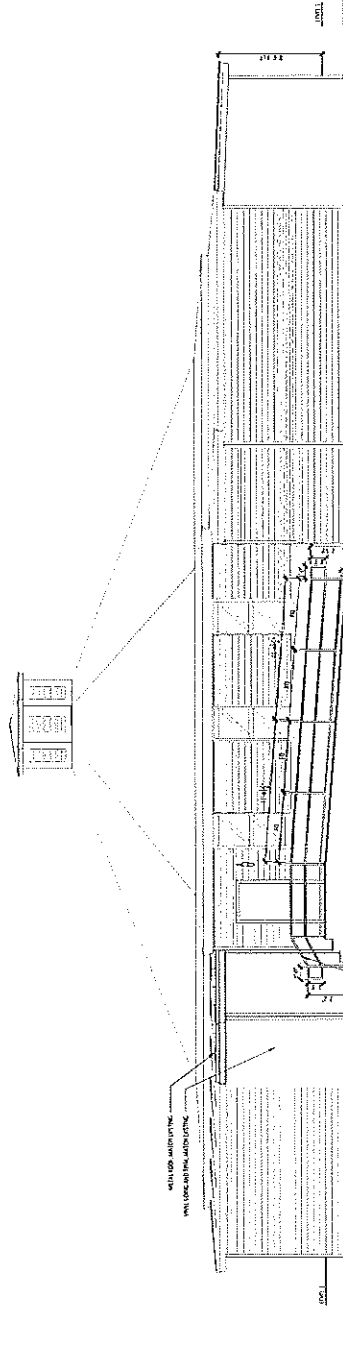
1 REFLECTED CEILING PLAN LEVEL 1

LIEDERTAFEL HALL  
 116 Lux Rd, Sealy, TX 77474

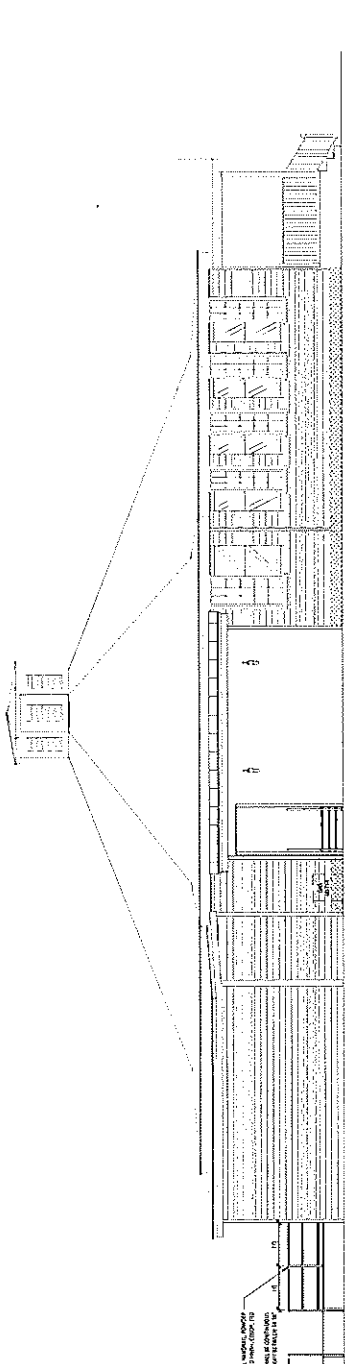


EXTERIOR ELEVATIONS

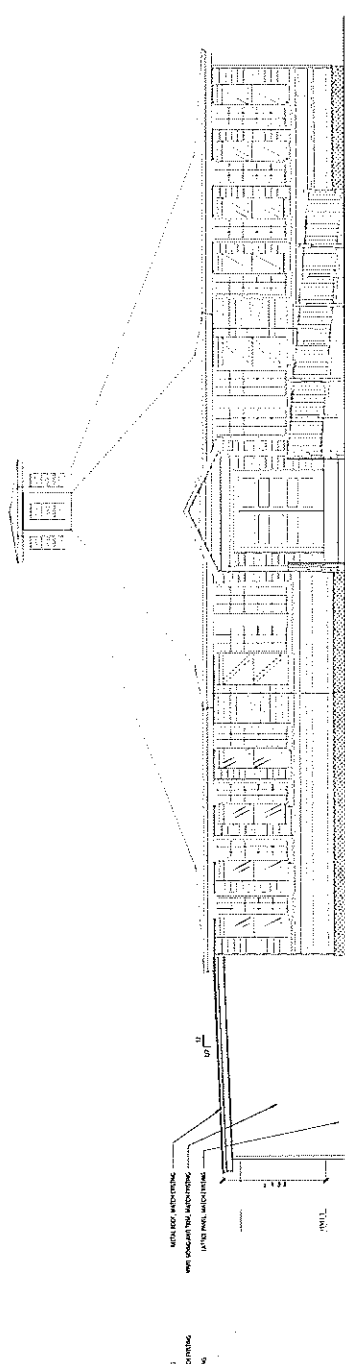
PROJECT NO.	DATE
CLIENT	ARCHITECT
SCALE	DATE
DRAWN BY: [Name]	
CHECKED BY: [Name]	
DATE: [Date]	



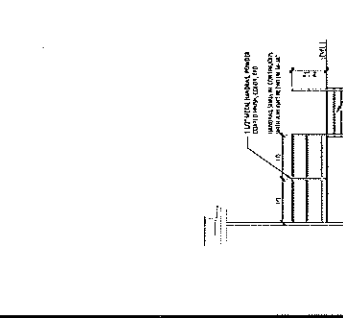
④ EXTERIOR ELEVATION  
 REAR ELEVATION



③ EXTERIOR ELEVATION  
 SIDE ELEVATION



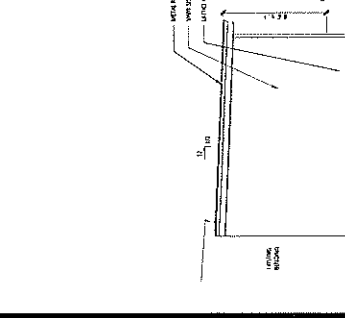
① EXTERIOR ELEVATION  
 FRONT ELEVATION



⑤ EXTERIOR ELEVATION  
 REAR ELEVATION



② EXTERIOR ELEVATION  
 SIDE ELEVATION



② EXTERIOR ELEVATION  
 SIDE ELEVATION









**Strand Task Order**

**Downtown Alleys/Parking**

**Item #11**



SEALY EDC BOARD AGENDA ITEM NO: 11 Discussion and possible action to approve Task Order No. 26-01 with Strand Associates, Inc. for a Downtown Parking Assessment for the City of Sealy downtown district.

MEETING DATE: March 24, 2026

## STAFF REPORT

### DESCRIPTION

The Sealy Economic Development Corporation maintains an Agreement for Technical Services with Strand Associates, Inc., executed July 8, 2024. This agreement allows the SEDC to authorize specific projects through individual task orders approved by the Board of Directors.

Staff has worked with Strand Associates to prepare Task Order No. 26-01 for a Downtown Parking Assessment to evaluate existing parking conditions and identify opportunities to improve parking availability and pedestrian connectivity within the City of Sealy downtown district.

The downtown study area includes the area generally bounded by State Highway 36, the Union Pacific Railroad, West Front Street, 5th Street, Hardeman Street, 2nd Street, and 4th Street. The assessment will evaluate parking conditions on both sides of State Highway 36 and review opportunities to increase parking capacity, including the use of existing alleyways and reconfiguration of current parking areas.

Work will begin upon execution of the task order and is anticipated to start the week of March 30, 2026, with completion scheduled for December 18, 2026.

### ANALYSIS

Under the proposed task order, Strand Associates will provide engineering and planning services, including:

- Conducting a project kickoff meeting and gathering relevant data.
- Reviewing and assessing alleyway pavement conditions using the PASER pavement evaluation system.
- Evaluating corridors based on existing access, high-volume trip generators, and potential parking areas.
- Assisting in the development of design standards for potential alleyway improvements, including paving, lighting, drainage, and landscaping.
- Evaluating areas where existing parking could be reconfigured and identifying City-owned alleyways that could be utilized for additional parking.
- Preparing conceptual two-dimensional parking layouts for up to eight potential parking locations.
- Evaluating potential pedestrian routes and preparing conceptual layouts for up to four pedestrian corridors.
- Participating in up to three progress meetings with staff.

The results of the assessment will provide planning guidance for future downtown infrastructure improvements and support ongoing efforts to enhance accessibility, business activity, and redevelopment within the downtown district.

#### FINANCIAL IMPACT

The proposed task order establishes a lump sum compensation of \$50,000 for the engineering services associated with the Downtown Parking Assessment. Funding for this project is available within the SEDC professional services and planning budget.

#### RECOMMENDATION

Staff recommends approval of Task Order No. 26-01 with Strand Associates, Inc. in the amount of \$50,000 to conduct the Downtown Parking Assessment.

#### POTENTIAL MOTION LANGUAGE

"Motion to approve Task Order No. 26-01 with Strand Associates, Inc. for a Downtown Parking Assessment for the City of Sealy downtown district."



Task Order No. 26-01  
Sealy Economic Development Corporation (OWNER)  
and Strand Associates, Inc.<sup>®</sup> (ENGINEER)  
Pursuant to Agreement for Technical Services dated July 8, 2024

### Project Information

**Services Name:** City of Sealy, Texas (CITY), Downtown Parking Assessment

**Services Description:** Perform a parking assessment of CITY downtown district. On the east side of State Highway 36, the downtown district is generally bound by State Highway 36 on the west, the Union Pacific Railroad on the north, West Front Street on the east, and 5th Street on the south. On the west side of State Highway 36, the downtown district is generally bound by Hardeman Street on the west, 2nd Street on the north, State Highway 36 on the east, and 4th Street on the south. The assessment will evaluate existing parking and review opportunities for additional parking, including existing alleyways.

### Scope of Services

ENGINEER will provide the following services to OWNER:

1. Attend an initial kickoff meeting with OWNER and gather project-related data.
2. Review and assess the condition of each alleyway within the downtown district using the Pavement System Evaluation and Rating (PASER) system.
3. Assist OWNER and CITY in evaluating corridors based on existing access, high volume trip generators, and existing and potential parking areas. Trip generation studies are not anticipated.
4. Assist OWNER and CITY in developing paving, lighting, drainage, and landscaping standards for potential improvements to the downtown district alleyways.
5. Assist OWNER and CITY in evaluating areas where existing parking could be reconfigured and CITY-owned alleyways within the downtown district that could be utilized for additional parking. Provide two-dimensional parking layouts, based on aerial photography, for up to eight locations. Topographic survey is not anticipated.
6. Assist OWNER and CITY in evaluating potential new routes for pedestrians utilizing existing and potential pedestrian facilities and provide two-dimensional layouts for up to four new pedestrian routes.
7. Attend up to three progress meetings with OWNER.

### Compensation

OWNER shall compensate ENGINEER for Services under this Task Order a lump sum of \$50,000.

FORM No. 6-003  
EFFECTIVE 10/2000

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Sealy Economic Development Corporation  
Task Order No. 26-01  
Page 2  
March 19, 2026

**Schedule**

Services will begin upon execution of this Task Order, which is anticipated the week of March 30, 2026. Services are scheduled for completion on December 18, 2026.

**TASK ORDER AUTHORIZATION AND ACCEPTANCE:**

ENGINEER:

OWNER:

STRAND ASSOCIATES, INC.®

SEALY ECONOMIC DEVELOPMENT  
CORPORATION

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Joseph M. Bunker  
Corporate Secretary

Date

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Bill Atkinson  
Executive Director

Date

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**Strand Task Order**

**Public Works Relocation Assessment**

**Item #12**



**SEALY EDC BOARD AGENDA ITEM NO:** 12 Discussion and possible action to approve Task Order No. 26-02 with Strand Associates, Inc. for the City of Sealy Public Works Facility Relocation Phase I assessment.

**MEETING DATE:** March 24, 2026

## STAFF REPORT

### DESCRIPTION

The Sealy Economic Development Corporation (SEDC) maintains an Agreement for Technical Services with Strand Associates, Inc., executed July 8, 2024. Under this agreement, individual projects may be authorized through task orders approved by the SEDC Board of Directors.

Staff has worked with Strand Associates to prepare Task Order No. 26-02 to conduct an initial assessment related to the potential relocation of the City of Sealy Public Works Facility. The existing facility is located east of the downtown district, and the proposed study will evaluate possible sites and determine the feasibility of relocating the facility to better support long-term operational needs and future city growth.

### ANALYSIS

Under the proposed task order, Strand Associates will provide engineering and planning services, including:

- Conducting a kickoff meeting and gathering relevant project data.
- Meeting with SEDC and City staff to review the existing public works facility and discuss operational needs, desired features, and facility types for a new location.
- Evaluating up to three potential relocation sites for the facility. This includes assessing the availability of water, sanitary sewer, and natural gas utilities and developing cost opinions for providing utilities if they are not currently available.
- Evaluating access requirements and potential street modifications necessary to serve each potential site and preparing associated cost opinions.
- Developing up to two conceptual layouts for each site, incorporating selected facility features, internal circulation, paved areas, and employee and visitor parking.
- Participating in up to three progress meetings with SEDC and City staff.

The assessment will provide preliminary planning guidance to help determine the feasibility, cost considerations, and potential locations for a future public works facility that better supports municipal operations.

Services will begin upon execution of the task order and are anticipated to start the week of March 30, 2026, with completion scheduled for December 18, 2026.

### FINANCIAL IMPACT

The proposed task order establishes a lump-sum compensation of \$40,000 for the engineering services associated with the Public Works Facility Relocation Phase I assessment. Funding for this work is available within the SEDC professional services and planning budget.

## RECOMMENDATION

Staff recommends approval of Task Order No. 26-02 with Strand Associates, Inc. in the amount of \$40,000 to conduct the Public Works Facility Relocation Phase I assessment.

## POTENTIAL MOTION LANGUAGE

"Motion to approve Task Order No. 26-02 with Strand Associates, Inc. in the amount of \$40,000 for engineering services related to the City of Sealy Public Works Facility Relocation Phase I assessment and authorize the Executive Director to execute the agreement."



Strand Associates, Inc.  
14014 Alameda Street  
Houston, TX 77033  
(713) 269-2885 / 2100  
www.strand.com

Task Order No. 26-02  
Sealy Economic Development Corporation (OWNER)  
and Strand Associates, Inc.® (ENGINEER)  
Pursuant to Agreement for Technical Services dated July 8, 2024

### Project Information

Services Name: City of Sealy, Texas (CITY), Public Works Facility Relocation Phase 1

Services Description: Perform an assessment of CITY's public works facility and evaluate potential areas for a new facility. The existing public works facility is located to the east of the downtown district. The assessment will evaluate potential new sites and their feasibility.

### Scope of Services

ENGINEER will provide the following services to OWNER:

1. Attend an initial kickoff meeting with OWNER and gather project-related data.
2. Meet with OWNER and CITY to review the existing public works facility and discuss OWNER's and CITY's likes and dislikes. Receive feedback from CITY on public works facility features and building types that are desired at the new location.
3. Assist OWNER and CITY in evaluating up to three new locations for the public works facility. Assess the availability of water, sanitary sewer, and natural gas at each location. Develop cost opinions for these utilities to be provided to each location, if not already present. Assess the need for street modifications and access to the potential locations and develop cost opinions for the street and access modifications.
4. Develop up to two layouts of OWNER and CITY selected facility features and buildings at each site including internal roadways, paved areas, and employee and visitor parking.
5. Attend up to three progress meetings with OWNER and CITY.

### Compensation

OWNER shall compensate ENGINEER for Services under this Task Order a lump sum of \$40,000.

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TOTAL TO ORDER  
100% TO DATE 1000000

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Sealy Economic Development Corporation  
Task Order No. 26-02  
Page 2  
March 19, 2026

**Schedule**

Services will begin upon execution of this Task Order, which is anticipated the week of March 30, 2026. Services are scheduled for completion on December 18, 2026.

**TASK ORDER AUTHORIZATION AND ACCEPTANCE:**

ENGINEER:

OWNER:

STRAND ASSOCIATES, INC.®

SEALY ECONOMIC DEVELOPMENT CORPORATION

Joseph M. Bunker	Date	Bill Atkinson	Date
Corporate Secretary		Executive Director	

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