



Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING
January 8, 2018 at 3:00 p.m.



I. Call to Order Martin Tucker
Chairman Massey was absent for the meeting. Martin Tucker chaired and called the meeting to order at 3:00 p.m., declared a quorum present, and opened the meeting.

II. Opening Invocation..... Janet Reed

III. Roll Call Laura Voorhies
The following Durant Industrial Authority members were present: Billy Blackburn, Sean Burrage, Tammye Gwin, Jeff Hammock, Darrell Mendez, Janet Reed, Mayor Jerry Tomlinson and Martin Tucker

The following member was not present: Chairman Greg Massey

The following Support Staff member was present: Paul Buntz and Laura Voorhies

The following guests were present at this month’s meeting: John Cathey, Dan Pennington, Tim Rundel, An-Chen Lai, Robert Holliday, Jim Thorpe, Charles Calhoun and Ron Boyer

IV. Welcome Newest Durant Industrial Authority Board Member – Jeff Hammock..... Martin Tucker

V. Update of Imagine DurantKara Byrd
Mrs. Kara Byrd discussed the strategic plan for Imagine Durant and gave handouts (available upon request from Kara Byrd). Mrs. Byrd stated Imagine Durant is working on business communication to have a more qualified workforce and education to fill the gaps.

Sean Burrage stated that Imagine Durant was the brain child of Greg Massey and Chief Gary Batton and it is great to see the work that has been done.

Mrs. Byrd stated that Imagine Durant has \$70,000 left to meet the budget and to contact her if anyone would like to make a donation.

VI. Consideration and Action of the November 13, 2017 Minutes for the Regular Called Meeting..... Chairman Massey

A motion was made to approve by Jerry Tomlinson and Sean Burrage seconds the motion. The motion carried by:

Aye: Billy Blackburn, Sean Burrage, Tammye Gwin, Jeff Hammock, Darrell Mendez, Janet Reed, Mayor Jerry Tomlinson and Martin Tucker

Nay: None

Absent: Chairman Massey

Non-Voting Members: Tammye Gwin and President Sean Burrage

VII. Review the Durant Industrial Authority Financial report for month ending September 2017..... An-Chen Lai

An-Chen Lai reviewed the Financial Reports for the Durant Industrial Authority:

- A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:
Cash Accounts \$4,062,720.19 + Current Receivables \$748, 349.57 = Total: \$4,811,069,76
Current Liabilities \$14,687.57 + Long Term Debt \$1,115,768.13 = Total: \$1,130,455.70
- B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:
Total Revenues \$9,145.52 - Expenses & Fund Reserve \$22,948.82 = Net Change in Fund Balance: (\$13,803.30)
- C. The Economic Development-Fund 110 Balance Sheet showed:
Total Assets: \$735,121.50 and Total Liabilities \$0.00
Total Liabilities & Fund Balance \$735,121.50
- D. The Economic Development-Fund 110 Income & Expense Statement revealed:
Total Revenue \$98,716.72 and Total Expenses \$0.00
Net Change in Fund Balance: \$98,716.72

VIII. Consider Approval of Durant Industrial Authority Claims Month Ending October 2017 Chairman Massey

Chairman Massey reviewed the claims for the Durant Industrial Authority:

◇ Durant Area Chamber – Copies and Office Rent	1,385.00
◇ AT&T – Cell Phone	12.40
◇ AT&T Office Phone	53.01
◇ Crawford & Associates (Auditing)	1,033.99
◇ JP Morgan Chase	155.26
◇ Fuelman	39.36
◇ Paul Buntz Contract.....	4,781.25
◇ Paul Buntz Contract.....	5,366.41
◇ Lucinda French – Office Cleaning (two months)	30.00
◇ Oklahoma Department of Commerce – CDBG Loan Payments	7,020.66
◇ Cheryl Jackson – Cardinal Glass Land Principal/Interest	2,407.61
◇ John Jackson – Cardinal Glass Land Principal/Interest.....	2,407.60

A motion was made to approve by Janet Reed. Sean Burrage seconds the motion. The motion carried by:

Aye: Billy Blackburn, Sean Burrage, Tammye Gwin, Jeff Hammock, Darrell Mendez, Janet Reed, Mayor Jerry Tomlinson and Martin Tucker

Nay: None

Absent: Chairman Greg Massey

Non-Voting Members: Tammye Gwin and President Sean Burrage

IX. Review of the Contract Between the City of Durant and the Durant Industrial Authority Martin Tucker

Tim Rundel stated there had been several discussions to find a sustained funding stream and two were found. The contract will be with the City of Durant and not the Utility Authority.

An-Chen Lai stated that there are six loans, five of which are CDBG totally approximately \$142,000 that is paid out by the Utility Authority.

Tim Rundel advised that Crawford and Associates, one of the accounting firms the City uses felt the City could be reimbursed back to the Utility Authority or the City for the loans by the ¼ cent sales tax. Chairman Massey and Crawford had several discussions on this matter. We are trying to supply money without going into the Utility Authority. The current revenue doesn't cover public safety and our goal is to stop pulling money from the Utility Authority.

Paul Buntz advised that when an Executive Director was hired is when the Utility Authority started funding. There were agreements with the Chamber of the Industrial Authority and the Utility Authority, which freed up approximately \$1M in debt service beginning in the FY2002 budget year. The city started the fund for the Durant Industrial Authority in lieu of the ¼ cent sales tax and an agreement was signed. Those funds were paying of CDBG loans and it was never changed after the ¼ cent sales tax come into play. It helped bring in companies to the community.

John Cathey stated all of this should be looked at very closely because the ¼ cent sales tax is very specific on how it is to be spent.

Jerry Tomlinson advised that the discussions began in July 2017 and the last few months with Greg Massey and Crawford to rectify the funding situation to remove the debt service from the Utility Authority and put it with the ¼ cent sales tax.

Tim Rundel states there is an Ordinance from 2002 that Crawford believes is broad enough to use the ¼ cent sales tax.

Tammye Gwin asked if there was something in writing from Crawford in this regard. Tim Rundel stated there was not at this time.

Darrell Mendez stated that there needs to be hard evidence, in black and white to review prior to signing any contract.

Tim Rundel stated that this contract must be signed prior to hiring a new Executive Director, the funding must be solved.

Janet Reed stated that the Durant Industrial Authority Trust needs to be reviewed to know what it allows and then discuss what will work best for the Durant Industrial Authority as well as the City. We need to know what are responsibilities are as a board. Janet Reed also wanted to know why the City Manager would be the day to day supervisor of the Executive Director.

Tim Rundel stated that the biggest challenge is communication with the Durant Industrial Authority and the City. The City should have some supervision over the department to make that easier. Mayor Tomlinson agrees and I do as well. We want to avoid communication gaps as there were in the past and don't want anyone over promising anything and the new Executive Director should also attend staff meetings. He doesn't know of any city that doesn't have supervision over the economic development.

Janet Reed agrees there should be better communication, but if the City is going to have supervision over the Executive Director and the department, what is the function of the Durant Industrial Authority board?

John Cathey said he doesn't understand why it would have to be the City Manager and asked if the City Council could be the supervisor.

Paul Buntz stated that the City Council is not allowed to supervise, they can only advise.

Darrell Mendez stated that going through the City is not always the fastest way to get things done. It would seem that the Durant Industrial Authority board and the City should be able to work together and the City Manager should attend the monthly meetings. We do not want this board to not have any authority. We have had such success for a reason and we don't do things like other cities.

Janet Reed advised that it needs to be determined what the function of the Durant Industrial Authority board.

Charles Calhoun stated that Durant has a background of being successful and a structure that has worked for over 15 years, why fix something that is working. We have the Durant Industrial Authority that has to approve everything that is done first and then it goes to the City Council for approval, giving several platforms for discussion prior to moving forward with anything. This is what has worked, produced jobs and given money to the community. I would hope that the next person hired is a self-starter and with the direction of the board and the City will be successful and not need micro management. We need to follow what we know works and not change it completely.

Martin Tucker tabled the discussion until Chairman Massey returns to speak of his meetings with the City and Crawford.

Tim Rundel stated he would pull the contract from the City Council agenda.

X. Update of Durant Industrial Authority Projects Paul Buntz

Paul Buntz stated that CMC will have a grand opening in the spring and will be in full production within the next few weeks.

Project H2O and Project Hickory are still interested in Durant at this time.

We are still waiting on information from SteelFab to submit the CDBG.

XI. Consider Executive Session for the Durant Industrial Authority – Executive Director Job Search (Executive Session Authorized by Title 25, Section 307B.1 of the Oklahoma State Statute)..... Martin Tucker

Martin Tucker stated that since the contract discussion was tabled, there was no need to go into Executive Session.

Charles Calhoun asked if there has been anyone interested in the position.

Tim Rundel stated that there have been some resumes come through, but no one can be hired until a contract is solidified.

XII. Consider Motion to Return to Regular Session Martin Tucker

Did not go into Executive Session

XIII. Consideration and Action Pursuant to Item X. Above..... Martin Tucker

No Action Taken per Martin Tucker.

XIV. Durant Industrial Authority New Business..... Martin Tucker

- a. Discussion of Resolution Supporting Incentives for Project Hickory Paul Buntz
 Paul Buntz advised that the Resolution was requested by Project Hickory, an international company that is looking for a U.S. headquarters. They want some assurance that the Durant Industrial Authority and the City are truly interested in their coming to Durant.

A motion was made by Sean Burrage. Jerry Tomlinson seconds the motion. The motion carried by:

Aye: Billy Blackburn, Sean Burrage, Tammye Gwin, Jeff Hammock, Darrell Mendez, Janet Reed, Mayor Jerry Tomlinson and Martin Tucker

Nay: None

Absent: Chairman Greg Massey

Non-Voting Members: Tammye Gwin and President Sean Burrage

XV. Adjournment Chairman Massey

A motion was made by Jerry Tomlinson. Janet Reed seconds the motion. The motion carried by:

Aye: Billy Blackburn, Sean Burrage, Tammye Gwin, Jeff Hammock, Darrell Mendez, Janet Reed, Mayor Jerry Tomlinson and Martin Tucker

Nay: None

Absent: Chairman Greg Massey

Non-Voting Members: Tammye Gwin and President Sean Burrage