

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY REGULAR CALLED MEETING OF DECEMBER 9, 2014 AT 7AM IN THE DURANT AREA CHAMBER OF COMMERCE CONFERENCE ROOM.

I. Call to Order – Chairman Tomlinson

Chairman Tomlinson called the meeting to order at 7:02am, declared a quorum present and opened the meeting.

II. Opening Invocation- Greg Massey

III. Welcome New Durant Industrial Authority Board Member, Darrell Mendez- Chairman Tomlinson

Chairman Tomlinson welcomed newly appointed member, Darrell Mendez, to the Durant Industrial Authority Board.

IV. Roll Call – Sandra Amos

The following Authority members were present: Ron Bennett, Greg Massey, Fran Mickle, Darrell Mendez, Nate Morrison and Chairman Tomlinson.

The following Authority member was absent: Janet Reed.

Tommy Kramer informed the DIA Board that Janet Reed was doing well following her hip replacement surgery. Mr. Kramer stated that a Thanksgiving Centerpiece was sent to Ms. Reed on behalf of the Durant Industrial Authority Board.

The following support staff members were present: Sandra Amos, James Dunegan and Tommy Kramer.

The following support staff members were absent: None.

The following guest was present at this month's meeting: Jessica Breger – Staff Reporter for the Durant Daily Democrat

V. Consider Approval of Minutes of the Regular Monthly Meeting on November 10, 2014-Chairman Tomlinson

A motion was made by Nate Morrison to accept the minutes from the Regular Monthly Meeting of November 10, 2014. This motion was seconded by Ron Bennett. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson

Nay: None

Abstain: None

VI. Review the Durant Industrial Authority October 2014 Financial Report –Tommy Kramer

Tommy Kramer reviewed the October 2014 Financial Report for Durant Industrial Authority Fund 020. The Durant Industrial Authority total cash and receivables, as of October 31st, 2014 were \$3,742,045.29. The Fund 020 total current and long term liabilities are \$1,512,834.87 as of October 31st, 2014. Chairman Tomlinson referenced the continuation of the Earth Biofuels reduced payment by Oklahoma Department of Commerce for the deferral of the Rail Spur that ended on November 30th, 2014. Mr. Kramer confirmed that the reduced payment for the Earth Biofuels would continue per the Oklahoma Department of Commerce and referenced an attached 2015 confirmation letter from Karen Adair to the City of Durant (dated November 3, 2014).

The total revenues collected in Fund 020 for October 2014 were \$30,688.45. Mr. Kramer pointed out the \$868.01 expenses from the E.D. promotion account were as follows: TEX21 Highway Luncheon held at the Donald W. Reynolds Library; Industrial Partnership Luncheon at Cardinal Glass for principals and superintendents, \$326.01; Rib Crib, \$15. The total expenses and fund reserve activity was \$37,600.61, leaving a negative fund balance of (\$6,912.16).

Economic Development Fund 110 for Job Creation total assets as of October 31, 2014 was \$5,454,701.22 with no liabilities as of October 31, 2014. Income and Expense Statement Fund 110 for October Total Revenue is \$88,266.08 with no expenses, leaving a total of \$88,266.08. Mr. Kramer pointed out that the year-to-date side of the report reflects three money transfers, citing the CI-EDA Grant Match for the Southeastern Oklahoma State University Water Tower, \$500,000; CI for CDBG for improvements to Waldron Drive, \$630,000; Materials for the Reconstruction of Crawford Street for Jobs created by Best Fenders, \$110,000. The Net Change in Fund balance is \$88,266.08.

Nate Morrison questioned the long term goal regarding the Earth Biofuels CDBG debt. Mr. Kramer explained that the Oklahoma Department of Commerce sees the rail spur, itself, as collateral and agrees to defer \$1,312.50 of the \$1,666.67 payment annually, until the rail

spur payment can be incurred by another business entity. Mr. Kramer noted that Project May is willing to take over the rail spur payment if and when implementation of their frac sand business occurs. City Manager, James Dunegan, noted that the remaining \$354.17 of the \$1,666.67 payment is for city street improvements connected with Earth Biofuels and will remain in effect for the 20 year loan.

VII. Consider Approval of Durant Industrial Authority Claims for the Month of November 2014-Tommy Kramer

A copy of the November 2014 Durant Industrial Authority Budget Analysis was electronically mailed to each Durant Industrial Authority Board Member on December 2, 2014 for their review prior to the December 9, 2014 regular scheduled meeting of the Durant Industrial Authority.

Tommy Kramer informed the Durant Industrial Authority Board of the November 2014 claims for payment approval. The payroll claims for November 2014 were \$15,097.93. The submitted claim reports for Durant Industrial Authority Fund 020 for the month of November 2014 totaled \$19,136.59.

Items discussed were the following expense claims for Fund 020:

- Durant Area Chamber of Commerce – Copy Machine Rental - \$160.00;
- Durant Area Chamber of Commerce – Office Rent - \$1,225.00;
- AT&T Phone Service (Office)- \$6.98
- Touchstone Communication (Long Distance) \$26.49
- Crawford & Associates – Professional Audit fees -\$3,560.60;
- Site Selection Publications – November Advertising - \$904.40
- JP Morgan Chase – Christmas Cards; State Chamber Membership, Vehicle Maintenance, Training and Travel - \$1,326.55;
- Fuelman-\$90.70
- Five CDBG Loan Payments to Oklahoma Department of Commerce - \$7,020.66;
- Cheryl Jackson – Land Acquisition Payment (principal and interest) - \$2,407.61;
- John Jackson – Land Acquisition Payment (principal and interest) - \$2,407.60;

A motion was made by Nate Morrison to approve the claims for the month of November 2014. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson.
Nay: None
Abstain: None

**VIII. Discuss and Consider New City Sewer Line and Lift Station for Hitchcock Project-
Jim Dunegan**

James Dunegan, City Manager, informed the Durant Industrial Authority Board of new developments in the new sewer line and lift station construction for Hitchcock Distributing. Mr. Dunegan explained that, due to existing utility lines, the sewer line must be re-routed. Mr. Dunegan informed the board that estimates indicate that the revised sewer line project should actually cost less than originally planned. Since no additional funding, beyond the approved \$41,000-\$51,000 are necessary at this time, no action was taken by the Durant Industrial Authority board.

IX. Discuss Possible Incentive Programs for Project May-Durant Sands, LLC-Tommy Kramer

Mr. Kramer reported to the DIA Board about the sources of frac sand in Coleman and Yuba. Project May would provide a place of storage for the frac sand and transport by railcar on demand, utilizing Earth Biofuels property and the Golden Peanut Property. The proposed \$2.35M DIA funding is from the following: 1) \$350,000 forgivable loan for 30 jobs to buy The Golden Peanut Property; 2) \$1M CDBG Grant that would qualify to enhance the streets and the City of Durant. (100% Grant for 30 Jobs); 3) \$1M Equipment Loan at 0% interest, principle paid back and guaranty.

A motion was made by Nate Morrison to deny incentives for Project May-Durant Sands, LLC. This motion was seconded by Greg Massey. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and
Chairman Tomlinson.
Nay: None
Abstain: None

**X. Consider Funding for Advertising Placement in the Oklahoma Department of
Commerce Publication, *Oklahoma-The State of Success*-Tommy Kramer**

Tommy Kramer reported that *Oklahoma-The State of Success* is a publication from the Oklahoma Department of Commerce. The circulation is 6,000, with 2 remaining issues in April and July 2015. The cost of advertising in these two issues is \$4,140.

A motion was made by Nate Morrison to approve funds to advertise in the April and July 2015 issues of *Oklahoma-The State of Success*. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and
Chairman Tomlinson.
Nay: None
Abstain: None

XI. Executive Session

A) Consider Executive Session for Purpose of Discussing Job Description and the Duties of the Durant Industrial Authority Executive Director-Chairman Tomlinson

A motion was made by Nate Morrison to enter into executive session. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson.
Nay: None
Abstain: None

B) Consider Motion to Return to Regular Session-Chairman Tomlinson

A motion was made by Nate Morrison to reconvene into open session. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson.
Nay: None
Abstain: None

XII. Consider Action Pursuant to Item XI (A) above-Chairman Tomlinson

A motion was made by Greg Massey to approve the DIA Executive Director job description roles and responsibilities document as presented with noted changes. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson.
Nay: None
Abstain: None

XIII. Durant Industrial Authority New Business

Jim Dunegan gave an update on the new Nov/Dec City Sales Tax. The report showed Sales Tax Revenue at 11.89% which is an increase of 4.22% from the previous 12 month period.

Chairman Tomlinson appointed an Executive Director Review Committee of three members. The committee members include Greg Massey, Fran Mickle and Nate Morrison.

XX. Adjournment

A motion was made by Nate Morrison to adjourn the monthly regular meeting at 8:12. This motion was seconded by Fran Mickle.

Aye: Ron Bennett, Greg Massey, Darrell Mendez, Fran Mickle, Nate Morrison and Chairman Tomlinson.
Nay: None
Abstain: None