

# Durant Industrial Authority

## **MINUTES OF THE DURANT INDUSTRIAL AUTHORITY REGULAR SCHEDULED MEETING OF JUNE 10, 2014 AT 7:00 A.M. IN THE DURANT AREA CHAMBER OF COMMERCE CONFERENCE ROOM.**

### **I. Call to Order. – Chairman Tomlinson**

Chairman Tomlinson called the meeting to order at 7:00 a.m., declared a quorum present and opened the meeting. Chairman Tomlinson recognized the following guests present for the Durant Industrial Authority Board Meeting: Jessica Breger – Staff Reporter for the Durant Daily Democrat.

### **II. Opening Invocation. – Janet Reed**

### **III. Roll Call. – Cynthia Price**

The following Authority members were present: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.

The following Authority member was absent: Ron Bennett.

The following support staff members were present: James Dunegan, Tommy Kramer, and Cynthia Price.

The following support staff members were absent: None.

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

### **IV. Consider Approval of Minutes of the Regular Monthly Meeting on May 13, 2014. – Chairman Tomlinson**

A motion was made by Janet Reed to accept the minutes from the Regular Monthly Meeting on May 13, 2014. This motion was seconded by Greg Massey. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.

Nay: None

Abstain: None

# **IV.**

**V. Consider Approval of Minutes of the Special Called Monthly Meeting on May 20, 2014. – Chairman Tomlinson**

A motion was made by Nate Morrison to accept the minutes from the Special Called Monthly Meeting on May 20, 2014. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

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

Tommy Kramer reviewed the April 2014 Financial Report for Durant Industrial Authority Fund 020. The Durant Industrial Authority total cash and receivables, as of April 30, 2014 were \$3,885,555.08. The Fund 020 total current and long term liabilities are \$1,572,236.62 as of April 30, 2014.

The total revenues collected in Fund 020 for April 2014 were \$42,653.84. The total expenses and fund reserve activity was \$36,673.99. The net change in fund balance as of April 30, 2014 is \$5,979.85. The 2013-2014 fiscal year-to-date net change in fund balance as of April 30, 2014 is \$139,157.79.

Economic Development Fund 110 for Job Creation total assets as of April 30, 2014, was \$5,419,820.64 with no liabilities as of April 30, 2014. Fund 110 Account had a surplus deficit in the amount of \$849,478.26 for April 2014. The total liabilities and fund balance as of April 30, 2014, was \$5,419,820.64. The total revenue received for the month of April 2014 was \$84,578.27. There were no expenses for the month of April 2014. Therefore, the net change in fund balance as of April 30, 2014 was \$84,578.27.

**VII. Consider Approval of Durant Industrial Authority Claims for the Month of April 2014. – Tommy Kramer**

A copy of the May 2014 Durant Industrial Authority Budget Analysis was electronically mailed to each Durant Industrial Authority Board Member on June 4, 2014 for their review prior to the June 10, 2014 regular scheduled meeting of the Durant Industrial Authority.

Tommy Kramer informed the Durant Industrial Authority Board of the May 2014 claims for payment approval. The payroll claims for May 2014 were \$17,088.19. The submitted claim reports for Durant Industrial Authority Fund 020 for the month of April 2014 totaled \$14,834.04.

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, Mobile, Long Distance) - \$80.58;
- Crawford & Associates – Audit fees (Professional services thru May 15, 2014) - 175.18;
- JP Morgan Chase – Office Supplies, Vehicle Maintenance, Training and Travel - \$219.09;
- Durant Kiwanis Club – Membership Dues for Tommy Kramer April – June 2014 - \$120.00;
- North Texas Tollway Authority – Toll Charges from 2/27/2013 – 8/28/2013 - \$14.92;
- 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 Greg Massey to approve the claims for the month of May 2014. This motion was seconded by Janet Reed. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.

Nay: None

Abstain: None

**VIII. Consider Motion to File the Durant Industrial Authority Fiscal Year 2014-2015 Budget with the Durant City Council. – Chairman Tomlinson**

Chairman Tomlinson provided each board member with a copy of the proposed Durant Industrial Authority Budget for Fiscal Year 2014-2015. Greg Massey questioned whether this agenda item should be tabled until after the Executive Session portion of the meeting. At the Board's request, James Dunegan and Chairman Tomlinson explained the process of developing the budget and bringing it for review before the Board. Chairman Tomlinson stated the Durant City Council can only take action to accept the filing of the Durant Industrial Authority Budget and does not approve the budget. Mr. Dunegan was questioned as to whether the budget can be amended at a later date. Mr. Dunegan stated as city manager he has the right to amend the budget if the Board so chooses but the budget must remain balanced. Chairman Tomlinson read Oklahoma State Statute, Title 60, Section 76 (G) which states 'Public Trusts created pursuant to Title 60 of the Oklahoma State Statutes shall file annually, with their respective beneficiaries, a financial plan or budget. Public trust fund budgets are not required by the Municipal Budget Act and are not considered legally adopted, appropriated budgets (merely financial plans)'.

A motion was made by Nate Morrison to file the Durant Industrial Authority Fiscal Year 2014-2015 Budget with the Durant City Council. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**IX. Consider Approval of Fiscal Year 2014-2015 Contract Between the Durant City Utilities Authority and the Durant Industrial Authority. – Chairman Tomlinson**

Chairman Tomlinson provided each board member with a copy of the proposed Fiscal Year 2014-2015 contract between the Durant City Utilities Authority and the Durant Industrial Authority for their review and consideration. Chairman Tomlinson pointed out the changes to the Fiscal Year 2014-2015 compared to Fiscal Year 2013-2014 . Changes discussed were that the Durant Industrial Authority may make modifications to the program of work and budget throughout the year as deemed necessary, with appropriate revisions forwarded to the Durant City Utilities Authority upon such action, provided, however, that such budget revision shall not exceed available funding to the Durant Industrial Authority. Funding changes included that available budgeted funds that are not expended at the close of the fiscal year shall be credited to the Durant City Utility Authority fund. Fran Mickle stated that the Durant Industrial Authority has always provided funds in the past for city projects upon the request of the City of Durant. Chairman Tomlinson stated the proposed contract would fund the operational cost equivalent and all unused funds would be returned to the Durant City Utilities Authority.

A motion was made by Greg Massey to approve the Fiscal Year 2014-2015 contract between the Durant City Utilities Authority and the Durant Industrial Authority. This motion was seconded by Nate Morrison. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**X. Discussion of Durant Industrial Authority 55 Acre Site Improvements – Tommy Kramer**

Tommy Kramer provided the Durant Industrial Authority Board Members with a copy of each of the written bids which had been submitted for site improvement work to the 55 acre site located in the Durant West Industrial Park. Mr. Kramer reminded the Board that the site improvements were recommended by Terry Darrow, Managing Director of Jones Lang LaSalle and marketing representative for the Durant Industrial Authority, to improve the marketability of the site. Mr. Kramer stated he had been in discussion with James Dunegan regarding the possibility of forming a partnership with the City of Durant to have municipal workers perform the improvement work. Mr. Kramer also stated the possibility of

utilizing state incentive funds to fund the cost of the improvements. Mr. Kramer recommended this action be placed on hold pending further discussion.

No action was taken.

**XI. Discuss and Consider Incentive Assistance for the Panel Truss Company. – Tommy Kramer**

Tommy Kramer stated that he and James Dunegan have been working together with the Panel Truss Company and David Kemp. This company would like to lease 50,000 SF of the city owned Stahl Building for \$3,000 per month however there are repairs that need to be made to the existing facility such the repair of the skylights and leaking roof and replacement of the office heating and air conditioning system. Mr. Kramer stated that he and Mr. Dunegan have personally visited the site and viewed those areas in need of repair. The company is considering facilities in Denison and Durant. They are willing to sign a 10 year lease on the Stahl Building with the agreement that the City of Durant would make the necessary repairs. The City of Durant has asked the Durant Industrial Authority to financially contribute to the cost of the repairs. The company would begin with 20 employees and create an additional 40 jobs for a total of 60 jobs at a wage range of \$12-\$15 per hour. The company would invest \$1,000,000 in equipment for this project. James Dunegan asked about the possibility of using Community Development Block Grant funds to support the project. Mr. Kramer stated that time is a factor with the company and a Community Development Block Grant is not an option for this project for that reason. Chairman Tomlinson stated that estimates are needed to determine the cost of repairs.

A motion was made by Nate Morrison that once we have time to get estimates on what they are proposing that we fix for them to lease it, and we find out what it will cost to do those things, then we would take action. The motion failed for lack of a second.

A motion was made by Greg Massey to allow the Executive Director to have up to \$25,000 to fix the Stahl Building with funds from Fund 110. This motion was seconded by Fran Mickle. The motion was carried by:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**XII. Further Discussion of Durant Industrial Authority Retail Incentive Program. – Chairman Tomlinson**

Chairman Tomlinson stated he would like to have Tommy Kramer invite a retail marketing consultant to provide a presentation at the next regular scheduled Durant Industrial Authority Board Meeting on July 8, 2014.

**XIII. Executive Session**

**A.) Consider Executive Session for Purpose of Discussing Real Property Purchase (Executive Session Authorized by Title 25, Section 307 B(3) of the Oklahoma State Statutes). – Chairman Tomlinson**

A motion was made by Fran Mickle and seconded by Nate Morrison to convene into Executive Session. Motion carried with the following vote:

Aye: Greg Massey, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

*Ron Bennett entered the meeting during Executive Session. Greg Massey exited the meeting during Executive Session.*

**B.) Consider Executive Session for Review and Evaluation of Executive Director (Executive Session Authorized by Title 26, Section 307 B(1) of the Oklahoma State Statutes). – Chairman Tomlinson**

**C.) Consider Motion to Return to Regular Session. – Chairman Tomlinson**

A motion was made by Janet Reed and seconded by Fran Mickle to return to regular session. Motion carried with the following vote:

Aye: Ron Bennett, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**XIV. Consideration Action Pursuant to Item XIII (A) Above**

A motion was made by Janet Reed and seconded by Fran Mickle to accept Draft Copy No. 4 of Durant Industrial Authority/The Tile Shop Building Project as proposed. Motion carried with the following vote:

Aye: Ron Bennett, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**XV. Consideration Action Pursuant to Item XIII (B) Above**

A motion was made by Name Morrison and seconded by Janet Reed to appoint a committee consisting of Fran Mickle, Greg Massey, and Nate Morrison to review and evaluate the Executive Director. Motion carried with the following vote:

Aye: Ron Bennett, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.  
Nay: None  
Abstain: None

**XVI. Durant Industrial Authority Information Items:**

- A.) GAMCO/Bohrick – Tommy Kramer stated that GAMCO/Bohrick has added a new extension line to manufacture commercial restroom mirrors. They will be adding 10-12 new employees and investing \$300,000 in additional equipment.
- B.) Best Fenders – Tommy Kramer stated Best Fenders is in the process of constructing a new 25,000 SF manufacturing facility at a cost of \$1,000,000. Best Fenders will be adding ten new employees over the next two years. Mr. Kramer stated he has met with Best Fenders and they are not interested in participating in any incentive program.
- C.) JCP Specialty Foods - Mr. Kramer stated he has met with a consultant that is interested in putting the JCP Specialty Foods facility together with a West Coast protein food company. Mr. Kramer stated he did receive notification that JCP Specialty Foods officially filed for closure at the end of this month and the termination of 93 jobs. The West Coast company would want to create 250 jobs in Durant.
- D.) Hitchcock Distributing – Mr. Kramer stated the Hitchcock family has agreed to build a 30,000 SF distribution center on their property. Mr. Kramer stated the consultant reminded him that the Durant Industrial Authority did make a commitment for sewer line and sewer tap as well as payment of building permitting fees. Mr. Kramer estimated the cost of those expenditures would total approximately \$50,000. Mr. Kramer further stated there will be no new jobs created from this project so the Fund 110 Job Creation Account will not apply.
- E.) A North Dallas food ingredient, feed, micro-organism company was in town last Friday meeting with Rural Enterprises Inc. Mr. Kramer stated it would be a \$10,000,000 global, food safety certified facility and would employ a workforce of 100 employees. Mr. Kramer stated he brought in Rural Enterprises Inc., Oklahoma State University, Oklahoma Center for the Advancement of Science and Technology, and the Noble Foundation which eliminated McKinney as a contender for this project.
- F.) Tommy Kramer stated he submitted a proposal to the Oklahoma Department of Commerce for Project Cannonball. Project Cannonball is a national manufacturer with a project investment of \$50,000,000 - \$70,000,000 and would create 100 jobs for our community. Mr. Kramer stated Durant is one of four communities competing for this project and the only community in Oklahoma being considered. A meeting, site visit and community tour is scheduled with the Project Cannonball team on Monday, June 16, 2014. The commercial broker representing the company is officed at the Jones Lang LaSalle office in Cleveland, Ohio. Terry Darrow, Managing Director of Jones Lang LaSalle – Dallas will be attending the meeting as the marketing representative for the Durant Industrial Authority..

**XVII. Durant Industrial Authority New Business**

A.) Cynthia Price announced her resignation as Economic Development Assistant. Chairman Tomlinson thanked her for her service to the city.

**XV. Adjournment.**

A motion was made by Fran Mickle and seconded by Janet Reed to adjourn the meeting. Motion carried with the following vote:

Aye: Ron Bennett, Fran Mickle, Nate Morrison, Janet Reed, and Chairman Tomlinson.

Nay: None

Abstain: None