



# Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING  
June 14, 2016 at 7:00 a.m.

**I. Call to Order.....Chairman Massey**  
Chairman Massey called the meeting to order at 7:00 a.m., declared a quorum present, and opened the meeting.

**II. Opening Invocation – Chairman Massey**

**III. Roll Call..... Laura Voorhies**  
The following Durant Industrial Authority members were present: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Jeff Monroe and Janet Reed.

The following Support Staff members were present: Tommy Kramer and Laura Voorhies.

The following guests were present at this month’s meeting: Dan Pennington, David Keese attorney for Durant Industrial Authority, Donnalla Miller acting City Manager and Earlene Walker City Finance Manager.

**III. Consideration and Action of the May 10, 2016 Minutes for the Regular Called Meeting.....**  
.....**Chairman Massey**

A motion was made to approve by Kyle McLemore. Jeff Monroe seconds the motion. The motion carried by:

- Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Jeff Monroe and Janet Reed.
- Nay: None
- Abstain: None

**V. Consideration and Action of the May 26, 2016 Minutes for the Special Called Meeting .....**  
.....**Chairman Massey**

A motion was made to approve by Jeff Monroe. Kyle McLemore seconds the motion. The motion carried by:

- Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Jeff Monroe and Janet Reed.
- Nay: None
- Abstain: None

**VI. Update On The Commercial Metals Company Project..... Tommy Kramer**

Tommy Kramer advised that excavation and pier drilling is being conducted. Plyler Construction in Sherman, Texas was awarded the construction contract for the three smaller buildings and that construction will begin in August. The steel for the main building will be shipping in July from a metal building company located in east Texas..

We are lacking the water agreement between CMC and RWD5, once that occurs the TIF will be completed and the next step is to send the CDBG application to Commerce. If all goes according to plan, we will be able to transfer the property by July 1, 2016.

**VII. Update on The Tile Shop Distribution Center Building Project.....Tommy Kramer**  
 Tommy Kramer advised he and David Keese worked on this project diligently. As the project progressed, it became confused with the CDBG writer and eventually The Tile Shop and its CFO elected to fund the project themselves with New Market Tax Credits. The project will still be completed, just without the Durant Industrial Authority and City of Durant participation, which means we will be losing the \$700,000 in rent payments over 20 years.

**VIII. Review the Durant Industrial Authority Financial report for month ending May 31, 2016 .....Greg Massey**  
 Tommy Kramer reviewed the Financial Report as of April 30, 2016 for the Durant Industrial Authority:

- A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:  
 Cash Accounts \$1,314,331.25 + Current Receivables \$1,426,794.81 = Total: \$2,741,126.06  
 Current Liabilities \$14,219.81 + Long Term Debt \$1,314,695.11 = Total: \$1,328,914.92
- B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:  
 Total Revenues \$36,694.61 - Expenses & Fund Reserve \$36,064.31 = Net Change in Fund Balance: \$630.30
- C. The Economic Development-Fund 110 Balance Sheet showed:  
 Total Assets: \$2,730,950.82 and Total Liabilities \$4,925.00 (David Pate ALTA Survey-CMC Project)  
 Total Liabilities & Fund Balance \$2,730,950.82
- D. The Economic Development-Fun 110 Income & Expense Statement revealed:  
 Total Revenue \$91,137.98 and Total Expenses \$4925.00  
 Net Change in Fund Balance: \$86,212.98
- E. ED Fund 110 Cash Flow Statement Reviewed

**IX. Consider Approval of Durant Industrial Authority Claims Month Ending April 30, 2016.....Tommy Kramer**  
 Tommy Kramer reviewed the May 2016 Financial Report for the Durant Industrial Authority:

◇ Durant Area Chamber – Copies and Office Rent.....	1,385.00
◇ AT&T – Mobility (Cingular) Cell Phone .....	52.50
◇ AT&T – Office Phone.....	10.93
◇ Conway Data – Advertising .....	980.00
◇ Crawford & Associates – Auditing Services.....	38.91
◇ JP Morgan – Office Supplies .....	307.89
◇ JP Morgan – CPASA Annual Memberships .....	50.00
◇ JP Morgan – Airline .....	127.96
◇ JP Morgan – Meetings/Food .....	130.03
◇ JP Morgan – ED Promotion – CMC Groundbreaking .....	416.26
◇ Fuelman – Gas.....	36.25
◇ Lucinda French – Office Cleaning.....	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. Darrell Mendez seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed  
 Nay: None  
 Abstain: None

**X. Consideration and Action of Durant Industrial Authority Fiscal Year 2016-2017 Proposed Budget (handout) ..... Mayor Hoffman**

Mayor Hoffman stated that the budget is not a legal document; it is just a plan for each fiscal year. If anyone has questions they should direct them to him, Donnalla Miller or Earlene Walker. Mayor Hoffman also pointed out that under the reserve, it was moved to cover the shortfall of the 110 account for funding the Commercial Metals Company TIF loan. Mayor Hoffman also explained that the difference on the revenue side was that the 1.84% sales tax increase was used (it was a higher funding rate last year).

Earlene Walker explained that the money included the transfer from the City Utilities Authority and that the approximate \$700,000 shortfall is the commitment for the \$3.1M budgeted for Commercial Metals Company. Typically that transfer is approximately \$392,000. We can make any adjustments in the first amended budget, this is not set in stone it is only a funding plan.

Tommy Kramer advised that last year there wasn't a transfer from Utilities Authority, it was funded by DIA and the \$3.1M Commercial Metals Company loan is not due until July 2017, so there is no need to do that transfer of funds in the 2016 fiscal year.

Greg Massey advised that he would review the budget in more detail and doesn't think it is a good idea to approve a budget that isn't correct from the beginning of a new fiscal year.

Darrell Mendez advised that he and Kyle McLemore have not yet reviewed the budget for approval.

Tommy Kramer advised that he submitted the Durant Industrial Authority budget, but the numbers had been changed from what he submitted. There will not be any revenue from The Tile Shop property lease and we do not have the 8 acres leased and the funding from the utility authority will not be enough, as we have already spent more than \$400,000 this year. We are over \$19,000 now and still have 2 more months left to fund the department. The Commercial Metals Company TIF fees of \$70,000 will be recovered in 2017. I have discussed this with Earlene Walker and will discuss again in more detail.

Jeff Monroe believes the budget should be corrected prior to approving the DIA budget plan for the next fiscal year.

Earlene Walker advised that she has noticed a few other things with other budgets as well that would need to be corrected and we will include those in the first amended budget. You can approve this budget with the understanding that it will be amended in the Fall of 2016.

Paul Buntz advised that the DIA budget changes will effect the over all City budget and there is a need to amend the proposed budget plan, but not sure there is enough time to make changes prior to the City approving the City of Durant budget tonight at the City Council meeting. The DIA budget is a plan that can be modified at any time. It should be approved now rather than be under the gun to make changes, unless the City is going to modify its budget prior to their approving it tonight at the City Council meeting.

Darrell Mendez stated that it could be approved based on the recommendation of the City Management, knowing there will be changes and it is not the final Durant Industrial Authority Fiscal Year 2016-2017 Budget Plan.

A motion was made to approve by Darrell Mendez. Janet Reed seconds the motion with the word not being budget but a plan. The motion carried by:

- Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed.
- Nay: None
- Abstain: None

**XI. Consideration and Action of the Durant Industrial Authority and Annual Contract (Fiscal Year 2016-2017) with the Durant City Utility Authority ..... Mayor Hoffman**

Mayor Hoffman stated that in the handouts there is an email from Donnalla Miller advising there will be a three-month extension on all City contracts in order to for her and other City officials to review each contract.

A motion was made to approve by Janet Reed to table the contract. Jeff Monroe seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed.

Nay: None

Abstain: None

**XII. Consideration and Action of the Supplement to the Durant Industrial Authority Trust Indenture ..... Greg Massey**

Greg Massey advised there are two options available and David Keese will explain the details.

David Keese stated that the discussion was made to broaden the Durant Industrial Authority Supplement to include other new members of the community. We recommend keeping the seven (7) trustees and add two (2) additional non-voting members (education and Choctaw Nation) to provide advise bringing the total number of trustees to nine (9). The difference between the two options is: 1) the Chamber member becomes a non-voting board member or 2) the Chamber stays a voting board member.

Janet Reed stated that since the Chamber of Commerce has been a part of the Durant Industrial Authority since its inception in 1964, the Chamber should be a voting member. Also, has anyone spoken to the Choctaw Nation about being a non-voting board member?

Mayor Hoffman stated that he discussed with Tammye Gwin about the Choctaw Nation member would be a non-voting member and she said she supported it. Tammye will not be that member as she has a prior commitment on the second Tuesday of each month at 7:00 am with another board in Oklahoma City. We should look at adjusting the time and or date of the DIA meeting so that she could become a member of the DIA meeting.

Greg Massey stated that this new Durant Industrial Authority Supplement is about bringing a team together and having a voice at the table. The Durant Education leaders and Choctaw Nation leaders want to support the community and the Durant Industrial Authority. WE work as a team to grow Durant.

A motion was made to approve by Darrell Mendez Option 2 with the Chamber being a voting member. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed.

Nay: None

Abstain: None

**XIII. Consideration and Approval of the New Durant Industrial Authority Bylaws to Change Number of Trustees ..... Greg Massey**

Greg Massey stated that both the Supplement and Bylaws will be changed to reflect the number of voting and non-voting trustees, using Option 2 with the Chamber being a voting member.

A motion was made to approve by Janet Reed. Darrell Mendez seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed.

Nay: None

Abstain: None

**XIV. New Business.....Greg Massey**

Tommy Kramer advised that the Oklahoma Southeast Golf and Striper Event, that began in the DIA office 15 years ago went well, again this year in Durant. This event has grown throughout the years and this year the Choctaw Nation hosted the event. This year was the largest participation in golf with 80 golfers and there were 9 boats of people for the fishing on Lake Texoma.

Tommy Kramer stated that six months ago, he received a call in regards to the Cornerstone building. This company, whose corporate office is in Pennsylvania came to Durant a few weeks ago and have since signed a LOI on the building. They had another building option in Dallas, TX, but informed me that if we could fund \$500,000 in local funding they would select Durant. I diligently went to work and put together approximately \$1.5M in incentives, with the DIA not adding any incentive money. The Oklahoma Tax Commission Ad Valorem commissioners came to inspect the building and have re-certified it for a 5-year ad valorem tax exemption status. The Choctaw Nation of Oklahoma, Reggie Sullivan and Federal New Market Tax Credits made it possible. The new company will invest \$21M and have 150 employees with a \$5M payroll.

Janet Reed advised that the Shakespearian Festival will be opening in June (passed out information) and the information is on the Chamber website. This past weekend we had the 1<sup>st</sup> Magnolia Market at the First Texoma National Bank parking lot and it went so well, most of the vendors sold out by noon and the Kopper Kettle had a BBQ cook off in downtown Durant.

**XV. Adjournment .....Chairman Massey**

A motion was made to approve by Mayor Stewart Hoffman. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Jeff Monroe, Darrell Mendez and Janet Reed.

Nay: None

Abstain: None