

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY REGULAR SCHEDULED MEETING OF July 8, 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 Sandra Amos, the new Durant Industrial Authority Staff member, as well Cindy Price, former assistant to Tommy Kramer.

II. Opening Invocation – Fran Mickle

III. Roll Call – Sandra Amos

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

The following Authority member was absent: Janet Reed

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

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 and Rickey Hayes, the founder of Retail Attractions in Owasso.

IV. Consider Approval of Minutes of the Regular Monthly Meeting on July 8, 2014 – Chairman Tomlinson

A typographical error was noted by Chairman Tomlinson regarding the spelling of council member Nate Morrison's name on page 7 of the June 10th, 2014 minutes. A motion was made by Fran Mickle to accept the minutes from the Regular Monthly Meeting on June 10, 2014. This motion was seconded by Ron Bennett. The motion was carried by:

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

Nay: None

Abstain: None

V. Review the Durant Industrial Authority May 2014 Financial Report –Tommy Kramer

Tommy Kramer reviewed the May 2014 Financial Report for Durant Industrial Authority Fund 020. The Durant Industrial Authority total cash and receivables, as of May 31, 2014 were \$3,874,398.09. The Fund 020 total current and long term liabilities are \$1,562,665.07 as of May 31, 2014.

The total revenues collected in Fund 020 for May 2014 were \$44,617.04. The total expenses and fund reserve activity was \$36,299.86. The net change in the fund balance as of May 31, 2014 is \$8,317.18. The 2013-2014 fiscal year-to-date net change in fund balance as of May 31, 2014 is \$147,474.97.

Economic Development Fund 110 for Job Creation total assets as of May 31, 2014, was \$5,506,841.29 with no liabilities as of May 31, 2014. Fund 110 Account had a surplus deficit in the amount of \$936,498.91 for May 2014. The total liabilities and fund balance as of May 31, 2014, was \$5,506,841.29. The total revenue received for the month of May 2014 was \$87,020.65. There were no expenses for the month of May 2014. Therefore, the net change in fund balance as of May 31, 2014 was \$87,020.65.

VI. Consider Approval of Durant Industrial Authority Claims for the Month of June 2014 – Tommy Kramer

A copy of the July 2014 Durant Industrial Authority Budget Analysis was electronically mailed to each Durant Industrial Authority Board Member on July 2, 2014 for their review prior to the July 8, 2014 regular scheduled meeting of the Durant Industrial Authority.

Tommy Kramer informed the Durant Industrial Authority Board of the June 2014 claims for payment approval. The payroll claims for June 2014 were \$16,996.38. The submitted claim reports for Durant Industrial Authority Fund 020 for the month of April 2014 totaled \$19,347.63.

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;
- Durant Area Chamber of Commerce – New A/C Unit - \$5,000
- AT&T Phone Service (Office, Long Distance) - \$30.66;
- JP Morgan Chase – Office Supplies, Vehicle Maintenance, Training and Travel - \$309.98;
- JP Morgan Chase: Economic Development Promotional Account for Janet Reed – Flowers -\$50;
- Contract Labor: Sandra Amos, office staff labor - \$360;

- A&M Engraving: E.D. promotional account, clock for Cindy Price - \$37;
- 5-Star Office Supply: Office supplies - \$23.37
- Fuelman: \$230.75
- 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 & M Engraving –Notary Seal for Sandra Amos - \$30;
- Rachel Cross – ½ a month office cleaning -\$15;
- Arnett Insurance - Notary Filing Fee for Sandra Amos - \$40

A motion was made by Ron Bennett to approve the claims for the month of June 2014. This motion was seconded by Greg Massey. The motion was carried by:

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

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

Jim Dunegan and Tommy Kramer have met several times with the David Kempe, owner of Texhoma Truss Systems of Durant and Donnie Powers, owner of Panel Truss Company of Henderson, Texas. Discussions are ongoing between the owners about whether to offer health insurance to their employees. In order to use the 110 account funding, the company has to agree to offer health insurance to their employees. If health insurance is not offered, the \$25,000 financing for improvements to the former Stahl building (roof repair and new heating and air conditioning unit and electricity service split) will have to come from the Durant Industrial Authority 020 account. When the owners come to an agreement within the next few weeks, the board will be updated. Mr. Kramer recommended that action be placed on hold pending the owners’ decision. Mr. Dunegan discussed that the gathering of bids for the building improvements were underway at the present time.

VIII. Discussion of Durant Industrial Authority Retail Attractions Program with Mr. Hayes – Tommy Kramer

Tommy Kramer introduced Rickey Hayes, the founder of Retail Attractions which is an economic development consulting firm in Owasso. Mr. Hayes gave an overview of his experience in economic development and how his business was developed in 2007. In his

presentation, Mr. Hayes gave examples of retail growth in his community, including a Target store retail development project. He recounted how the city of Owasso was successful in bringing Target to its community by providing 17 acres, free of charge, to the retail store, in lieu of incentives. Rickey Hayes emphasized that retail is very competitive and requires extensive due diligence. Mr. Hayes referenced a map in one of his three handouts (2 data brochures and 1 company resume' binder) that showed the extensive success of his company in micropolitan communities and offered his company's services to the Durant Industrial Authority board.

A time for questions and comments followed the presentation. Chairman Tomlinson remarked about the retail leakage that is experienced in Durant. Mr. Hayes surmised that small markets need to validate their market potential. Ron Bennett expressed the idea of a definite retail void in the Durant area, but acknowledged the concern of retailers to come to Durant with another store within a 30 mile radius. Rickey Hayes described Walmart's new marketing strategy with smaller retail food market store prototypes. Mr. Hayes expressed that the steps to success go beyond data collection. It is essential that Durant's data be tied to a real need. Greg Massey recommended that the Choctaw Nation of Oklahoma be introduced to Mr. Hayes. Mr. Massey left the meeting during this time. Jim Dunegan asked how Durant would be marketed, as compared to the consulting firms' other clients. Mr. Hayes surmised that the more companies represented by his firm, the greater the audience of retailers. Jim Dunegan asked how to get existing Durant retailers on board with new retail store developments. Rickey Hayes addressed Mr. Dunegan's question by suggesting that education is the key. The more retail opportunities available, the less need to leave Durant to shop. Mr. Hayes referenced past examples of sales growth in Lowe's after Home Depot entered the same market in Owasso. He indicated that big box stores bring a following of other retail chains. Chairman Tomlinson suggested that, due to time constraints, Mr. Hayes' services be discussed in future meetings.

IX. Durant Industrial Authority Information Items

Fran Mickle provided a 5 page handout that was created by David Anderson of First United Bank. The material outlines the job description and guidelines for the Executive Director of the Durant Industrial Authority. It was brought before the Durant Industrial Authority board for consideration. The guidelines are open for suggestions and/or changes. Upon further review by the members, the information will be revisited at a future meeting.

X. Durant Industrial Authority New Business

No new business was presented at the board meeting.

XI. Adjournment

A motion was made by Fran Mickle and seconded by Nate Morrison to adjourn the meeting at 8:10 a. m. Motion carried with the following vote:

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

Nay: None

Abstain: None