

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY REGULAR SCHEDULED MEETING OF SEPTEMBER 9, 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 7:10 a.m., declared a quorum present and opened the meeting.

II. Opening Invocation – Janet Reed

III. Roll Call – Sandra Amos

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

The following Authority members were absent: None.

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.

IV. Consider Approval of Minutes of the Regular Monthly Meeting on August 12, 2014 – Chairman Tomlinson

A correction was made in the August 12, 2014 DIA Minutes, regarding **Item X**. Clarification was made about the financing of the Crawford Street Rebuild Project. Mr. Dunegan informed the DIA that the City of Durant would be providing the equipment and labor. The Durant Industrial Authority would fund \$110,000 of the project through the 110 Jobs Account for materials to build a new industrial street. (See attached sheet)

IV.

A motion was made by Ron Bennett to accept the minutes with the aforementioned change from the Regular Monthly Meeting on August 12, 2014. This motion was seconded by Greg Massey. The motion was carried by:

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

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

Tommy Kramer reviewed the July 31, 2014 Financial Report for Durant Industrial Authority Fund 020. The Durant Industrial Authority total cash and receivables, as of July 31, 2014 were \$3,830,786.83. The Fund 020 total current and long term liabilities are \$1,541,888.63 as of July 31, 2014.

The total revenues collected in Fund 020 for July 31, 2014 were \$34,258.11. Mr. Kramer pointed out the Gorman/Phillips Pipeline Property Lease Revenue of \$2,000.00 for July/August 2014 was miscoded and placed under Misc. Revenue. The oversight will be corrected, and the \$2,000.00 rent payment will be placed under the DIA Property Lease Revenue.

Mr. Kramer explained that the total revenue, as of July 31, 2014, was \$34,258.11. He noted the Transfer from Durant City Utilities Authority in the amount of \$27,201.25 was down, as a result of the last month's sales tax revenue which was not timely received, and it will be corrected by the Oklahoma Tax Commission. The total expenses and fund reserve activity was \$42,022.16. Mr. Kramer explained the \$227.60 expense under E.D. Promotion was for gift bags from the Peanut Shoppe for the Cannonball Project executives and supported staff who visited The Durant Airport Conference Room. The negative net change in the fund balance as of July 31, 2014 was (\$7,764.05).

Economic Development Fund 110 for Job Creation total assets as of July 31, 2014 was \$5,683,699.73 with no liabilities. Fund 110 Account had a surplus deficit in the amount of \$1,113,357.35 for July 2014. The total liabilities and fund balance as of July 31, 2014, was \$5,683,699.73. The total revenue received for the month of July 2014 was \$87,919.04. There were no expenses for the month of July 2014. Therefore, the net change in fund balance as of July 31, 2014 was \$\$87,919.04.

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

A copy of the August 2014 Durant Industrial Authority Budget Analysis (REVISED) was electronically mailed to each Durant Industrial Authority Board Member on September 3, 2014 for their review prior to the September 9, 2014 regular scheduled meeting of the Durant Industrial Authority.

Tommy Kramer informed the Durant Industrial Authority Board of the August 2014 claims for payment approval. The payroll claims for August 2014 were \$17,246.38. The submitted claim reports for Durant Industrial Authority Fund 020 for the month of July 2014 totaled \$14,171.98.

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, Long Distance) - \$49.42
- Conway Data (July & September Ads) - \$1,808.80
- JP Morgan Chase –Training, Travel & Misc.- \$145.45
- Five Star Office Supply – Business Card Refill Sleeves - \$5.58
- Durant Kiwanis Club – Membership Dues - \$120.00
- CPASA – Membership Dues -\$50.00
- Fuelman: \$174.89
- Cardinal Glass – Reimbursement for Mowing Services of DIA 8 acres - \$600.00

Mr. Kramer noted that this service was in preparation for Cardinal Glass' 10 Year Anniversary Open House. The Durant Industrial Authority has reimbursed Cardinal Glass for their payment and has passed this cost onto Gorman/Phillips of Perrytown, TX (the renter at the time) for reimbursement as per the contract agreement.

- Five CDBG Loan Payments to Oklahoma Department of Commerce - \$7,020.66;
- Deborah's Florist – (E.D. Promotion) Plant for Jerry & Linda Tomlinson - \$50.00
- Cheryl Jackson – Land Acquisition Payment (principal and interest) - \$2,407.61;
- John Jackson – Land Acquisition Payment (principal and interest) - \$2,407.60;
- Southern Workforce Board – (E.D. Promotion) Sponsorship for 8th Grade Discovery Day

Mr. Kramer explained that "Discovery Day" was a new concentrated effort to bring all Bryan County eight grade students together to explore career options. The event will be held on January 8, 2015 at Southeastern Oklahoma State University. Janet Reed and Mr. Kramer explained that the program would include representatives from, not only the University, but from Career Technology Centers, Durant Employers, the Police and Fire Departments and more.

Mr. Kramer made reference to the ***Durant Industrial Authority Workforce and Business Development Projects*** report presented to the council members. This report, according to Mr. Kramer, provides up-to-date information on Funding, Grants, Ad Valorem Taxes, DIA Property Rental Income and Property Sales Income. It was pointed out by Mr. Kramer that the Durant Industrial Authority 8 acre property has acquired Dixie Mat, LLC. as its new renter, replacing Gorman-Phillips Construction. Since 2010, the DIA 8 acre site has continually been leased, and its total to-date current revenue is \$67,669.

Mr. Kramer also referenced the new ***Site Selection*** ad that was created in-house to run in the publication's next issue. The artwork was developed by Sandra Amos.

A motion was made by Greg Massey to approve the claims for the month of August 2014. This motion was seconded by Fran Mickle. The motion was carried by:

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

VII. Consider Request to Fund Dual Electric Service at the Stahl Building from DIA Fund 020 – Jim Dunegan

Tommy Kramer explained the request for the \$10,000 funding came as a result of two occupants now leasing the Stahl building. The Stahl Company maintains 35-40% of the building and Texoma Truss now occupies 50,000 sq. ft. of the facility, so two electric meters would be the most obvious solution. However, Jim Dunegan explained that the building appeared to have been left with cut wiring that was still producing electrical power voltage. OG&E would not install two meters until the building was brought up to city code. The \$10,000 would be the cost to provide the rewiring service for dual meters. The DIA members discussed their previous allotment of \$25,000 to make repairs on the building office and roof.

The Durant Industrial Authority also discussed the number of jobs these two businesses have created in Durant. Mr. Kramer explained that the Stahl building would still have 1 employee and Texoma Truss currently maintains 20 workers, with an expected growth of up to 40 employees in 2015. The funding for the project would come from the DIA Fund 020 because Texoma Truss, at this time, does not provide insurance to their employees, which is a requirement before DIA 110 Funds can be used.

A motion was made by Janet Reed to approve the \$10,000 funding for the Dual Electric Service at the Stahl Building from DIA Fund 020. This motion was seconded by Greg Massey. The motion was carried by:

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

VIII. Consider Request for funding Durant Airport Industrial Road (Waldron Drive) in the amount of \$630,000 from DIA Fund 110 – Jim Dunegan

Jim Dunegan requested \$630,000 to complete the road construction on Waldron Drive (Durant Airport Industrial Road). According to Mr. Dunegan, this would finish the road area from the railroad tracks to the Durant Regional Airport Terminal Building Loop, approximately 25,000 feet of the roadway.

A motion was made by Greg Massey for the Durant Industrial Authority to fund up to \$630,000 for the completion of the Durant Airport Industrial Road (Waldron Drive), using the DIA Fund 110. The motion was seconded by Fran Mickle.

The motion was carried by:

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

IX. Durant Industrial Authority New Business

Fran Mickle requested an update regarding the appointment of a 7th member of the Durant Industrial Authority council member, since the board currently has only 6 members. Chairman Tomlinson has yet to make a decision on a recommendation for the position. Chairman Tomlinson encouraged suggestions from the council members, noting that the individual would have to be a resident of the City of Durant. Chairman Tomlinson hoped to have a recommendation for the position at the October City Council and DIA Board meetings. Greg Massey requested an update on the status of the policy handout created for the Executive Director of the Durant Industrial Authority. Chairman Tomlinson expressed that an executive session is tentatively planned for next month to discuss the policies and procedures of the Durant Industrial Authority Executive Director.

Mr. Kramer updated the council on the Cannonball Project. He shared that the company had recently spent time in Durant the week of September 1st, 2014. The Cannonball Team visited with building engineers for a local company. Mr. Kramer expressed that the City of Durant had the best proposal and incentive money.

The company is weighing the advantages of a Missouri brown field site with a building verses Durant's greenfield site. Mr. Kramer sited A.J. Magner of Jones/Lang/LaSalle in Cleveland, OH as saying the company believes the "brown field" site will save three to four months in getting operation underway for the company.

Mr. Kramer mentioned that Tom Dalton, CEO of Atlanta Premium Brands in Chicago has brought three or four companies to Durant to look at the JCP Specialty Foods factory. Mr. Kramer also described that the largest meat processing company in Oklahoma brought the possible purchase of the JCP plant before their board to be used as a deli sandwich manufacturing plant..

Mr. Kramer referenced a letter from Gene Schwartz regarding Hitchcock Distributing. Mr. Kramer updated the council that the design process for Hitchcock Distributing's new facility on their existing property has begun. The City of Durant has agreed to provide a sewer line to the property of the company. The project can be funded through the DIA Fund 110 because of its job retention status. Mr. Kramer agreed to research the amount to be funded with the city manager.

Chairman Tomlinson referenced a thank you note from Glen Glass, Southeastern Oklahoma State Representative for the Oklahoma Department of Commerce. Mr. Kramer had sent Mr. Glass a get well card after a recent kidney transplant.

Janet Reed mentioned the REI Polished Professional Workshop on September 19th. She also referenced the hiring of the new Chamber Manager, Katie Quinn, and the progress of "Imagine Durant."

X. Adjournment

A motion was made by Janet Reed and seconded by Ron Bennett to adjourn the meeting at 7:56 a.m. Motion carried with the following vote:

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

Nay: None

Abstain: None