

Durant Industrial Authority

**MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING OF OCTOBER 9, 2007
AT 7:00 A.M. IN THE DURANT INDUSTRIAL AUTHORITY CONFERENCE ROOM**

1. Call to Order – John Cathey.

Chairman Cathey called the meeting to order. Chairman Cathey welcome Brian Payne, Staff Reporter for the Durant Daily Democrat.

2. Roll Call – Kimberly Bowen.

The following Authority members were present: Ron Bennett, John Cathey, Ron Cross, Fran Mickle, and Janet Reed.

The following Authority members were absent: Greg Massey and Nate Morrison.

The following support staff members were present: Kimberly Bowen, James Dunegan, Tommy Kramer, and Earlene Walker.

There were no support staff members absent.

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

3. Approval of Minutes of the Regular Monthly Meeting on September 11, 2007. – John Cathey.

A motion was made by Fran Mickle and seconded by Ron Bennett to approve the minutes of the September 11, 2007 Durant Industrial Authority meeting. Motion carried with the following vote:

Aye: Ron Bennett, John Cathey, Ron Cross, Fran Mickle, and Janet Reed.

Nay: None

Abstain: None

4. Review the Durant Industrial Authority August 2007 Financial Report – Earlene Walker.

Earlene Walker reviewed the monthly financial reports with the Authority Board Members. The Durant Industrial Authority current assets as of August are \$1,632,881.05. The gross fixed assets as of August are \$1,769,824.99. The total assets of current and net fixed are \$3,394,876.46. The current liabilities for the month of August were \$42,077.87 and the total long-term debt is \$3,115,732.63. The total liabilities for the Durant Industrial Authority are \$3,157,810.50. The

total fund balance for the month of August is \$237,065.96. Revenues for the month of August totaled \$65,684.33, which included \$2,545.43 for the Cardinal Glass Tax Increment Finance Bond Interest Earnings from the Bank of Oklahoma and August expenses totaled \$93,249.94 to result in a negative net income of \$27,565.61.

The Durant Industrial Authority economic development August sales tax account 110 total current assets are \$1,809,352.01, which includes \$1,697,016.00 claim on pooled cash. The total revenue for August was \$66,239.08. There were no expenses posted for the month of August. The net change in the fund balance for August was \$66,239.08.

5. Consider Approval of Durant Industrial Authority Claims for the Month of September 2007. – Tommy Kramer

Tommy Kramer informed the Durant Industrial Authority of the September claims for payment approval. The payroll claims for the month was \$14,498.63 and the submitted claim reports for September totaled \$34,645.77.

Items discussed were the following expense claims:

- Conway Data – November 2007 & January 2008 Site Selection Magazine Advertisement - \$1,808.80
- The Oklahoman – Annual Subscription - \$167.40
- Federal Express – Postage for shipment of proposal packet - \$38.93
- Dining Around – Lunch catered for Visionary Advisory Meeting - \$96.80
- Rustin Concrete – American Heritage Industrial Access Road - \$626.25
- Dolese Brothers – American Heritage Industrial Access Road - \$4,999.47
- Owner Operators, Inc. – American Heritage Industrial Access Road - \$3,971.59
- Semmaterials, LP – American Heritage Industrial Access Road - \$2,663.86

A motion was made by Ron Cross and seconded by Janet Reed to approve the claims for the month of September 2007. Motion carried with the following vote:

Aye: Ron Bennett, John Cathey, Ron Cross, Fran Mickle, and Janet Reed.

Nay: None

Abstain: None

6. Discuss Cardinal FG Tax Increment Finance District Tax Apportionment Bonds Series 2003A-1 and 2004B Letter from Oklahoma Tax Commission. – Tommy Kramer

Mr. Kramer discussed the Cardinal FG Tax Increment Finance District Tax Apportionment Bonds Series 2003A-1 and 2004B letter from the Oklahoma Tax Commission. During an Oklahoma Tax Commission audit of the 2007 Bryan County reimbursement for 5-year manufacturing exemption from ad valorem taxes pursuant to 68 O.S. 2902, the Oklahoma Tax Commission determined that an overpayment of \$546,392 currently exists for the reimbursement attributable to the Cardinal FG exemption. This overpayment is due to inaccurate information approved and submitted by the Bryan County Tax Assessor's office regarding

property valuation of the land and facility. The Bryan County tax assessor's staff didn't have the capabilities to appraise the Cardinal FG manufacturing facility and asked the Oklahoma Tax Commission for assistance with the appraisal of the Cardinal FG facility in 2005. Cardinal FG has since hired their own appraiser and the results of this appraisal is \$50 million less than the initial appraisal conducted by the County and State appraiser. The Tax Increment Finance Bond payment is based the County certifying the value of the Cardinal FG manufacturing facility.

The total overpayment attributable to Cardinal FG is in the amount of \$546,392. The extra property tax funds were applied to the principle amount of the Bonds. There is currently a balance of \$252,173 remaining to be paid to Bryan County, which will not be paid but credited to reduce the total overpayment balance of the \$546,392.

The City of Durant and the Durant Industrial Authority are a pass-through for these bond payment funds. The Oklahoma Tax Commission Ad Valorem Reimbursement Fund is used to reimburse lost ad valorem revenue attributable to the 5-year manufacturing exemption program, as well as, reimbursing for other exemptions. Each year this fund is insufficient to meet the needs for which it was authorized. The Oklahoma Tax Commission has requested the overpayment balance of \$294,219 be remitted promptly to allow for redistribution of the monies to other counties making claims against the Ad Valorem Reimbursement Fund. The Bryan County Treasurer Nancy Conner has stated that the County does not have the \$294,219.

Ron Bennett asked if Cardinal FG would be willing to reimburse the overpayment, since they financed the bond purchase. Ron Cross asked if the Durant Industrial Authority would consider making a loan to the County to lessen the financial burden. It was determined that it is too soon to make these determinations. James Dunegan stated the City has offered to assist the County in any way possible at this point in time. No action was taken on this issue and was for informational purposes only.

7. Old Business

There was no old business discussed.

8. New Business

There was no new business discussed.

9. Adjournment.

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

Aye: Ron Bennett, John Cathey, Ron Cross, Fran Mickle, and Janet Reed.

Nay: None

Abstain: None