

DURANT ECONOMIC DEVELOPMENT COUNCIL

MINUTES

MINUTES OF THE REGULAR MONTHLY MEETING

May 10, 2016 AT 8:00 A.M.

Durant Industrial Authority Conference Room

I. Call To Order at 8:00 a.m..... Tommy Kramer

Tommy Kramer called the regular monthly Durant Economic Development Council Meeting to order.

II. Opening InvocationJanet Reed

III. Roll Call Laura Voorhies

The following members were present: Chris Allen, Shaun Banner, Robert Bourne, Bob Delveaux, Eddy Dempsey, James Dunegan, Jeff Hammock, Kara Hendrickson, Robert Holliday, Tommy Kramer, Kyle McLemore, Darrell Mendez, Jeff Monroe, Janet Reed and Rick Roy.

The following members were absent: Curtis Armor, Ron Boyer, Sean Burrage, Bert Davison, Scott Dewald, Chris Glendening, Mike Goodwin, Bryan Hallmark, Stewart Hoffman, Greg Massey, Fran Mickle, Rod Miller, Larry Minks, and Jeff Tarrant.

IV. Welcome New Member Ketan Jain, Division Manager of Bobrick/Gamco..... Tommy Kramer

Tommy Kramer introduced Ketan Jain, Division Manager of Bobrick/Gamco in Durant. This company is based in Hollywood, CA and it is the largest bathroom accessory company in the world. The Durant facility has 100 employees and it is all about giving back to the community.

V. Consider Approval of Minutes of the April 12, 2016 Meeting..... Tommy Kramer

Janet Reed motioned to accept with a second by Kyle McLemore. The motion carried by:

Aye: Chris Allen, Shaun Banner, Robert Bourne, Bob Delveaux, Eddy Dempsey, James Dunegan, Jeff Hammock, Kara Hendrickson, Robert Holliday, Tommy Kramer, Kyle McLemore, Darrell Mendez, Jeff Monroe, Janet Reed and Rick Roy.

Nay: None

Abstain: None

VI. Update of Cardinal Glass FG Tommy Kramer

Tommy Kramer introduced Shaun Banner, General Manager for Cardinal Glass FG.

Shaun Banner advised that it will be a 90-day total rebuild to the furnace, which will last 18-20 years and spending approximately \$60M on the furnace and the building expansion. We are almost ready to pour concrete, but the expansion is further behind than we hoped, due to the rains but we will be under budget by approximately \$2M. We want to thank Plyler Construction in Sherman, Texas for all they are doing to complete the new building. We are also adding a \$16M system that will eliminate any emissions into the air, giving us the most efficient glass plant in the world. In addition, we will have a co-generation electrical system allowing us to make our own electricity. There will be anywhere from 150-300 construction workers at any given time in town for this expansion. We will begin the furnace work, possibly as early as November 2016.

We also have refractory coming in from China, India and all over the United States for the furnace rebuild project.

Our employees will not be laid off during this expansion and repair, they will be used for maintenance and helping the contractors.

VII. Presentation on The Role of Insurance in the Oklahoma EconomyJim Marshall

Tommy Kramer introduced Jim Marshall, Director of Community Outreach for the Oklahoma Insurance Department.

Jim Marshall advised that he is fairly new to the insurance industry. He was Chief of Staff at the Labor Department under Mark Castello for many years. After Mr. Castello's passing, I moved over to the insurance industry under Commissioner John Doak.

Insurance is regulated at the state level and must assess on site any major disaster, such as earthquakes, tornadoes, wildfires, floods, etc. Oklahoma is one of the top states for earthquakes; between 2010-2015 there were 18,000 1 point or greater earthquakes. There are ten counties that have 95% of the activity.

Insurance has been around a long time, it began in 1752 with Ben Franklin, in 1851 the first insurance commissioner was appointed and in 1871 the National Association of Insurance commissioners was formed. The United States has 26.2% of the total world's premiums, which equals \$1.2 trillion. The United States is the largest provider of insurance in the world. Just in Oklahoma there are over 106,000 agents licensed and writing \$13 billion in premiums annually.

The National Association of Insurance Commissioner (NAIC) set the standards and forms the nation system of state-based insurance regulations in the United States. The NAIC is a vehicle for individual state regulators to coordinate their activities and share resources, as well as functioning as an advisory body.

Insurance regulation is structured around six key functions: Company Licensing, Producer Licensing, Product Regulation, Market Conduct, Financial Regulation and Consumer Services.

The Risk Based Capital (RBC) is used to calculate the minimum capital and surplus for a reporting entity to support its overall business operations based on the size and risk profile of the insurance company.

The purpose of the U.S. Reinsurance Regulation is to protect the interest of insured, claimants, ceding insurers, assuming insurers and the general public. To ensure adequate regulation of insurers and reinsurers. To monitor the reinsurance activities of U.S. companies.

In order for a State to be accredited a team of independent consultant, deemed as experts in the insurance industry, evaluate each state based on compliance with the standards.

The Oklahoma Insurance Department (OID) regained national accreditation in the second year of Commissioner John Doak's first term and it is up for review in 2017. The OID has several departments such as the Anti-Fraud Unit, Communications Department, Comptroller Department, Consumer Assistance Division, Education Division, Financial Department, Human Resources, Legal Department, Licensing Department, etc.

Insurance is used in a tragedy. The severe weather damage in Oklahoma in May 2015 topped \$150M with 70 of the 77 counties reporting storm related damage. There was \$13M in damage to the state's road, bridges and other infrastructure alone.

If anyone has issues with insurance claims or has questions, please call the Oklahoma Insurance Department hotline: 1-800-522-0071

VIII. Review of Oklahoma Employment Securities Commission March 2016 County Unemployment Tommy Kramer

Tommy Kramer advised due to time constraints, he will email everyone a copy of the Oklahoma Employment securities Commission March 2016 County Unemployment information.

IV. Present City of Durant Sales Tax and Bryan County Ad Valorem Tax Growth Tommy Kramer

Tommy Kramer advised due to time constraints, he will email everyone a copy of the Durant Sales Tax and Bryan County Ad Valorem Tax Growth information.

X. New Business..... Tommy Kramer

Tommy Kramer advised that he received an email from Site Selection magazine letting us know that TEAM DURANT was one of the Top 10 micropolitan cities with the highest economic development project investment and business impact in 2015. This is the second time we have been presented with the award.

XI. Adjournment..... Tommy Kramer

Robert Bourne motioned for adjournment with a second from Rick Roy.
Tommy Kramer called the meeting adjourned at 9:00 a.m.