



Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING
June 12, 2017 at 3:00 p.m.



I. Swearing In of New Mayor Appointed Durant Industrial Authority Board Member-Oden Grube.....
.....**Judge Ken Rainbolt**

II. Call to Order.....Chairman Massey
Chairman Massey called the meeting to order at 3:00 p.m., declared a quorum present, and opened the meeting.

III. Opening Invocation.....Darrell Mendez

IV. Roll CallTommy Kramer
The following Durant Industrial Authority members were present: Billy Blackburn, President Sean Burrage, Oden Grube, Tammye Gwin, Chairman Greg Massey, Darrell Mendez, Janet Reed and Martin Tucker

The following Durant Industrial Authority member not present: Kyle McLemore

The following Support Staff members were present: Tommy Kramer

The following guests were present at this month’s meeting: Charles Calhoun, An-Chen Lai-City Treasurer, Tim Rundel-City Manager and Michelle Hall-Asst. City Treasurer

V. Consideration and Action of the May 8, 2017 Minutes for the Regular Called Meeting.....
.....**Chairman Massey**

A motion was made to approve by Darrell Mendez and Sean Burrage seconds the motion. The motion carried by:

Aye: Billy Blackburn, Chairman Greg Massey, Darrell Mendez, Janet Reed and Martin Tucker

Nay: None

Abstain: Oden Grube

Non-Voting Members: Tammye Gwin and President Sean Burrage

VI. Review the Durant Industrial Authority Financial report for month ending April 2017.....
.....**Tommy Kramer**

Tommy Kramer reviewed the Financial Reports for the Durant Industrial Authority:

A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:
Cash Accounts \$1,164,218.64 + Current Receivables \$895,193.38 = Total: \$2,059,412.02
Current Liabilities \$15,549.08 + Long Term Debt \$1,189,716,30 = Total: \$1,205,265.38

B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:
Total Revenues \$26,252.39 - Expenses & Fund Reserve \$38,014.22 = Net Change in Fund Balance: (\$11,761.83)

C. The Economic Development-Fund 110 Balance Sheet showed:
Total Assets: \$2,918,801.10 and Total Liabilities \$0.00
Total Liabilities & Fund Balance \$2,918,801.10

does not support altering the Sales Tax Fund 110 for anything other than for what it was intended, which is new job creation for our city.

Chairman Massey stated that for the City Manager to be successful, he needs support because he has some tough decisions to make. I suggested to the City Manger to help with the sewer issues to obtain help from a Federal EDA grant. The Durant Industrial Authority is the BEST ASSET the City has and everything it does is for the City of Durant is to grow our community with new business development and new jobs.

Darrell Mendez suggested the City and the DIA need to research and study data of similar cities the size of Durant for comparison to see how they help themselves and understand how things will and won't work for the betterment of Durant.

Oden Grube said that if the police officers that are up higher retired, it would help with City funds. The police department called me asking for 20 new police cars. Oden Grube stated there is a chief, assistant chief, five captains and six lieutenants and that doesn't help with funds in a town this size and we don't need that many officers.

President Sean Burrage explained that he, as the President of the University retired 36 employees last year to help the University's budget shortage.

Tim Rundel advised that the fire and police departments have very strict guidelines that must be followed with their unions/pensions and that the City HR department was meeting with the Fire Department to advise them there will be no pay raises this year. We are currently looking at the general population staff employees, not the public safety employees and researching early out retirement options. For example, the City has a blue-collar worker that is working on the sewer lines making \$28,000 a year with a police officer that makes \$100,000 a year, not including benefits and that shows the money has gone to fund public safety in the past. We have a high ratio of coverage with fire and police compared to other similar cities, but the changes we want to make will not happen overnight. The 2017-2018 fiscal year is the third year of the police/fire three-year contract and they were looking for another 5% pay increase. I learned that our police department budget is more than the annual budget for all Bryan County operations.

Tommy Kramer explained the three CD's available were intended to be used for projects, buildings, land and infrastructure for City growth.

Charles Calhoun stated he remembered when his father and others formed the Durant Industrial Foundation and that money came out of their own pockets to bring in new industry. There were several people hired for Economic Development prior to Tommy Kramer, but none lasted long. With debate and discussion at a City Council meeting, it was decided in good faith to pay ¼ cents to the DIA and now the City wants to take away the DIA funding. This group past and present have done a tremendous job for the City and the State of Oklahoma. I don't go anywhere within the State of Oklahoma where people don't ask me how we are doing what we are doing with all of our new projects and employment. They want to know because they aren't doing as well as TEAM DURANT. We are a shining star and I don't understand why someone would want to hurt that process. The money that is being paid to the DIA has been funded by the projects that this board has brought to the City or you wouldn't be paying a police officer \$100,000 a year. It is short sidedness to want to do this, when you start eating your seed corn, you are going to have a big problem long term. The DIA is Durant's seed corn. I went through the City of Durant's fiscal year 2017-2018 budget and I found money that could be used to come up with the \$400,000 budget for the DIA that are being used for projects that are not as important as this organization being funded properly. One place where \$75,000 is being spent to beautify an OG&E electric line and an area to widen a street for \$500,000; there seems to be some misplacement in cutting budgets. We need to take the money and invest it where it will produce jobs, business investment and new sales tax dollars.

Chairman Massey said that he was very disappointed that there were no questions from any of the City Council members in regards to the information he presented to them last month at the City Council meeting. He was there to explain what the DIA does for the City. It is wrong to use other people's money for a use that it was not intended for and that is disheartening and we are going against that grain of the past DIA board members. I would hope that the City Council members would wonder why we are so against this and ask questions.

Oden Grube stated that a lot of the City council members would like to see the DIA board done away with. They feel the City is in trouble and the people want the streets fixed. When she was campaigning, she heard from several people that there were more jobs than people to fill them and she could give a whole list of names of people that feel that way. The citizens just want the streets fixed and don't understand where all the money is going.

President Sean Burrage asked Oden to provide a list of names of the people that feel there are more jobs than people to fill them in the City of Durant and he would like to visit with them. If the City had a streets plan like ODOT does, it would take out the guesswork and everyone would know when and where repairs were needed.

Chairman Massey stated he and Tommy Kramer spoke about how people don't understand what is occurring in Durant and he would love to review with the City Council and County Commissioners the budget with the DIA and the budget without the DIA and discuss the differences. The DIA is easy to 'attack' for the unknowledgeable and until someone understands all aspects, they go for the easiest target which is the DIA. People that don't understand microeconomics may not understand what is happening in our city. The DIA budget has continually decreased through the years, but new business growth is increasing.

Tammye Gwin stated that Bryan County is one of the counties that still need new jobs to grow. There are people that talk about that sales tax revenues are needed, but they need to understand that with the industrial jobs that are here and businesses want to come to Durant, those are the people that will be spending their paychecks on retail to generate more sales tax funds.

Michelle Hall stated that someone suggested to her that the recipients of the Ad Valorem county tax should help support DIA operations, just thinking outside the box to grow our community.

Chairman Massey stated that historically, the recipients of the Bryan County Ad Valorem tax, such as the Durant school system have their own issues on top of the State equalizing funds given. We have been able to do what we do with the financial support of the community in the past and have never faced this dilemma with the City of Durant.

XIV. Discussion of the Durant Industrial Authority Fiscal Year 2017-2018 Budget.....Chairman Massey

Chairman Massey suggests a letter needs to be written to the City Council explaining our thoughts in regards to the funding for the DIA in fiscal year 2017-2018.

A motion was made to approve the letter by Darrell Mendez. Sean Burrage seconds the motion. The motion carried by:

Aye: Billy Blackburn, Chairman Greg Massey, Darrell Mendez, Janet Reed and Martin Tucker.

Nay: None

Abstain: Oden Grube

Non-Voting Members: Tammye Gwin and President Sean Burrage

XV. Discussion of the SteelFab, Inc. Memorandum of Understanding & Real Estate Purchase ContractChairman Massey

Tommy Kramer advised that SteelFab, Inc. is purchasing 50 acres of Durant Industrial Authority land on Country Club Road at a cost of \$250,000. There will be approximately 100 employees initially working in the facility. A new abstract will be completed and the closing will be the end of June 2017 and the plant target open date is May 2018.

XVI. Update of Current Durant Industrial Authority ProjectsTommy Kramer

Tommy Kramer reviewed the nine projects listed in the Annual Report in the amount of \$410,000,000 in new investments for the community.

XVII. Update of Commercial Metals Company/Oklahoma Department of Transportation/City of Durant Phase II Construction of Old East Main Street Tim Rundel-City Manager

Tim Rundel states he spoke with the ODOT staff and the exit ramp road construction is moving quickly. It will be constructed from Sawmill road to the west entrance into the CMC facility. The target completion is August 11, 2017.

Chairman Massey asked Tim Rundel to obtain information on Phase III and Old East Main Street and report at the July DIA meeting. The Governor stated that the road would be taken care of from Highway 78 at the George Washington School to west of CMC and I would like an update.

Mr. Rundel will obtain information on Phase III to report at the July meeting.

XVIII. Durant Industrial Authority New Business Chairman Massey

- A. Durant Area Chamber of Commerce will be having an open meeting on June 21, 2017 at 7:00 am.
- B. The Choctaw Nation and Tammye Gwin hosted Oklahoma Southeast this year. There were over 90 golfers this year and there were 17 site selectors in attendance.
- C. The sales tax for the month is a 7.5% increase from May 2016.
- D. A map of employees that come to Durant for daily work 2,360 from surrounding counties, per the Oklahoma Department of Commerce Statistics Department was distributed.
- E. A five-year map of Oklahoma showing jobs and population created and lost per the Oklahoma Employment Securities Commission and the Oklahoma Department of Commerce was distributed.

XIX. Adjournment..... Chairman Massey

A motion was made to approve by President Sean Burrage. Tammye Gwin seconds the motion. The motion carried by:

Aye: Billy Blackburn, Oden Grube, Tammye Gwin, Chairman Greg Massey, Darrell Mendez, Janet Reed and Martin Tucker

Nay: None

Non-Voting Members: Tammye Gwin and President Sean Burrage