

Durant Industrial Authority

MINUTES OF THE DURANT INDUSTRIAL AUTHORITY REGULAR CALLED MEETING OF JANUARY 13, 2015 AT 7 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 7:02 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, Darrell Mendez, Fran Mickle, Nate Morrison, Janet Reed and Chairman Tomlinson.

The following Authority member was absent: Greg Massey

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

The following support staff member was absent: James (Jim) Dunegan.

The following guests were present at this month's meeting: Jessica Breger – Staff Reporter for the Durant Daily Democrat and Councilman Steward Hoffman, City of Durant.

IV. Consider Approval of Minutes of the Regular Monthly Meeting on December 9, 2014

An error was noted by Nate Morrison on the title description of Item V. (page 5). The title in the minutes should read Executive "Director" instead of Executive assistant. A motion was made by Nate Morrison to approve the minutes with the aforementioned change. The motion was seconded by Darrell Mendez. The motion was carried by:

Aye: Ron Bennett, Darrell Mendez, Fran Mickle, Nate Morrison, Janet Reed and
Chairman Tomlinson.

Nay: None

Abstain: None

V. Consider Approval of Minutes of the Special Called Meeting on January 6, 2015

A motion was made by Janet Reed to approve the minutes from the Special Called Meeting on January 6, 2015. The motion was seconded by Fran Mickle. The motion was carried by:

Aye: Ron Bennett, Darrell Mendez, Fran Mickle, Nate Morrison, Janet Reed and Chairman Tomlinson.

Nay: None

Abstain: None

VI. Review the Durant Industrial Authority November 2014 Financial Report –Tommy Kramer

Tommy Kramer reviewed the November 2014 Financial Report for Durant Industrial Authority Fund 020. The Durant Industrial Authority total cash and receivables, as of November 30th, 2014 were \$3,717,040.68. The Fund 020 total current and long term liabilities are \$1,506,762.86 as of November 30th, 2014.

The total revenues collected in Fund 020 for November 2014 were \$33,284.04. Mr. Kramer noted the \$2,000 DIA Property Lease Revenue from Dixie Mat, Inc. The total expenses and fund reserve activity was \$40,729.84, leaving a negative fund balance of (\$7,445.80).

Economic Development Fund 110 for Job Creation total assets as of November 30, 2014 was \$5,543,439.51 with no liabilities as of November 2014. Income and Expense Statement Fund 110 for November Total Revenue is \$88,738.29 with no expenses, leaving a total of \$88,738.29. Mr. Kramer pointed out a CI-EDA Grant Match transfer of \$500,000 to Southeastern Oklahoma State University water tower project. A \$630,000 transfer for new industrial road improvements to Waldron Drive was also noted by Mr. Kramer, who mentioned that the concrete curbing was ready to be poured, weather permitting. In November 2014, a \$110,000 transfer was also made for materials for the Reconstruction of Crawford Street for Jobs created by Best Fenders. The Net Change in Fund balance is \$88,738.29.

Mr. Kramer also mentioned the intent to set aside the \$700,000 funds for new job creation for DurantPac, LLC. in the coming months. The Economic Development Fund 110 Income & Expense Statement should reflect this financial obligation in the near future. In answer to Chairman Tomlinson's inquiry as to when these funds would be disbursed, Mr. Kramer commented that there would be an approximate 8 month construction period and then the new staffing would occur.

VII. Consider Approval of The Durant Industrial Authority Claims for the Month of December 2014- Tommy Kramer

A copy of the December 2014 Durant Industrial Authority Budget Analysis was electronically mailed to each Durant Industrial Authority Board Member on January 6, 2015 for their review prior to the January 13, 2015 regular scheduled meeting of the Durant Industrial Authority.

Tommy Kramer informed the Durant Industrial Authority Board of the December 2014 claims for payment approval. The payroll claims for December 2014 were \$16,702.69. The submitted claim reports for Durant Industrial Authority Fund 020 for the month of December 2014 totaled \$16,601.81.

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- Annual Membership Dues - \$185.00
- AT&T Phone Service (Office)- \$8.97
- AT&T (Mobile) – (2 months) \$114.28
- Touchstone Communication (Long Distance) \$9.52
- Crawford & Associates – Professional Audit fees -\$1,673.72;
- JP Morgan Chase – Office Supplies; Vehicle Maintenance, Training and Travel - \$620.26
- Computer Services of Durant – Annual Website Hosting - \$225.00
- Fuelman-\$74.92
- P.L. Pat Phelps – (2) Consulting Fees for Legal Services-\$332.50
- Oklahoma Employment Security - \$83.82
- 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;
- 020 ED Promotional Fund – flowers for Janet Reed following her surgery - \$52.95

A motion was made by Darrell Mendez to approve the claims for the month of December 2014. This motion was seconded by Ron Bennett. The motion was carried by:

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

VIII. Current Project Review and Update: Panther/Clark, The Tile Shop, Hitchcock Distributing, Durant Sand and DurantPac (BrucePac) – Tommy Kramer and James Dunegan

Mr. Kramer gave an update to the Durant Industrial Authority Board for Project Panther/Clark as follows: The project will now be referenced as Project Clark and will be handled by Christie Meyers of The Oklahoma Department of Commerce. The double name was due to two site locators being assigned the same project at Oklahoma Department of Commerce. The company, now coded Project Clark, has hired Mark Williams, President of Strategic Development Group, Inc. of South Carolina, to oversee the site selection process. This international steel company with \$7 Billion in sales, will be making their 2nd site visit on January 22nd and deciding, within the next ten days, whether to expand their current company in Seguin, Texas or build in Oklahoma. At this time, Durant and Ardmore are the only remaining sites in Oklahoma under review. Project Clark has plans for a \$335 million facility on 200+ acres. The workforce is projected at 175 jobs with an average annual wage of \$60,000. All materials are inbound rail and 100% outbound by truck. The facility would require 45MW of electricity and a power substation. Currently, the real estate contract for an option to purchase additional land is being processed this week.

Mr. Kramer gave an update to the Durant Industrial Authority Board for The Tile Shop as follows: Progress is being made on the building of the 88,000 sf. build-to-suit distribution center for The Tile Shop. The New Markets Tax Credits are in place, and The Tile Shop has a building design that is waiting to go out for bids. Becca Collins is working on the CDBG and will make it available to the Oklahoma Department of Commerce later in the week. The following has to be in place before construction can begin: the bidding process is completed; the CDBG \$1M funds are collected; The New Markets Tax Credits are available, signed contract; land transfer from The Tile Shop. This will be a 20 year DIA lease to The Tile Shop at an annual amount of \$35,000. This project will create an additional 30 jobs. The facility and equipment will be a \$4Million project with no Durant Industrial Authority funds involved.

Mr. Kramer gave an update to the Durant Industrial Authority Board for Hitchcock Distribution Center as follows: This is a \$4M building project investment. The Durant Industrial Authority agreed to fund the sewer lift station, sewer line, sewer tap and building permit fees. This is job retention for 33 employees at Hitchcock Distribution Center on West Arkansas Street.

Mr. Kramer gave an update to the Durant Industrial Authority Board for Durant Sands, LLC. as follows: Mayfield McCraw purchased the Golden Peanut property in December 2014. The Biofuels property, both north and south, has also been leased to Mr. Mayfield by Bryan county. The site is being cleaned up and new equipment has arrived. Durant Sands, LLC. will employ 30 at an average of \$16.50 per hour plus benefits. Mr. McCraw has agreed to work with the Durant Industrial Authority on a CDBG \$1M grant for the city for street and rail spur improvements.

Mr. Kramer gave an update to the Durant Industrial Authority Board for DurantPac/BrucePac. as follows: The purchase of the former J.C. Potter Sausage Company is complete and the Oregon-based company, BrucePac, is now the new owner.

This is a meat cooking and processing company that will completely remodel the current facility. This reconstruction will take approximately 8 months. This new company will provide 80 jobs initially, with a total of approximately 300 at full production. The company has already hired the upper management DurantPac Team, who were previous employees of J.C. Potter Sausage Company. The company's hope is to rehire as many former J.C. Potter Sausage employees as possible.

Chairman Tomlinson referenced, at this time, the Sales Tax Report for December 2014. The numbers indicate a 5.31% increase for December/January and a percent change of 4.18% from the previous 12 month period. Janet Reed commented that the Downtown merchants, as well as the restaurants, were very pleased with their December sales.

IX. Discussion and Consideration of Entering into Executive Session for purpose of Annual Review Fiscal Year 2014-2015 Salary Compensation, Job Description and Duties of the Durant Industrial Authority Executive Director, according to Title 25, Section 307 (1) – Chairman Tomlinson

A motion was made by Ron Bennett to enter into Executive Session to discuss the salary compensation, job description and duties of the Durant Industrial Authority Executive Director. The motion was seconded by Fran Mickle.

The motion was carried by:

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

X. Consider Motion to Return to Regular Session – Chairman Tomlinson

A motion was made by Fran Mickle to return to Regular Session. This motion was seconded by Darrell Mendez.

The motion was carried by:

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

XI. Consider Action Pursuant to IX. – Chairman Tomlinson

No action was taken at this time for the purpose of further review.

XII. Durant Industrial Authority New Business

Janet Reed noted that the new Executive Director for “ImagineDurant,” Kara Hendrickson, now has an office in the Chamber of Commerce building. She also reminded the Durant Industrial Authority board that the Chamber Banquet will be held at the Choctaw Event Center on Friday, March 27th.

XIII. Adjournment

Janet Reed made a motion that the meeting be adjourned at 8:25am. Nate Morrison seconded the motion.

The motion was carried by:

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