

# Durant Industrial Authority

## MINUTES OF THE DURANT INDUSTRIAL AUTHORITY MEETING JANUARY 12, 2016 AT 7:00 A.M.

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### **I. Call to Order –Chairman Massey**

Chairman Massey called the meeting to order at 7:00 a.m., declared a quorum present, and opened the meeting.

### **II. Opening Invocation – Janet Reed**

### **III. Roll Call – Laura Voorhies**

The following Durant Industrial Authority members were present: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

The following Durant Industrial Authority member was not present: Fran Mickle.

The following Support Staff members were present: Tommy Kramer and Laura Voorhies.

The following guests were present at this month's meeting: An Chen Lai-City Treasurer, Sarah Sherrer-City Manager and Ted Stanton-Durant Daily Democrat reporter.

### **IV. Consider Approval of the November 24, 2015 Minutes – Chairman Massey**

A motion was made to approve by Kyle McLemore. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

### **V. Consider Approval of the December 8, 2015 Minutes – Chairman Massey**

A motion was made to approve by Janet Reed. Darrell Mendez seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Steward Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

### **VI. Consider a Loan to Fund the Commercial Metals Company Tax Increment Finance District Plan – Tommy Kramer**

Tommy Kramer advised each member received a packet with the changes in the Tax Increment Finance District Plan and explained to each member the misunderstanding between Commercial Metals Company and the Durant Industrial Authority. There were several meetings to clear up the misunderstanding concerning the Tax Increment Financing long term financing.

The projected property taxes to fund the Durant Industrial Authority loan, were worked out with the help of Kyle McLemore, Chairman Greg Massey, Chris Cochran and Cheryl Vinall Denney. Commercial Metals Company is guaranteeing the Tax Increment Financing loan funds and the Durant Industrial Authority repayment will be in the final 2 years (years 13 & 14). The Durant Industrial Authority will provide a \$3.1M loan at 0% interest and the loan will be funded on July 1, 2017 to Commercial Metals Company. The five local banks loan portion for 12 years will be \$27,466,744; our governor added \$500K to the closing fund incentive for a total of \$3M and the Oklahoma Department

of Transportation will build 2 miles of new road pavement on Old East Main Street for the City of Durant and the Commercial Metals Company project.

Darrell Mendez asked how the miscommunication occurred and wanted to be sure it doesn't arise in the future.

Tommy Kramer advised that the miscommunication was by the Commercial Metals Company management that the Tax Increment Financing money would be used for principal and not to include interest payments. I met with Dan Bachelor, the Economic Development Law Firm attorney in Oklahoma City that developed the Cardinal Glass Tax Increment Financing Plan. Mr. Belcher sent a letter explaining how the Tax Increment Financing would work for the Commercial Metals Company project. The Oklahoma Department of Commerce also sent a letter explaining the property tax payments were for loan principal and interest.

Greg Massey further explained that in the Memorandum of Understanding it was not spelled out showing it was principal and interest. The present term sheet now reads correctly for the Commercial Metals Company project that was drafted by Chris Cochran and Chris Gander at BOKF.

A motion was made to approve by Darrell Mendez. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

#### **VII. Consider Resignation of Fran Mickle from the Durant Industrial Authority – Chairman Massey**

Chairman Massey - Fran Mickle served on the Durant Industrial Authority board for 16 years and has always done a great job in promoting TEAM DURANT and higher and better paying jobs in our community. She is a class lady and she will be missed as a Durant Industrial Authority board member.

A motion was made to approve by Mayor Stewart Hoffman. Kyle McLemore seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

Nay: None

Abstain: None

#### **VIII. Update of Durant Industrial Authority 200 Acre Agricultural Land Lease – Tommy Kramer**

Tommy Kramer – This Durant Industrial Authority land was purchased from Aubrey Griffith and we leased it back to him for approximately 5 or 6 years for his cattle operation. When he passed away in 2015, his heirs (two daughters) requested that we terminate the agriculture lease and we obliged. They completed all repairs and we have refunded the balance of the land lease payment. There was an ad placed in the local paper for sealed bids and we received 7 bids. Robert Self had the winning bid at \$41.85 per acre per year with the total annual lease payment of \$8,370.00.

#### **IX. Review of the Durant Industrial Authority Financial Report Month Ending November 30, 2015 – Tommy Kramer**

Tommy Kramer – I wanted to say that we appreciate An Chen Lai for being so helpful to us with the financial reports and her support each month to the Durant Industrial Authority.

Tommy Kramer reviewed the **Financial Report as of November 30, 2015** for the Durant Industrial Authority:

A. The Durant Industrial Authority-Fund 020 Cash, Current Receivables & Liability Summary was:

Cash Accounts \$1,316,204.69 + Current Receivables \$1,529,572.39 = Total: \$2,845,777.08

Current Liabilities \$27,412.69 + Long Term Debt \$1,364,454.43 = Total: \$1,391,867.12

- B. The Durant Industrial Authority-Fund 020 Income and Expense Statement showed:  
 Total Revenues \$38,909.25 - Expenses & Fund Reserve \$37,000.76 = Net Change in Fund Balance: \$1,908.49  
 Mr. Kramer pointed out the \$2,000 per month land lease payment from Dixie Mat company and that the CDBG-IDIF monthly loan payment for the former Bio-Fuels rail spur building was approved and amended for the 6<sup>th</sup> year in a row.
- C. The Economic Development-Fund 110 Balance Sheet showed:  
 Total Assets: \$2,571,197.86 and Total Liabilities \$29,234.00  
 Total Liabilities & Fund Balance \$2,571,197.86
- D. The Economic Development-Fun 110 Income & Expense Statement revealed:  
 Total Revenue \$84,383.06 and Total Expenses \$29,234.00  
 Net Change in Fund Balance: \$55,149.06

**X. Consider Approval of Durant Industrial Authority Claims Month Ending December 31, 2015 – Tommy Kramer**  
 Tommy Kramer reviewed the December 2015 Financial Report for the Durant Industrial Authority:

◇ AT&T – Cell Phone.....	66.00
◇ Durant Area Chamber – Copies and Rent .....	1,385.00
◇ AT&T – Office Phone .....	9.99
◇ AT&T – Cell Phone.....	52.37
◇ Crawford & Associates – Auditing Services.....	1,288.85
◇ Tommy Kramer – Parking Fees-Conference.....	7.00
◇ JP Morgan – Postage .....	5.75
◇ JP Morgan – Christmas Cards .....	477.82
◇ JP Morgan – Office Supplies.....	121.76
◇ JP Morgan – Hotel – Conference – Dallas, TX ISCS Retail Show.....	272.86
◇ JP Morgan – Meetings Food.....	166.12
◇ JP Morgan – Funeral Flowers – (Economic Development Promotion Account).....	50.00
◇ Arledge & Associates – Auditing.....	4,334.42
◇ Fuelman – Gas.....	84.20
◇ Pat Phelps – Attorney Fees.....	227.50
◇ Bobby Brewer – Office Cleaning .....	30.00
◇ Deborah Green – Refund on Lease 200 Acres .....	541.25
◇ Karen Harmon – Refund on Lease 200 Acres.....	541.25
◇ A & M Engraving – Clock – (Economic Development Promotion Account).....	45.00
◇ Oklahoma Department of Commerce – CDBG Loan Payments .....	7,020.66
◇ Cheryl Jackson – Cardinal Glass Land Principal/Interest .....	2,407.61
◇ John Jackson – Cardinal Glass Land Principal/Interest.....	2,407.60
◇ Southern Workforce Board – Sponsorship – (Economic Development Promotion Acct).....	500.00

A motion was made to approve by Darrell Mendez. Mayor Stewart Hoffman seconds the motion. The motion carried by:

- Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.
- Nay: None
- Abstain: None

**XI. New Business – Chairman Massey**

Mayor Stewart Hoffman advised that there is a Town Hall Meeting on Thursday, January 14, 2016 at 6:00 pm for anyone that would like to attend with Gary Jones the State of Oklahoma Auditor.

Janet Reed advised that the Annual Durant Area Chamber of Commerce Banquet would be on January 22, 2016, 6:00 pm, at the Choctaw Casino and Resort.

**XII. Adjournment – Chairman Massey**

A motion was made to approve by Mayor Hoffman. Janet Reed seconds the motion. The motion carried by:

Aye: Chairman Greg Massey, Mayor Stewart Hoffman, Kyle McLemore, Darrell Mendez, Nate Morrison and Janet Reed.

Nay: None

Abstain: None