

MINUTES
LAWTON ECONOMIC DEVELOPMENT AUTHORITY
MAYORS CONFERENCE ROOM
NEW CITY HALL
APRIL 19, 2018, AT 2:00 P.M.

Fred Fitch, Chair, called the meeting to order at 2:00 p.m. in the Mayor's Conference Room. Meeting notice and agenda were posted on the City Hall bulletin board as required by State Law.

ROLL CALL:

PRESENT: Denham, David; Fitch, Fred; Madigan, David; Means, David; Nance, Ron.

ABSENT: Jackson, Keith; Neal, Larry; Sheppard, Ernie.

OTHERS PRESENT: Jerry Ihler, City Manager; Richard Rogalski, Planning Director; Kristin Huntley, Finance Department; Denise Ezell, City Clerk's Office.

INTRODUCTION OF GUESTS

None Present

BUSINESS ITEMS

1. Consider approving the minutes of October 19, 2017.

Motion by Means, **Second** by Madigan, to approve the minutes of October 19, 2017.
Aye: Fitch; Madigan; Means; Nance; Denham. **Nay:** None. **Motion Passed.**

2. Consider approving invoices, requisitions, and all other submitted materials for payment and take action as deemed necessary.

Nothing to Approve.

3. Receive Financial Report and take action as deemed necessary.

Huntley stated today we will be receiving financial for the past 6 months. At the end of October you had \$734,439.39 in the bank. Under current assets the receivables are for August and under liabilities and equities the accrued interest for the note is \$248,309.43. On the next page you see revenue was down almost 40%. The reason for this was the sales and use tax. In 2016 we collected a construction sales and use tax but not in 2017. Expenses were up 24% due to the interest expense. Total net income for October was a negative \$75,943.14. At then end of November you had \$730,280.64. The receivables were for August and September. This was not collect in October so it carried over to November. The accrued interest for the note was \$368,400.52. On the income and expense report revenue was up 7.5% and expenses were up 13.5%. Total net income of November was negative \$78,964.29. At the end of December you had \$809,996.34. Receivable were collected for August and September and the accrued interest

payment was \$496,773.74. Revenue was down 7% and expenses were up 13.4%. Total net income for December was negative \$87,342.88.

Fitch asked didn't the interest rate go up in December.

Rogalski stated it was before that. The interest goes up because prime rate went up.

Denham stated prime rate went up December of 16.

Huntley stated at the end of January you had \$1,124,707.19. Receivables were for October and November and the accrued interest on the note was \$621,005.89. Revenue was up 3.1% and expenses were down 78.3%. This was due to the PSO settlement. Net income for January was \$250,349.45. At the end of February we had \$1,229,719.10. Receivables were October and November and the accrued interest payment was \$745,238.05. Revenue was down 3.2% and expenses were up 20.5%. Total income for February was negative \$64,314.01. At the end of March we had \$569,510.50. Receivable for January and matching funds were \$360,000. Accrued interest was \$124,323.14. Revenue was up 25% and expenses were up 2.5%. Total net income for March was \$361,674.05. Are there any questions.

Denham stated property taxes are up nearly 24% year to date. That is encouraging.

Rogalski stated the matching funds represent 6 months of sales tax collections. It is continually going up. We were up 4% for the year in terms of total collections for that 6 months period.

Denham asked are we in jeopardy of losing the matching funds with the state and their issues.

Rogalski stated no.

Fitch stated there is a time period to 2035 and a dollar amount of \$25,000,000.

Madigan asked would you remind us of the repayment terms to CCIDA.

Rogalski stated basically all of the hotel sales tax that we collect we pay to CCIDA.

Madigan stated so that is coming down every month.

Rogalski stated yes. We make this payment on a monthly basis.

Denham stated in January and February it shows the same amount on the loan.

Huntley stated we didn't get the actual check in the bank in time. We were only able to pay interest that month. We caught it up the following month.

Fitch stated I did report this at the CCIDA meeting and they are fine with what has occurred.

Denham asked what was the original dollar amount.

Fitch stated \$1.5 million. Have we received a report from Same Kumar for the occupancy for the last year.

Rogalski stated no.

Fitch stated I believe there is a payment due. They have been up over 60%. I'll check into this.

Madigan stated I'm glad you brought up the occupancy. This is important. We are all hearing the numbers of the training component.

Fitch stated there will be an extra 380 soldiers. Half is air defense and half field artillery. That is a tremendous boost. We will have a graduation every week and that will help the hotel.

Motion by Denham, **Second** by Means, to accept the financials. **Aye:** Madigan; Means; Nance; Denham; Fitch. **Nay:** None. **Motion Passed.**

4. Report on project activities, issues and programs including discussion and possible action on implementation and coordination.

Nothing to report.

EXECUTIVE SESSION:

1. Pursuant to Section 307B3 and C10, Title 25, Oklahoma Statue, consider convening in executive session for the purposes of conferring on matters pertaining to economic development, including financing and the acquisition of property, with respect to the Lawton Downtown Redevelopment Project and take appropriate action, if necessary, in open session.

Motion by Means, **Second** by Denham, to convene into executive session. **Aye:** Madigan; Means; Nance; Denham; Fitch. **Nay:** None. **Motion Passed.**

The Authority convened in executive session at 2:25 p.m. and reconvened in regular, open session at 2:45 p.m. Roll call reflected all members present except Neal, Sheppard, and Jackson.

Fitch stated there is no action to be taken.

DISCUSSION ITEMS AND REPORTS

ADJOURNMENT

There being no further business the meeting adjourned at 2:46 p.m.

Motion by Means, **Second** by Denham, to adjourn. **Aye:** Means; Nance; Denham; Fitch; Madigan. **Nay:** None. **Motion Passed.**