



city of muskogee FOUNDATION

MINUTES

OF THE CITY OF MUSKOGEE FOUNDATION BOARD MEETING HELD AT THREE FORKS HARBOR RIVER CENTER – 5201 THREE FORKS RD., FORT GIBSON, OKLAHOMA ON DECEMBER 15, 2014

The City of Muskogee Foundation Board of Directors met at Three Forks Harbor River Center, Fort Gibson, Oklahoma, on Monday, December 15, 2014.

I. The meeting was called to order by Chairman Earnie Gilder at 5:06 pm.

II. The roll call was as follows:

Directors Present: Keith Biglow, Howard Brown, Bob Coburn, Nancy Gaden, Earnie Gilder, Tracy Hoos, Wayne Johnson, Leigh Ann Mathews, Jay Updike, Leroy Walker, Johni Wardwell.

Directors Absent: Marlon Coleman, Daniel Miller

Advisory Directors Present: Scott Robinson

Advisory Directors Absent: Debi Busch, Kim Lynch, Treasure McKenzie

Others Present: Kari Blakely, Frank Merrick, Sherrie Schroeder and D.J. Thompson of Communities Foundation of Oklahoma/City of Muskogee Foundation; Brad Zerger of BancFirst; Eric Miller, Marie Synar and Kimbra Scott of Port of Muskogee / Economic Development; Tyler Hammons; Jean Kingston, City of Muskogee; Roy Tucker, City of Muskogee; Janet Branchcomb of Clothier & Co., CPA.

Chairman Gilder noted that a quorum of the directors was present.

III. **Consideration of Approval of Minutes of the October 20, 2014 Board meeting.**

The minutes of the October 20, 2014 Board meeting were reviewed. Mathews made a motion to approve the minutes. Walker seconded this motion and the motion passed by a unanimous consent.

IV. **Review and consider for approval the Financial Statements**

Gaden reported on the financials of the City of Muskogee Foundation. The Foundation's total assets in November 2014 were \$138,282,219. Total liabilities were \$14,795,898. Unrestricted Trust Net Assets stayed the same at \$120,550,970. Total Revenues in November 2014 were \$1,959,242 and the total expenses were \$42,084 which brings the excess of revenues over expenses to \$1,917,158 for November 2014. Wardwell made a motion to approve the financials. Biglow seconded this motion; motion passed by a unanimous consent.

5:11 p.m. - Coleman joined the meeting

V. Chairman's Report

- A. Chair Gilder introduced Scott Robinson and Eric Miller with the Port of Muskogee / Muskogee Development. Robinson thanked the City of Muskogee Foundation Board of Directors for hosting their meeting at Three Forks Harbor River Center and for the continuous support the Foundation provides through grants and other collaborative efforts with the Port and Muskogee Development. Robinson introduced Miller who spoke specifically about the Strategic Investment Program (SIP) grant and how having a unique incentive program like that in Muskogee is proving to be very successful in the first year of implementation. Miller also reminded the group of their invitation to attend the one-day Economic Development 101 session on January 8, 2015.

Robinson added that the Port had been honored to serve as the support for the Action in Muskogee (AIM) initiative since its inception. Robinson introduced Bob Coburn as the newly appointed Co-Chair of AIM to provide an update on the initiative's progress. Coburn began by thanking Dr. Tim Faltyn and Lisa Berry for their leadership as Chair and Co-Chair respectively. Coburn gave updates on each of the AIM committees beginning with Education, Safe and Secure, Great Community/Infrastructure, and concluding with the More Beautiful Muskogee committee. Coburn added that several of the signature projects that had been identified as priorities by AIM were well underway including the new Martin Luther King Community Center, the Muskogee Little Theater, downtown development, and the demolition of the Hunts Building.

VI. Committee Reports

A. Audit and Finance Committee

1. Gaden introduced Janet Branchcomb with Clothier & Co., CPA. Branchcomb and Clothier & Co. prepared the Foundation's annual IRS tax return and were in attendance to answer questions regarding the tax return documents that had been sent to the board members prior to the meeting. Hearing no question or discussion Gilder called for a motion to approve the documents.

Coburn made a motion to accept the 2013 tax return documents of City of Muskogee Foundation as presented. Johnson seconded the motion. Hearing no further discussion Chair Gilder called for a vote. Below are the individual votes of the Board Members:

Aycs: Biglow, Brown, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals:

The motion passed by a unanimous consent.

2. Branchcomb presented the audit and explained there were no findings and noted the Foundation received an unqualified opinion. Gaden noted the board members received a copy of the audit prior to the meeting. Hearing no question or discussion Gilder called for a motion.

Walker made a motion to approve and accept the 2014 independent audit of the financials of the City of Muskogee Foundation as presented. Hoos seconded the motion. Hearing no

further discussion Chair Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals:

The motion passed by a unanimous consent.

B. Economic Development Committee

1. Brown presented a PowerPoint presentation on the Muskogee Redevelopment Authority's (MRA) and Urban Renewal Authority's (URA) current efforts to secure financing in the form of a loan to aid in the redevelopment efforts of the Phase 1A area (Shawnee Ave. and Katy Ave. to the North and South, and North 9th St. and North 6th St. to the West and East). Brown explained that this project will fund site improvements necessary to ensure the proposed Three Rivers Plaza. This area has been designated as a TIF district and the loan will be paid back with sales tax proceeds from that TIF fund no later than January 1, 2030.

The URA has sought bank financing but due to the speculative nature of the sales tax proceeds to be used to pay for the loan, most banks are unwilling to assume a pledge of the sales tax proceeds when the development is not yet existing. To ensure the loan from the banks the City of Muskogee, via the URA and MRA, is requesting the Foundation guarantee the loan with Foundation assets in the amount of \$6,550,000.00.

Updike made a motion to approve the committee's recommendation that the City of Muskogee Foundation guarantee a loan in an amount up to \$6,550,000 to the Muskogee Redevelopment Authority and per the requirements of the lender, pledge the Foundation's securities as additional collateral. The proceeds will be used for project costs, including but not limited to, an incentive for site improvement for the Three Rivers Plaza Project and related public improvement costs for property bound by Shawnee Bypass on the North, Talladega on the South, Chicago St. on the East, and North 11th St. on the West. Coburn seconded the motion.

Gilder called for discussion. Mathews asked if it was City Council's intent to pay back the loan early if sales tax revenue permits. Tucker answered "yes" it was. Walker asked how many businesses will be a part of Phase 1A. Coburn said there are currently four businesses planned for Phase 1A which makes up 70% of the development of the Three Rivers Plaza. Hearing no further discussion Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals: Brown

The motion passed by a majority vote.

2. Updike introduced Miller to present this item. Miller explained that The Port of Muskogee / Muskogee Development is requesting a grant for the second year of their Strategic Investment Program (SIP) in the amount of \$3,000,000.00 and referred board members to page 20-22 of their board books. Miller said the amount awarded for the program in 2014 was \$2,000,000.00 and that the program has been successful and asset to Muskogee. The documentation and information required to be submitted by the companies that receive the incentive is thorough and ensures accountability. Miller says he anticipates the need for additional dollars and investment for 2015.

Brown made a motion to accept the committee's recommendation to approve a grant for up to \$3,000,000.00 to the City - County Port Authority for the Strategic Investment Program for January 1-December 31, 2015. The motion was seconded by Biglow. Gilder called for discussion.

Johnson asked if the grant is used for creation of new businesses in Muskogee or the stabilization of existing businesses already located in Muskogee. Miller said "both." He added that in 2014 the grant had primarily been used for retention of existing businesses and had added new jobs. Hearing no further discussion Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals:

The motion passed by a unanimous consent.

3. Updike introduced Robinson to present this item. Robinson gave details and history of the needs of Central Mortar and Grout, Co. as well as the general timeframe and grant process with the Economic Development Authority. Robinson explained that the grant from the EDA was written in partnership with the City of Muskogee and that if awarded would be to the City.

Coleman made a motion to accept the committee's recommendation to approve a grant in an amount not to exceed \$1,696,985.00 to the City of Muskogee (in partnership with the Muskogee City-County Port Authority) to improve core road infrastructure and wastewater collection system in the Muskogee Industrial Park and to meet the local matching grant requirements of the Economic Development Administration. Coburn seconded the motion. Hearing no additional discussion Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals: Brown

The motion passed by a majority vote.

C. Investment Committee

Chair Coburn reported the committee met earlier that day and is pleased with overall performance of the portfolio. He introduced Brad Zerger with Bancfirst to speak to the current market and the Foundation's investment strategies. Zerger reported that although the market is somewhat bumpy the Foundation continues to do well and he recommends maintaining current strategies.

1. Coburn presented the Investment committee's recommendation of a \$6M granting budget for 2015. Coburn explained that approximately \$2.7M of this money was already committed to summer grants, scholarships and other multi-year projects and referred board members to the Grants Commitments form on page 27 in the Board Book for additional detail.

Coburn made a motion to approve the committee's recommendation of a granting budget of \$6M. Wardwell seconded the motion. Hearing no further discussion Gilder called for a vote. The motion passed by a unanimous consent.

2. Coburn reminded the board members that the committee had discussed and reported in a previous meeting various ways to fund larger capital grants and loans that were to be approved.

Coburn made a motion to accept the committee's recommendation that the City of Muskogee Foundation borrow funds to fund \$2,510,000 of the \$2,750,000 grant approved for the Martin Luther King Community Center in June 2014; future grant budgets beginning in 2015 to be reduced by approximately \$250,000 over the next ten years to repay the balance of the loan with interest. Coleman seconded the motion.

Hearing no discussion Chair Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals: Brown

The motion passed by a majority vote.

3. Coburn explained that as a part of their job description the Investment committee also must review and approve the pledge of Foundation assets that was also recommended and approved by the Economic Development committee. The Investment committee had reviewed the request at their December meeting.

Coburn made a motion to approve the recommendation of the Investment committee that the City of Muskogee Foundation guarantee a loan in an amount up to \$6,550,000 to the Muskogee Redevelopment Authority and per the requirements of the lender, pledge the Foundation's securities as additional collateral. The proceeds will be used for project costs, including but not limited to, an incentive for site improvement for the Three Rivers Plaza Project and related public improvement costs for property bound by Shawnee Bypass on the North, Talladega on the South, Chicago St. on the East, and North 11th St. on the West, as approved by the City of Muskogee Foundation Board of Directors on 12/15/14. Biglow seconded the motion.

Hearing no discussion Chair Gilder called for a vote. Below are the individual votes of the Board Members:

Ayes: Biglow, Coleman, Coburn, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell

Nays:

Recusals: Brown

The motion passed by a majority vote.

D. Chair Committee

Gilder reported that the Committee Chairs had met to review the 2015 Summer Grant proposals. Each committee chair presented grant recommendations for the 2015 Summer Grants, which were then voted on by the Board. A list of the recommendations were provided on page 28 of the board book.

MUSKOGEE FIRST ASSEMBLY CHURCH, Smart School, \$10,000

Presented by Johni Wardwell, Chair of the Quality of Life Committee. Wardwell made a motion to approve the committee's recommendation. Coburn seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coburn, Coleman, Gaden, Gilder, Hoos, Johnson, Mathews, Updike, Walker, Wardwell.

Nays:

Recusals:

The motion passed by a unanimous consent.

5:55 p.m. – Updike left the meeting.

MUSKOGEE PUBLIC LIBRARY, Learn, Create, Share program, \$10,900

Presented by Dr. Tracy Hoos, Chair of the Health and Wellness Committee. Hoos made a motion to approve the committee's recommendation. Wardwell seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coburn, Coleman, Gaden, Gilder, Hoos, Johnson, Mathews, Walker, Wardwell.

Nays:

Recusals:

The motion passed by a unanimous consent.

MUSKOGEE PUBLIC SCHOOLS, Summer Pride, \$120,000

Presented by Rev. Leroy Walker, Chair of the Education and Empowerment Committee. Walker made a motion to approve the committee's recommendation. Coburn seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coburn, Coleman, Gaden, Gilder, Hoos, Mathews, Walker, Wardwell.
Nays:
Recusals: Johnson

The motion passed by a majority vote.

NEIGHBORS BUILDING NEIGHBORHOODS, 2015 Community-Wide Afternoon Summer Program, up to \$100,000

Presented by Rev. Leroy Walker, Chair of the Education and Empowerment Committee. Walker made a motion to approve the committee's recommendation. Coleman seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coburn, Coleman, Gaden, Gilder, Hoos, Johnson, Mathews, Walker, Wardwell.
Nays:
Recusals:

The motion passed by a unanimous consent.

CITY OF MUSKOGEE, Youth Volunteer Corp. / Summer of Service, \$14,127

Presented by Johni Wardwell, Chair of the Quality of Life Committee. Wardwell made a motion to approve the committee's recommendation. Mathews seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Coburn, Coleman, Gaden, Gilder, Hoos, Johnson, Mathews, Walker, Wardwell.
Nays:
Recusals: Brown

The motion passed by a majority vote.

ST. PAUL UNITED METHODIST CHURCH, Project Transformation, \$15,000

Presented by Rev. Leroy Walker, Chair of the Education and Empowerment Committee. Walker made a motion to approve the committee's recommendation. Coleman seconded this motion. There was no further discussion. Below are the individual votes of the Board Members:

Ayes: Biglow, Brown, Coburn, Coleman, Gaden, Gilder, Hoos, Johnson, Mathews, Walker.
Nays:
Recusals: Wardwell

The motion passed by a majority vote.

E. Education & Empowerment Committee

Chair Walker reported that the Education and Empowerment committee did not meet in December. However, the committee's and staff's focus remains on meeting with grantees and summer grantees to ensure they are meeting specific requirements and collaborating.

F. Health and Wellness Committee

Chair Hoos reported that the Health and Wellness committee did not meet in December. Tom Martindale attended the committee's November meeting and gave an update on the success of the Free Dental program. Hoos said the program is surpassing expectations and there is a great need for it in the community.

G. Quality of Life Committee

Chair Wardwell reported that the Quality of Life committee did not meet in December. COINS for Critters director Deanna Dean attended the committee's November meeting and gave an update on the program's current financial needs and status, as well as how the program is managed and works with local veterinarians and other organizations. Wardwell said COINS will provide a flyer on its services funded by the Foundation which will go out in the "Thursday folders" of all Muskogee Public Schools middle and elementary students. Wardwell thanked committee and board member Wayne Johnson for facilitating that partnership.

H. PR and Marketing Committee

Chair Coburn reported that the committee continues to implement several components of the comprehensive Public Relations and Media plan approved by the Board in August 2014. Coburn credited the members of the committee for their work. Member of the committee are: Kari Blakely, Treasure McKenzie, Frank Merrick, Kimbra Scott and D.J. Thompson. Coburn stated that we will soon be seeing the tagline "Changing Our Landscape" as the next ads come out focusing on the Quality of Life grants by the Foundation. The committee is also working on the annual granting video and continues to focus on Facebook traffic.

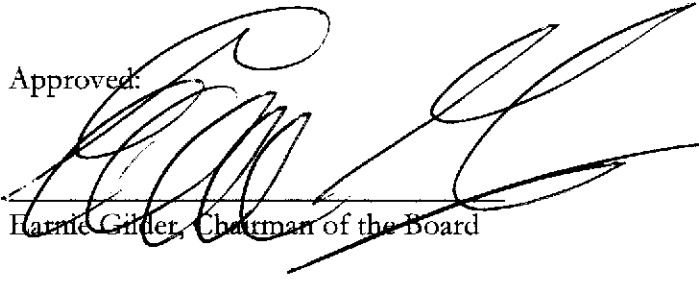
VII. Staff Report

Thompson referred members to the proposed 2015 board meeting schedule that had been emailed previously and is on page 30 in the board book. Thompson explained that the 2015 board meetings will now be held the fourth Monday of the month instead of the third Monday of the month as they have been previously. This new schedule was to allow for additional preparation time between the regularly scheduled committee meetings held on the second Tuesday of every month and the board meeting where business will have to be approved.

Hearing no discussion Gilder called for a vote. Wardwell made a motion to accept the 2015 Board meeting schedule of the City of Muskogee Foundation as presented. Walker seconded the motion. The motion passed by unanimous consent.

VIII. The meeting was adjourned at 6:10 pm.

Approved:

A large, stylized handwritten signature in black ink, appearing to be 'Harrie Gilder', written over a horizontal line.

Harrie Gilder, Chairman of the Board

A handwritten signature in black ink, appearing to be 'D.J. Thompson', written over a horizontal line.

D.J. Thompson, Assistant Secretary