



## MINUTES

**OF THE CITY OF MUSKOGEE FOUNDATION  
SPECIAL CALL BOARD MEETING HELD AT  
OKLAHOMA MUSIC HALL OF FAME –  
401 S. 3<sup>rd</sup> St., MUSKOGEE, OKLAHOMA  
on February 22, 2016**

The City of Muskogee Foundation Board of Directors met at Oklahoma Music Hall of Fame, Muskogee, Oklahoma, on Monday, February 22, 2016.

**I.** The meeting was called to order by Chairman Earnie Gilder at 4:05 pm.

**II.** The roll call was as follows:

Directors Present: Bob Coburn, Marlon Coleman, Nancy Gaden, Earnie Gilder, Tracy Hoos, Wayne Johnson, Leigh Ann Mathews, Daniel Miller, Roy Tucker, Leroy Walker, Johni Wardwell.

Directors Absent: Keith Biglow, Jay Updike

Advisory Directors Present: Kim Lynch, Scott Robinson

Advisory Directors Absent: Treasure McKenzie, Lisa Smith

Others Present: Frank Merrick and D.J. Thompson of Communities Foundation of Oklahoma/City of Muskogee Foundation; Eric Miller and Kimbra Scott of the Port of Muskogee / Economic Development; Coni Wetz, Ann Ong and Evan Anderson representing Muskogee Little Theater; DeWayne Smoot from the Muskogee Phoenix. Others present included David White, John Barton, Ivory Vann and Pete Caraway.

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

### **III. Committee Reports**

#### **A. Economic Development Committee**

Gilder reported on behalf of the committee. Gilder explained that the Economic Development committee had reviewed this request and was recommending approval.

Coburn made a motion to approve a grant for up to \$3,000,000 to the Muskogee City-County Port Authority to administer the Strategic Investment Program (SIP) for January 1 – December 31, 2016. Miller seconded the motion. Below are the individual votes of the Board Members:

Ayes: Coburn, Coleman, Gilder, Hoos, Johnson, Mathews, Miller, Tucker, Walker, Wardwell.

Nays:

Recusals: Gaden

The motion passed by majority vote.

*Updike joined the meeting – 4:20 p.m.*

## **B. Quality of Life Committee**

1. Chair Wardwell reported that the committee had met earlier in the month and reviewed a request by the Muskogee Little Theater (MLT) to amend their capital construction grant made in 2013 by increasing the Foundation's funding by \$1,250,000. Wardwell distributed a summary provided by MLT that outlined the reasons and need for the additional funds and added that the Quality of Life committee had approved the recommendation unanimously.

Wardwell made a motion to approve a recommendation to amend the grant approved in June 2013 for the Muskogee Little Theater Capital Building Campaign by increasing the Foundation's pledge by \$1,000,000 making the total grant \$6.5M.

Discussion:

Walker, Miller, Hoos and Mathews all expressed concern that the architectural firm and construction company responsible for the errors in the planning were not being held accountable. Miller asked if any legal action could be taken or if any complaints had been filed. Ong explained that at this time the MLT Board is focused solely on finishing the building and felt if they were to pursue legal action right now it would slow or possibly halt the construction. She added that trying to fire the architect and start with someone new at this point would be considerably more expensive than the current amount needed to finish. Mathews reiterated that as a member of the CoMF board she would like to see action taken against whoever is responsible after the project is complete.

Ong explained that the MLT board has taken several measures to fix this issue. This includes creating new budget with significant cuts, as well as Evan Anderson with Manhattan Construction Co. had been hired as a consultant by MLT to be the owner representative and advise on corrections. Mathews requested a copy of the new, line itemed budget.

Walker asked if an audit had been done on this specific project. Wetz explained that there had not been a specific audit done on this construction project but that it was included in the independent audit of the MLT financials performed annually.

Anderson introduced himself and explained what he had done for MLT as a consultant and his assessment of the issues and how to fix them.

Miller asked if the CoMF board should take legal action in this matter. Merrick said he did not believe that was the right course of action for the Foundation. Miller also stated that he would like to see CoMF have a representative on these committees when the foundation funds capital and construction projects in the future. Mathews concurred.

Coleman asked for a specific plan of remediation from MLT regarding this project and situation, which would include a line item do not exceed budget and steps for what would be done to get the project completed and actions afterward.

Merrick told the board that in the future CoMF would also take measures to ensure the foundation's interests were represented. For similar, future projects it is probable that a planning grant will be given first; then when a complete set of plans are provided CoMF will consider the request for construction funds separately.

Hearing no further discussion, Gilder called for a second to Wardwell's motion. Coburn seconded the motion. Below are the individual votes of the Board Members:

Ayes: Coburn, Coleman, Gilder, Johnson, Mathews, Miller, Tucker, Updike, Wardwell.

Nays: Hoos, Walker.

Recusals: Gaden

The motion passed by majority vote.

2. Chair Wardwell reported that when the committee met they also reviewed a request by the Muskogee Little Theater (MLT) to amend their capital construction grant made in 2013 by adding a \$250,000 loan provision to the agreement. This was in addition to the \$1,000,000 just approved. Wardwell added that the Quality of Life committee had approved the recommendation unanimously.

Wardwell made a motion that the City of Muskogee Foundation loan the Muskogee Little Theater funds in the amount not to exceed \$250,000 for contingency expenses associated with the new building construction and capital campaign, and if approved authorize the chairman or vice-chairman to execute any necessary documents to facilitate the transaction.

Discussion:

Mathews asked MLT representatives if they had a plan to pay back this loan. Wetz said they did not have a plan at this time. Walker and Hoos expressed concern that CoMF would make a loan to any entity without a clear plan or source for repayment. Updike asked what the terms of the loan would be and how long the payoff would be. Merrick stated that it would be payable over the same term of the loan which CoMF currently has that funds the original grant - ten years. The interest rate would be the same rate CoMF has on their loan - 3.5%.

Hearing no further discussion Gilder called for a second to Wardwell's motion. Coburn seconded the motion. Below are the individual votes of the Board Members:

Ayes: Coburn, Gilder, Johnson, Miller, Tucker, Updike, Wardwell.

Nays: Coleman, Hoos, Mathews, Walker.

Recusals: Gaden

The motion passed by majority vote.

#### IV. Staff Report

No report

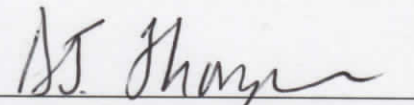
- V. The meeting was adjourned at 4:43 pm.

Approved:



A large, stylized handwritten signature in blue ink, appearing to read 'Earnie Gilder', written over a horizontal line.

Earnie Gilder, Chairman of the Board



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

D.J. Thompson, Assistant Secretary