



City of Broken Arrow
Minutes
Broken Arrow Economic Development Authority

City Hall
220 S 1st Street
Broken Arrow OK
74012

Chairperson Craig Thurmond
Vice Chair Scott Eudey
Trustee Mike Lester
Trustee Johnnie Parks
Trustee Debra Wimpee

Tuesday, December 18, 2018

Council Chambers

1. Call to Order

Chairman Craig Thurmond called the meeting to order at approximately 7:13 p.m.

2. Roll Call

Present: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

3. Consideration of Consent Agenda

Chairman Thurmond asked if there were any items to be removed from the Consent Agenda. There were none.

MOTION: A motion was made by Mike Lester, seconded by Debra Wimpee.

Move to approve the Consent Agenda

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

A. 18-1143 Approval of Broken Arrow Economic Development Authority Meeting Minutes of December 4, 2018

B. 18-75 Approval of the Broken Arrow Economic Development Authority Claims List for December 18, 2018

4. Consideration of Items Removed from Consent Agenda

There were no items removed from the Consent Agenda. No action was required or taken.

5. General Authority Business

A. 18-1512 Consideration, discussion, and possible approval of a contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation for the period January 1, 2019 to June 30, 2021

Assistant City Manager of Administration, Russell Gale, reported on June 30, 2018 the Economic Development Agreement with the Economic Development Corporation (EDC) expired. He explained since that date the Corporation had been functioning on a series of short term contract extensions, the most recent of which would expire December 2018. He stated the Authority had contracted Frank Crawford and Associates to complete a transition audit which was completed in October 2018, soon after which staff began negotiations with the EDC Board for a new contract. He reported in this new contract there were six critical elements to be considered, the first being the agreement would become a fee for service contract, rather than a reimbursement contract, which would minimize the need for documentation to be submitted to BAEDA for reimbursement of operating expenses; however, the agreement did require the EDC to submit its expenses substantiated by documentary evidence which reflected actual itemized expenses as recommended by the Crawford report. He stated the proposal

required the EDC to contract with Crawford and Associates to review and provide an opinion to Broken Arrow Economic Development Authority (BAEDA) on the corrective actions implemented regarding financial controls, updated policies and other action items. He reported the review would take place within 12 months of the execution of this agreement at the direction of BAEDA. He stated this was a one-time engagement which would allow Crawford and Associates to analyze whether the Economic Development Corporation (EDC) had implemented the proposed changes recommended. He stated on a semi-annual basis the EDC Chair and President would attend a BAEDA meeting and submit a report to BAEDA on the goals, activities and successes of the EDC. He explained while an annual audit had been required in the past, the new agreement required the audit be completed within six months of the end of the Fiscal Year. He stated the monthly fee paid by BAEDA would remain at \$32,292 dollars per month; however, since the President and Vice President Positions remained vacant, the EDC advised staff, for the period of January 1, 2019 until April 30, 2019, \$26,800 dollars was needed to operate the Corporation. He explained this estimate included payment for unused vacation time to terminated employees, fees to retain a consultant to assist in the search for the next president and other traditional operating expenses, such as rent. He stated staff proposed a monthly payment of \$6,700 dollars be paid to the EDC until the new president was on board. He reported the remaining changes in Section 1 of the Contract were suggested by the EDC staff to modernize the agreement. He stated Staff recommended adoption of the Agreement.

Trustee Parks asked if the EDC was in agreement with this contract. Mr. Gale responded in the affirmative. Trustee Parks stated the relationship between the EDC and the city was important. He stated he appreciated the EDC working with BAEDA throughout this process.

MOTION: A motion was made by Johnnie Parks, seconded by Mike Lester.

Move to approve a contract for Economic Development Services between the Broken Arrow Economic Development Authority and the Broken Arrow Economic Development Corporation for the period of January 1, 2019 to June 30, 2021

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

B. 18-1513 Consideration, discussion, and possible termination of the existing contract for Downtown Redevelopment Services between the Broken Arrow Economic Development Authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC)

Mr. Russell Gale stated staff notified the EDC it would be recommending BAEDA exercise its right to terminate the Downtown Redevelopment Agreement effective March 31, 2019 to ensure smooth transition for records and processes to be implemented by staff. He stated staff recommended approval of the termination.

City Manager Spurgeon reported preliminary planning had begun regarding logistics and action steps necessary to implement a fully functional business retention program for the Downtown Area, as well as the entire community of Broken Arrow. He stated the funds from this agreement would be used to hire two individuals to be responsible for certain areas within Broken Arrow and a program would be developed regarding business recruitment and retention.

MOTION: A motion was made by Scott Eudey, seconded by Debra Wimpee.

Move to approve termination of the existing contract for Downtown Redevelopment Services between the Broken Arrow Economic Development Authority (BAEDA) and the Broken Arrow Economic Development Corporation (BAEDC)

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

6. Executive Session

There was no Executive Session.

7. Adjournment

The meeting adjourned at approximately 7:21 p.m.

MOTION: A motion was made by Johnnie Parks, seconded by Debra Wimpee.

Move to adjourn

The motion carried by the following vote:

Aye: 5 - Debra Wimpee, Johnnie Parks, Mike Lester, Scott Eudey, Craig Thurmond

Attest:

Chairman

Secretary