

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
REGULAR MEETING
JUNE 29, 2022

The Directors of the Oklahoma Industrial Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, June 29, 2022, in the Conference Room of the Oklahoma Industrial Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Chris Condley, Chairman
Mr. Keith Ventris, Vice Chairman
Mr. Hank Bradley, Member
Mr. Peter Carey, Member
Mr. D.R. Shipley, Member

The following members of the Authority were ABSENT:

Mr. Bridge Cox, Secretary-Treasurer
Mr. Brent Kisling, Member
Mr. Randy McDaniel, non-voting member

Others attending the meeting were members of the Oklahoma Industrial Finance Authority staff and other guests representing firms doing business with OIFA, who are listed on the Attendance Register which is kept in the original meeting file.

ROLL CALL

Chairman Condley called the meeting to order and requested a roll call from the Assistant Secretary, after which he declared a quorum present.

In response to a question by Chairman Condley, it was reported that notice of the meeting of the Authority was filed in the office of the Oklahoma Secretary of State and public notice of this meeting was posted in prominent view at 9220 North Kelley Avenue, Oklahoma City, Oklahoma, twenty-four (24) hours prior to this meeting excluding Saturdays, Sundays, and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

READING OF THE MINUTES

Reading of the minutes of the May 25, 2022, meeting was waived. Motion to approve the minutes was made by Mr. Shipley and was seconded by Mr. Carey. All members present voted AYE.

FINANCIAL REPORT

Ms. Dobbins reported that on pages 24 and 25 of the board packets are the balance sheet and income statement as of May 31, 2022. On the balance sheet and notes receivable is up over \$4 million from this time last year. This increase is also reflected on the income statements interest for notes account which is up \$56,000. Overall, the interest income is down 22% at \$704,000. The interest expense is down 14% at \$475,000, leaving OIFA with a net interest income of \$229,000. After the miscellaneous income and operating expenses, net income is \$70,000 for the year.

Mr. Davis added that the interest rates on our excess liquidity are pathetic. Mr. Davis stated that he is not complaining about them because it is more than what OIFA could get elsewhere but they are really a drag. Mr. Davis added that Mr. Stoner has done an extraordinary job with getting out and getting lending opportunities to use the excess liquidity. We have put several loans on the books. There are new projects in the pipeline. The problem is that these projects are coming in later in the fiscal year. We are beginning to see the uptick in the interest income from our loans in the loan portfolio. This will serve the Authority well going into next year. The Vinyard loan that was discussed in the ODFA meeting will be up for discussion and possible vote for an OIFA loan shortly. This is an opportunity to put money to work with a long-term client, this is a very low risk in terms of credit. The trend is good, and Mr. Davis is looking at opportunities to make some investments, U.S. Treasury bills, notes, bonds but nothing beyond a 24-month duration with a laddered approach. We are possibly looking at purchasing investments in the month of July that will pick up extra yield.

Mr. Ventris made a motion to approve the financial report, as presented. Mr. Carey seconded the motion. All members present voted AYE.

NEW LOAN APPLICATION/REQUEST

A. Oklahoma Development Finance Authority – Vinyard Vogler, LLC, Oklahoma City, OK

Discussion and possible vote granting approval for OIFA to modify its existing taxable first mortgage loan on real estate in Oklahoma City, OK

Mr. Stoner explained that this agenda item is to approve the loan. The previous conversation in the ODFA meeting was for ODFA to act in capacity as a conduit. This project is just for the discussion and possible vote granting approval for OIFA to modify its existing loan and grant approval up to \$3 million.

Mr. Carey made a motion to recommend approval for the loan. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Shipley, Ventris

NAY: NONE

PRESIDENT'S REPORT

Mr. Davis reported that on pages 40-41 of the board packet is the Operations and Business Development report. Based on all the conversations the board has had today, most of the work and time has been spent on the ODFA side. Aside from the work that Jeremy has done. Mr. Davis thanked the loan committee members that have worked through the Vinyard loan project.

Mr. Davis stated that the general market interest rates are headed up and they are headed up quickly. At the last fed meeting instead of moving fifty basis points they moved seventy-five basis points. They will be meeting again on July 27th and it will be either 50 or 75 basis points. Thankfully, there are quarterly resets on the outstanding OIFA bonds. There provides a little bit of a grace period in July for prime basis for our costs of funds at 3.5%. It will quickly go to 5.25% – 5.50% and if you look at CME and projections on where the rates are going by June of next year its conceivable that prime will be at 7%. The Authority's interest cost is fixing to go up significantly and that is why it is more important that we find new loan deals and Jeremy is doing an excellent job recently. We are putting the excess liquidity to work and helping Oklahoma businesses but also in turn we are working to address the negative arbitrage that we have.

Last night in Oklahoma was primary night and Treasurer McDaniel is not running again and all \$30 million of OIFA funding, the State Treasurer entirely hold three bonds. There will be a new party to work with in that office. It has gone to a runoff between Representative Todd Ross and former Senator Clark Jolley.

Last month Mr. Davis mentioned that the Deputy Treasurer of State Debt Management, had resigned and the long time Senior Bond Analyst Alexandra Edwards has accepted this position as a full-time position which is excellent news for the Board. Things will change through this political cycle, and OIFA has a lot of headwinds going into next fiscal year, but we will manage the best we can.

Mr. Davis stated that this concluded the President's report.

ADJOURNMENT

Chairman Condley asked if there was any further business. Mr. Ventris made a motion to adjourn the meeting. Mr. Shipley seconded the motion. All members present voted AYE, and the meeting was adjourned.

These minutes officially approved and adoption this ____ day of _____, 2022.

Chairman

SEAL

Secretary