

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
REGULAR MEETING
SEPTEMBER 28, 2022

The Directors of the Oklahoma Industrial Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, September 28, 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. Keith Ventris, Chairman
Mr. Bridge Cox, Vice Chairman
Mr. Pete Carey, Secretary-Treasurer
Mr. Hank Bradley, Member
Mr. Brent Kisling, Member
Mr. D.R. Shipley, Member

The following members of the Authority were ABSENT:

Mr. Chris Condley, 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 Ventris 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 Ventris, 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 August 31, 2022, meeting was waived. Motion to approve the minutes was made by Mr. Shipley and was seconded by Mr. Cox. All members present voted AYE.

FINANCIAL REPORT

Ms. Dobbins reported that on pages 16 and 17 of the board packets are the financial statements for the month ending August 31, 2022. The interest income is up 26% at \$167,000 from this time last year. This is due to the increase in loan activity during the prior year. The interest expense is up \$28,000 or 32% at \$115,000. This increase is due to the bonds quarterly rate resetting on August 1, 2022. It increased from 1.65% to 2.77%. After the miscellaneous income of \$2,500 from closing fees and operating expenses of \$35,000, net income is \$20,000 for the year. The OkInvest rate continues to slowly climb. The projected rate for September is 1.52% compared to 1.4% in August. Ms. Dobbins added that Mr. Davis will be sharing additional comments on information that will be reflected on next month's statements.

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

DISCUSSION AND POSSIBLE ACTION AS TO EMPLOYEE COMPENSATION AND POSSIBLE EXECUTIVE SESSION PURSUANT TO SECTION 307.B.1 OF THE OPEN MEETINGS ACT

Mr. Davis passed out a recommendation to the Board members from the performance and compensation review committee.

Mr. Shipley made a motion to approve the recommendation by the committee for compensation to the employees. The motion was seconded by Mr. Carey. Upon Roll Call, the vote was as follows:

AYE:	Bradley, Carey, Cox, Kisling, Shipley, Ventris
NAY:	NONE

PRESIDENT'S REPORT

Mr. Davis stated that he wanted to publicly recognize and thank his staff. The Authority has covered a lot of ground over the last couple of years and he stated that he wouldn't want to do it with any other group of people. Mr. Davis added that he really appreciates the performance and compensation review committee's time and consideration.

Mr. Davis reported that he had just received the draft audit report from Finley and Cook. He is currently reviewing that now. He further reported that he is happy to say that the Claremore Airport project has closed. Also, the spec building in Woodward has paid off. It took 13 years to get the first tenant in which was Siemens, and they didn't last very long. So, OIFA currently has no more spec buildings on the books.

Mr. Davis added that Sunny mentioned that the interest income is up 26% and he mentioned it as we were wrapping up FY'22. Mr. Stoner has done an incredible work getting some loan production. It has not been a lot of loan production but if you look at the historical trend, it has been a lot of loan production. Mr. Davis stated they are putting the excess liquidity to work. These projects were put on late in the fiscal year and we are just now getting to see these take hold. Of course, at the same time we are watching one of the loans that will reset. This borrower may decide that they may just take it out because the spreads are getting painful. Mr. Davis reported that with the excess liquidity and negative arbitrage he is happy to report that we are back in the business of investing in SBA's and putting the excess liquidity to work in a positive spread and not negative arbitrage. As Ms. Dobbins mentioned the cost of funds reset at 2.77% on August 1, 2022. This was compared to a cash yield of 1.4%. The projected SBA rate for a November reset he believes will be a yield of 3.52%. The nice thing about investing in SBA's is the yield is a prime minus spread calculation. The debt resets quarterly, if not perfectly timed but they are at least on the same basis. When the Authority gets into the final quarter of this year, we have locked in a positive spread of 33 basis points. The Authority has purchased \$4 million of this pool. He thinks there is probably another \$6 million that can be moved over as well. We are also starting to look at when SBA pools come available that will be shown to the Authority and we will then try to move that money. We will then begin to see positive impacts of these things. The Authority bought this at prime minus 2.4, no floor, no ceiling with a quarterly reset. The purchase price was par so we will not be in a situation where we will be accelerating premium write downs if the prepayment speed increases with higher interest rates.

Lastly, Mr. Davis stated that we will have a new board member next month, Matthew Caldwell. He is with a bank in Sallisaw. This bank is a subsidiary of northwest Arkansas bank. Mr. Davis and Mr. Stoner met with him at his confirmation hearing and since that time he has been getting a copy of the board packets.

ADJOURNMENT

Chairman Ventris asked if there was any further business. Mr. Cox 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