

NOTICE OF REGULAR MEETING
June 18, 2020
8:00 a.m.
Tulsa's Port of Catoosa Facilities Authority

PLACE: Port Authority Office / Small Conference Room
5350 Cimarron Road
Catoosa, Oklahoma

DATE: Thursday, June 18, 2020

AGENDA

- | | |
|--|---------------|
| 1. Roll Call | Ms. Blake |
| 2. Approval of Minutes of Special Meeting of March 26, 2020 | Mr. Fariss |
| 3. Claims | Mr. Coffman |
| 4. Approval of Fiscal Year 2020-21 Facilities Authority Budget | Mr. Yarbrough |
| 5. Auditing Services Contract - F.Y. 2019-20, 2020-21, 2021-22 | Mr. Yarbrough |
| 6. Port Plaza Lease Agreement – Tulsa Port Authority Workforce Resource Center | Mr. Yarbrough |
| 7. Lease Termination Agreement – Global 7 Environmental, Health & Safety Corp | Mr. Yarbrough |
| 8. Old Business | Mr. Fariss |
| 9. New Business | Mr. Fariss |
| 10. Adjournment | Mr. Fariss |

Next Regularly Scheduled Meeting: September 17, 2020

**TULSA'S PORT OF CATOOSA
FACILITY AUTHORITY**

ITEM # 3 - CLAIMS FOR APPROVAL

03/01/2020 TO 05/31/2020

	<u>TOTAL CLAIMS</u>
PORT PLAZA CLAIMS	\$ 7,611.70
FACILITIES AUTHORITY CLAIMS	\$ 74,750.70
TOTALS	\$ 82,362.40

* INDICATES PASS THRU ITEM

** FURTHER EXPLANATION AT MEETING

*** ALL OR A PORTION REIMBURSABLE

^^BOARD APPROVED ITEM


**TULSA'S PORT OF CATOOSA
FACILITY AUTHORITY**

ITEM # 3 - CLAIMS FOR APPROVAL - PORT PLAZA	Check #	Amount
*** BROOKS GREASE TRAP SERVICE QUARTERLY GREASE TRAP CLEANING	2533	250.00
CITY OF TULSA-ROGERS COUNTY MARCH PORT PLAZA LEASE	2534	1,355.58
PUBLIC SERVICE CO OF OKLAHOMA FEBRUARY PORT PLAZA ELECTRIC SERVICE	2535	181.10
*** CITY OF TULSA FEBRUARY PORT PLAZA WATER & SEWER SERVICE	2536	695.80
WASTE MANAGEMENT OF TULSA MARCH TRASH SERVICE	2537	31.62
WASTE MANAGEMENT OF TULSA APRIL TRASH SERVICE	2538	166.66
*** CITY OF TULSA MARCH PORT PLAZA WATER & SEWER SERVICE	2539	414.04
LAWNS BY RANDY LLC MOWING & LANDSCAPING SERVICE	2540	306.52
CITY OF TULSA-ROGERS COUNTY APRIL PORT PLAZA LEASE	2541	1,355.58
PUBLIC SERVICE CO OF OKLAHOMA MARCH PORT PLAZA ELECTRIC SERVICE	2542	169.19
*** CITY OF TULSA APRIL PORT PLAZA WATER & SEWER SERVICE	2543	237.94
LAWNS BY RANDY LLC MOWING & LANDSCAPING SERVICE	2544	348.38
CITY OF TULSA-ROGERS COUNTY MAY PORT PLAZA LEASE	2545	1,355.58
WM CORPORATE SERVICES INC MAY TRASH SERVICE	2546	166.66
PUBLIC SERVICE CO OF OKLAHOMA APRIL PORT PLAZA ELECTRIC SERVICE	2547	160.39
*** BROOKS GREASE TRAP SERVICE QUARTERLY GREASE TRAP CLEANING	2548	250.00
WM CORPORATE SERVICES INC JUNE TRASH SERVICE	2549	166.66
TOTAL PORT PLAZA CLAIMS		\$ 7,611.70

**TULSA'S PORT OF CATOOSA
FACILITY AUTHORITY**

ITEM # 3 - CLAIMS FOR APPROVAL - FACILITIES	Check #	Amount
VOID	1874	-
CITY OF TULSA-ROGERS COUNTY MARCH GLADSTONE/ CARLISLE LEASE	1875	13,158.98
CITY OF TULSA-ROGERS COUNTY MARCH WOOLSLAYER LEASE	1876	1,544.17
CITY OF TULSA-ROGERS COUNTY MARCH TRUST MANAGEMENT FEE	1877	4,000.00
JOHNSON & JONES P.C. FEBRUARY LEGAL SERVICES	1878	58.75
JOHNSON & JONES P.C. MARCH LEGAL SERVICES	1879	352.50
CITY OF TULSA-ROGERS COUNTY APRIL TRUST MANAGEMENT FEE	1880	4,000.00
CITY OF TULSA-ROGERS COUNTY APRIL GLADSTONE/ CARLISLE LEASE	1881	13,158.98
CITY OF TULSA-ROGERS COUNTY APRIL WOOLSLAYER LEASE	1882	1,544.17
^^ SISEMORE & ASSOCIATES RAILROAD SURVEY	1883	1,507.50
NATIONAL WATERWAYS CONFERENCE ANNUAL MEMBERSHIP	1884	450.00
CITY OF TULSA-ROGERS COUNTY MAY TRUST MANAGEMENT FEE	1885	4,000.00
CITY OF TULSA-ROGERS COUNTY MAY GLADSTONE/ CARLISLE LEASE	1886	13,158.98
CITY OF TULSA-ROGERS COUNTY MAY WOOLSLAYER LEASE	1887	1,544.17
^^ SISEMORE & ASSOCIATES RAILROAD SURVEY	1888	16,272.50
TOTAL FACILITIES CLAIMS		<u>\$ 74,750.70</u>

Tulsa's Port of Catoosa Facilities Authority
Motion for Meeting Held June 18, 2020

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Item # 4 - Mr. Yarbrough

Mr. Fariss - Chairman

SUBJECT: Approval of Fiscal Year 2020-2021 Facilities Authority Budget

A copy of the Facilities Authority's proposed budget for Fiscal Year 2020-21, prepared with the assistance of the Chairman and Secretary-Treasurer, is attached hereto.

For the current Fiscal Year 2019-20 ending June 30, 2020, as listed therein, the Facilities Authority anticipates realizing Total Income of \$619,603 and Total Expenses of \$244,556, resulting in a Net Income of \$375,047. The corresponding budget figures for this same period, as reflected therein, projected Total Income of \$668,104, Total Expenses of \$259,225 and Net Income of \$408,879.

The proposed budget for Fiscal Year 2020-21 beginning July 1, 2020 as outlined in the attached, forecasts Total Income of \$642,182, Total Expenses of \$267,359 and Net Income of \$374,823. The budget includes capital budget line item of \$30,000 to finish out a Port Plaza space, and \$29,000 for building improvements.

The staff, therefore, recommends that the Board approve the proposed budget for Fiscal Year 2020-21 beginning July 1, 2020, and that the actual expenditures and the accounting thereof be reviewed monthly by the Chairman and/or Secretary-Treasurer; that such expenditures be ratified by the Facilities Authority; and that a copy of the Fiscal Year 2020-21 Budget, be filed with the minutes of this meeting.

REMARKS:

It was moved by Mr. _____ and seconded by
Mr. _____ “that the Board approve the proposed budget for Fiscal
Year 2020-21 beginning July 1, 2020, forecasting Total Income of \$642,182, Total Expenses of
\$267,359 and Net Income of \$374,823. The budget includes capital budget line item of \$30,000
to finish out a Port Plaza space, and \$29,000 for building improvements; that the actual
expenditures and the accounting thereof be reviewed monthly by the Chairman and/or
Secretary-Treasurer; that such expenditures be ratified by the Facilities Authority; and that a
copy of the Fiscal Year 2020-21 Budget, be filed with the minutes of this meeting.”

TULSA PORT OF CATOOSA FACILITIES AUTHORITY
BUDGET FOR FY 2020-2021

	<u>F.Y. 19-20</u>		<u>F.Y. 20-21</u>
	<u>BUDGET</u>	<u>ESTIMATED ACTUAL</u>	<u>PROPOSED BUDGET</u>
TOTAL INCOME	668,104	619,603	642,182
TOTAL OPERATING EXPENSES	139,225	126,016	139,359
NET OPERATING INCOME	528,879	493,587	502,823
DEPRECIATION	120,000	118,540	128,000
NET INCOME	<u>408,879</u>	<u>375,048</u>	<u>374,823</u>

CAPITAL BUDGET

Finish Out Port Plaza Space	30,000	-	30,000
EFIS Repairs	-	-	5,000
Paint	-	-	8,000
HVAC Replacement	-	-	10,000
Door Replacements	-	-	6,000
	<u>30,000</u>		<u>59,000</u>

ACCT #S	INCOME	F.Y. 19/20		F.Y. 20/21	NOTES	
		BUDGET	9 MOS ACTUAL	ESTIMATED ACTUAL		PROPOSED BUDGET
	A LEASE INCOME					
4500-000 6610-000	1 WP107 GLADSTONE (forward to Port Auth) net	23,384	128,225 (109,908) 18,317	172,422 (147,791) 24,631	176,787 (151,532) 25,255	CPI 11/19, L/E 3/31/21
4550-000	2 PORT AUTHORITY (Fastenal Building)	50,700	38,025	50,700	50,700	
4500-000 6620-000	3 WOOLSLAYER (Lee C Moore Building) (forward to Port Auth) net	54,283 (18,531) 35,752	40,712 (13,898) 26,814	54,283 (18,531) 35,752	58,083 (19,828) 38,255	Lease end 7/20 assume 7% increase
	4 LIGHT SOURCE COMMUNICATIONS	4,459	-	4,459	4,459	
4040-010	5 TRANSCONTINENTAL	414,000	301,170	404,670	426,420	
	6 BNSF RAILWAY	-	3,500	3,500	3,500	
	7 SKOL RAILWAY				-	in negotiations now
	TOTAL LEASE INCOME	528,295	387,826	523,712	548,589	
	B PORT PLAZA RENTAL INCOME					
4600-000	1 DAYLIGHT DONUTS	13,062	9,797	13,062	13,062	
	2 EL PUERTO (REBOZO LLC)	18,000	13,500	18,000	18,000	
	3 SUBWAY SUBWAY % OF SALES	17,680	13,260	17,680	17,680	
	4 GLOBAL 7	-	17,990	25,700	19,850	
	5 PORT CONEYS	5,100	-	-	-	
	6 PLAZA WORKFORCE FACILITY	-	-	-	1	
	7 ESTIMATED NEW LEASES	6,000	-	-	6,000	Remaining space for 1/2 year
2500-000	8 COMMON AREA REIMBURSEMENT	16,000	12,862	17,149	16,000	
	TOTAL PORT PLAZA INCOME	136,809	67,409	91,591	90,593	
	TOTAL OPERATING INCOME	665,104	455,235	615,303	639,182	
4300-000	C 1 INTEREST INCOME	3,000	4,296	4,300	3,000	
	TOTAL INCOME	668,104	459,531	619,603	642,182	



EXPENSE	F.Y. 19/20			F.Y. 20/21	NOTES
	BUDGET	9 MOS ACTUAL	ESTIMATED ACTUAL	PROPOSED BUDGET	
4400-000 A ADMINISTRATIVE EXPENSES					
6050-000 1 AUDIT FEES	11,900	11,900	11,900	12,000	
6300-000 2 MANAGEMENT FEE (Port Authority)	48,000	36,000	48,000	48,000	(1)
6100-000 3 OFFICE SUPPLIES	250	160	213	250	
6000-000 4 D & O INSURANCE	11,839	8,072	10,763	11,839	10% increase factor
6000-000 5 PROPERTY INSURANCE	3,429	2,170	2,893	3,200	Fastenal Bldg Lee C Moore Bldg
6400-000 6 LEGAL	10,000	2,409	3,212	10,000	
TOTAL ADMINISTRATIVE EXPENSE	85,418	60,711	76,981	85,289	
B PORT PLAZA EXPENSE					
1 LEASING COMMISSIONS	1,000	-	-	1,000	
6840-000 2 MANAGEMENT & ADMIN FEES	-	-	-	-	
6700-700 3 BUILDING MAINTENANCE & UTILITIES	10,000	4,618	6,157	10,000	
6700-600 4 SECURITY	1,500	1,287	1,716	1,500	
6850-000 5 LAND RENT	14,552	10,914	14,552	15,570	CPI 9/20
2500-100-2500-900 6 COMMON AREA EXPENSES	26,000	15,839	21,119	26,000	6153 Plaza ins
6500-000 7 BAD DEBT EXPENSE	-	4,738	4,738	-	
TOTAL PORT PLAZA EXPENSE	53,052	37,396	48,282	54,070	
7000-00 C INTEREST EXPENSE	755	753	753	-	(2)
TOTAL OPERATING EXPENSES	139,225	98,860	126,016	139,359	
NET INCOME EXCLUDING DEPRECIATION	528,879	360,671	493,587	502,823	
6900-000 D DEPRECIATION EXPENSE	120,000	88,617	118,540	128,000	(3)
NET INCOME	408,879	272,054	375,047	374,823	

*** PROPOSED PURCHASES & IMPROVEMENTS 2021

1 Finish Out Port Plaza Space	30,000
2 EFIS Repairs	5,000
3 Paint	8,000
4 HVAC Replacement	10,000
6 Door Replacements	6,000
	<u>59,000</u>

- (1) Management fee paid to Port Authority was increased to \$48,000 beginning FY2020.
- (2) Loan through Bank of Commerce - original October 2003 loan was \$455,000
Note maturity was March 2025, was paid in full July 2019, per BOD's instruction
- (3) Depreciation includes the Port Plaza Retail Center and the Lee C Moore, Transcontinental and Fastenal buildings.

Tulsa's Port of Catoosa Facilities Authority
Motion for Meeting Held June 18, 2020

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Item # 5 - Mr. Yarbrough.

Mr. Fariss – Chairman

SUBJECT: Auditing Services Contract - F.Y. 2019-20, 2020-21, 2021-22

Eide Bailly's auditing contract with the Facilities Authority ended upon completion of the Fiscal Year 2019 audit. It was their 2nd three-year contract with us. Therefore; in accordance with the Port's "Professional Services Policy" proposals to provide auditing services were solicited from four recognized accounting firms in the Tulsa regional area to perform annual audits of accounting records for the Port Authority and the Facilities Authority for a three-year period.

After reviewing these proposals, we recommend that the auditing firm of Eide Bailly, LLC, who submitted the lowest overall total cost proposal for the two entities, be given a three-year contract with a clause allowing either party, after the completion of the first year's audit, to cancel the contract upon 60 days written notice, but in no event less than 60 days before the start of the next audit.

It is therefore, recommended that the accounting firm of Eide Bailly, LLC be engaged to perform the annual audits for the Fiscal Years 2019-20, 2020-21 and 2021-22 at a cost of \$12,000, \$12,100 and \$12,200 respectively, and that the Chairman or Vice Chairman, as appropriate, be authorized to execute the appropriate contract documents as prepared and approved by staff and counsel. The Port Authority will be asked to approve an Auditing Services Contract for F.Y. 2019-20, 2020-21 and 2021-22 at their meeting on Thursday, June 18, 2020.

REMARKS:

It was moved by Mr. _____ and seconded by
Mr. _____ "that the Trustees approve a three-year contract with the accounting firm of Eide Bailly, LLC, for the Fiscal 2019-20, 2020-21 and 2021-22 at a cost of \$12,000, \$12,100 and \$12,200 respectively, and that the Chairman or Vice Chairman, as appropriate, be authorized to execute the appropriate contract documents as prepared and approved by staff and counsel and that the contract include a 60-day cancellation provision by either party beginning the second year of the renewal term, but in no event less than 60 days before the start of the next audit; and that the Chairman or Vice Chairman, as appropriate, be authorized to execute the appropriate contract documents as prepared and approved by staff and counsel."

Tulsa's Port of Catoosa Facilities Authority
Motion for Meeting Held June 18, 2020

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Item # 6 - Mr. Yarbrough.

SUBJECT: Port Plaza Lease Agreement – Tulsa Port Authority Workforce Resource Center

As the economy recovers from the devastating effects of the pandemic, proactive and creative efforts to address workforce issues should be implemented for the benefit of the Port and area industries. In consideration of this, Port staff is requesting that the Facilities Authority approve a lease of Unit #5238 at Port Plaza to the Port Authority to host a workforce resource center. The space would be used to host various workforce-related organizations or companies which would help connect people to Port jobs. Two organizations that have already expressed an interest are Northeast Oklahoma Workforce Development Board, a non-profit serving rural counties in Northeast Oklahoma, and Resource Manufacturing, an employment placement company.

The 1,375 sq. ft. space was formerly occupied by Goodman-Baker Insurance, and needs some repairs, including paint, carpeting, and ceiling tiles. Staff is recommending that the Facilities Authority approve a no-cost lease of Unit #5238 to the Port Authority for a period of two years, at which time the lease and success of the endeavor will be reevaluated. The Port Authority will cover all utility and common area expenses and will pay for all the necessary improvements and furniture needed for the facility, as well as a new sign on the building.

It is, therefore, recommended that the Facilities Authority approve a lease to the Port Authority for the Port Plaza Unit #5238 under the terms described above and that the Chairman or Vice Chairman, as appropriate, be authorized to execute the appropriate lease agreement as prepared and approved by staff and counsel.

REMARKS:

It was moved by Mr. _____ and seconded by
Mr. _____ “that the Facilities Authority approve no-cost lease of
Port Plaza Unit #5238 to the Port Authority for a period of two years for the purpose of hosting a
workforce resource center to help connect people to Port jobs, under which terms the Port Authority
would pay all utility and common area expenses, make needed repairs to the building, including
flooring, ceiling tiles, paint, furniture and install a new sign on the building, and that the Chairman or
Vice Chairman, as appropriate, be authorized to execute the appropriate lease agreement as prepared
and approved by staff and counsel.”

Tulsa's Port of Catoosa Facilities Authority
Motion for Meeting Held June 18, 2020

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Item # 7 - Mr. Yarbrough.

SUBJECT: Lease Termination Agreement – Global 7 Environmental, Health & Safety Corp

Global 7 Environmental, Health & Safety Corporation (“Global 7”) and Tulsa’s Port of Catoosa Facilities Trust (the “Trust”) are parties to a lease agreement dated September 1, 2019 (the “Lease”) pursuant to which the Trust leases space at the Commercial Business Center to Global 7. Pursuant to its terms, the Lease will terminate on August 31, 2021, and Global 7 currently makes semi-annual rental payments of \$15,420. Also pursuant to the terms of the Lease, the Trust currently holds a security deposit of \$5,140 (the “Security Deposit”). Currently, the lease is paid through August 1, 2020.

Global 7 has notified staff that current economic conditions in their market have forced them to close the business. They are therefore requesting that the Trust approve an early termination of their Lease. The staff is recommending that in exchange for such early termination of the Lease, Global 7 pay the Trust the sum of \$7,000 and to allow the Trust to retain the Security Deposit of \$5,140, such total representing approximately 40% of the balance due for the duration of the lease. Additionally, Global 7 will be responsible for removing their sign from the building and restoring/repainting the facade.

It is, therefore, now recommended that the Trustees approve a lease termination agreement with Global 7 per the terms outlined herein above; and that the Chairman or Vice Chairman, as appropriate, be authorized to execute the appropriate lease termination agreement as prepared and approved by staff and counsel.

REMARKS:

It was moved by Mr. _____ and seconded by
Mr. _____ “that the Trustees approve the termination of the
Tulsa’s Port of Catoosa Facilities Authority’s (the “Trust”) September 1, 2019 lease agreement (the
“Lease) with Global 7 Environmental, Safety & Health Corporation (Global 7) effective as of
August 31 2020, with such lease termination agreement to provide for Global 7’s payment of the
sum of \$7,000 to the Trust and for the Trust’s retention of the \$5,140 security deposit currently held
by the Trust pursuant to the terms of the Lease, that Global 7 remove their lighted sign from the
building and repair / repaint the facade, and that the Chairman or Vice Chairman, as appropriate, be
authorized to execute the appropriate lease termination agreement, as prepared and approved by
staff and counsel.”



June 7, 2020

Andrew Ralston
Economic Development
Tulsa Port of Catoosa
5350 Cimarron Rd.
Catoosa, OK 74015

Dear Mr. Ralston:

Due to economic and market factors outside of our control, and the COVID-19 pandemic, we are requesting an early termination of our office lease at the Port of Catoosa. When we entered the lease, we had great hopes of it being a financially rewarding business decision. Unfortunately, this has not materialized. Since the lease began in September 2019, Global 7 Testing Solutions has lost approximately \$100,000. This has put great financial pressure on the company, and we see no path forward where we would ever be able to make up this amount of lost income. Additionally, the scheduled road construction will further impact the company's ability to generate meaningful revenue.

We have notified IDEMIA that we intend to wind down the business relationship with them. IDEMIA predicted Global 7 Testing Solutions would generate approximately \$70,000 annually from fingerprinting services to the public. However, revenue from IDEMIA is de minimis.

I have attached the EBITDA statement through May 2020 for the Board's review. It includes revenue from drug and alcohol testing and IDEMIA, combined. As you will see, the loss is substantial. If approved by the Board, we would like to forgo the last year of the lease which begins September 2020.

Thank you for your consideration of our request. We are saddened that the business venture was unsuccessful. We look forward to hearing back from you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill McClure".

Chief Executive Officer

Global 7 Testing Solutions
1701 S Kelly Avenue
Edmond, Oklahoma 73013
405.726.8642



EBITDA Inc. Statement

Posted P
ProjectID (Multiple Items)
FiscYr (Multiple Items)

Amount	ClassID	PerPost											
		201908	201909	201910	201911	201912	202001	202002	202003	202004	202005	Profit/Loss	
0	01 REV	0.00	0.00	20.00	3,906.68	893.56	3,933.75	5,100.00	6,270.25	2,650.51	2,899.66	25,674.41	
	03 LABOR	(750.00)	(1,976.25)	(4,908.50)	(5,270.25)	(5,508.89)	(5,720.50)	(5,224.50)	(10,123.00)	(6,407.00)	(3,461.00)	(49,349.89)	
	04 FRINGE	0.00	0.00	142.92	141.84	(0.47)	71.82	69.30	120.33	8.28	0.00	554.02	
	07 SUBCONT	0.00	(80.00)	(100.00)	0.00	0.00	(108.00)	0.00	0.00	0.00	(108.00)	(396.00)	
	09 MAT	0.00	0.00	(180.13)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(180.13)	
	13 TRAVEXP	0.00	0.00	0.00	(107.88)	(41.18)	0.00	0.00	(155.25)	0.00	0.00	(304.31)	
	16 PROFEES	0.00	0.00	0.00	(27.50)	(13.75)	(13.75)	0.00	0.00	(55.00)	0.00	(110.00)	
	24 UTILITI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	33 OH	(21.08)	(11,493.71)	(6,680.71)	(6,378.44)	(10,031.48)	(6,196.76)	(6,844.40)	(7,761.05)	(6,094.48)	(4,454.16)	(65,956.27)	
0 Total		(771.08)	(13,549.96)	(11,706.42)	(7,735.55)	(14,702.21)	(8,033.44)	(6,899.60)	(11,648.72)	(9,897.69)	(5,123.50)	(90,068.17)	
1 Total		0.00	0.00	(476.72)	(474.19)	(489.98)	(488.65)	(457.12)	(488.64)	(472.88)	(488.65)	(3,836.83)	
Profit/Loss		(771.08)	(13,549.96)	(12,183.14)	(8,209.74)	(15,192.19)	(8,522.09)	(7,356.72)	(12,137.36)	(10,370.57)	(5,612.15)	(93,905.00)	