

Oklahoma Senate Committee on Appropriations

2013-14 Performance Report

Oklahoma Industrial Finance Authority

AGENCY MISSION STATEMENT:

A change to the Oklahoma Constitution created the Oklahoma Industrial Finance Authority in 1959. The Constitution directed the Agency to “Promote the expansion of Industry and Manufacturing activity in the State.” The OIFA embraced the purpose to aid and assist with Oklahoma’s industrial development by making loans to industrial development agencies for the acquisition of real property and equipment to be used by responsible industrial tenants. Through providing such loans the OIFA helps these companies provide additional employment and payrolls within Oklahoma and also helps diversify the State’s economy.

LEAD ADMINISTRATOR:

Michael D. Davis, President
Oklahoma Industrial Finance Authority
5900 North Classen Court
Oklahoma City, Oklahoma 73118
405-842-1145
mdavis@okfinance.com

GOVERNANCE:

OIFA functions under the direction of an eight member Board of Directors. The Governor appoints six members who are subject to the advice and consent of the Senate, for overlapping six (6) year terms. These six appointees, of which no two can be from the same congressional district and at least five must be from the financial community and have at least 15 years of experience. The remaining member of these six can be a recognized business leader. The Director of the Oklahoma Department of Commerce is an ex-officio voting member. The State Treasurer serves as an ex-officio non-voting member. Only the Board of Directors has the authority to approve or deny a loan application. ***(See attached Board of Directors List)***

A Loan Committee exists to reviews loan applications, supporting materials and management’s recommendation to ensure that the loan meets standard lending policy prior to consideration by the full Board for approval or denial. The Loan Committee is made up of two members from the Board of Directors and staff of the OIFA.

The day to day management of the OIFA is vested in the President & CEO who is an employee of the Authority and serves at the pleasure of the Board of Directors.

GOVERNANCE ACCOUNTABILITY:

There is no statutory attendance policy for the Board of Directors. However, attendance by the six appointed Board of Directors has been 97% of meetings attended for the three most recent full fiscal years with three Directors having perfect attendance. The Board of Directors average 11 plus years of service on the Board with many serving under multiple appointed terms. One Director has served for 19 years, two for 14 years each, one for 12 years, one for 5 years and the most recently appointed for 4 years.

MODERNIZATION EFFORTS:

The OIFA is currently undertaking the following modernization initiatives:

- Business process reengineering to ensure that we are operating at maximum efficiency in delivering services and will not require additional FTE to maintain higher volumes of business
- Evaluating existing management reporting and improving quality and timeliness
- Imaging initiative designed to improve record accessibility, protect original documentation and reduce storage needs
- Digital Board of Directors packages reducing lead times in supplying vital information to our Board, reducing paper and printing costs as well as eliminating significant delivery costs

CORE MISSION:

The OIFA is not required to provide services outside its core mission.

PRIVATE ALTERNATIVES:

A private sector service provider ***does not exist*** to provide tax-exempt loan solutions for industrial and manufacturing projects under the tax-exempt loan program of the OIFA.

Commercial banking institutions ***do exist*** to provide taxable loan solutions for industrial and manufacturing projects under the taxable loan program of the OIFA. However, it is not the intent of the OIFA to be in competition with banks, but rather a working partner and participate with banks in the lending process to meet the needs of Oklahoma industry. By sharing the collateral and risk, both public and private sector funds can be leveraged and dispersed more widely. Applicants are encouraged to request direct participation of their bank and OIFA will work with the applicant's bank to the fullest extent possible. Where a bank is involved as a participant, the OIFA may ask that bank to be the servicing agent. *The OIFA provides no other commercial banking services beyond real property and equipment lending.*

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BOARD OF DIRECTORS:

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>	<u>Years of Service</u>	<u>Principal Occupation</u>
Chris Condley	Chairman	October, 2016	14	Chief Executive Officer, Firststar Bank; Muskogee, OK
Don L. Smith	Vice Chairman	October, 2014	5	Attorney At Law; Lawton, OK
Hugh Jones	Secretary - Treasurer	October, 2015	4	Retired, Banker; Woodward, OK
G. Bridger Cox	Director	October, 2017	14	President, Citizens Bank & Trust Company of Ardmore; Ardmore, OK
D.R. Shipley	Director	October, 2018	19	Senior Vice President, First United Bank & Trust Co.; Tecumseh, OK
Hank Bradley	Director	October, 2019	12	Executive Vice President, BancFirst; Oklahoma City, OK
Jonna Kirschner	Ex-Officio - Voting Member			Director of Oklahoma Department of Commerce
Ken Miller	Ex-Officio - Non-Voting Member			Treasurer of the State of Oklahoma