

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
Minutes
January 14, 2013

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:04 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Chairman Sherman M. Saunders and Fred O. Shanks, III. Alternate J. Lee Vogler was absent. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James Snead and Alternate Jessie L. Barksdale. (*Mr. Shanks entered the meeting at 12:10 p.m.*)

City/County staff members attending were: City Manager Joe King, County Administrator Dan Sleeper, Danville Finance Director/Authority Treasurer Barbara Dameron, Pittsylvania County Director of Economic Development Ken Bowman, Pittsylvania County Director of Finance Kim Van Der Hyde, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Director of Economic Development Jeremy Stratton, City of Danville Project Manager Corrie Teague, City of Danville Senior Accountant Patricia Conner, Clement and Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi. Also present were Dewberry and Davis Project Manager Shawn Harden.

Chairman Saunders called the Meeting to order.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES OF THE DECEMBER 10, 2012 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Snead, Minutes of the December 10, 2012 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

ELECTION OF OFFICERS FOR 2013 CALENDAR YEAR TERM

Authority Attorney Michael Guanzon noted at the last meeting he had discussed Virginia law requiring officer's terms be calendar year versus fiscal year. The nominees listed are the current officers and there is an informal agreement of the member localities that the Board would alternate the term from the City to the County for the Chairman and Vice Chairman respectfully. Instead of cutting off Chairman Saunders' term which started in July, the County agreed to let him continue to the end of the year.

Mr. Snead **moved** that the Board approve the nominees as they are listed on the slate for Chairman, Vice Chairman, Secretary and Treasurer.

The Motion was **seconded** by Mr. Harville and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Saunders (4)
NAY: None (0)

NEW BUSINESS

6A. CONSIDERATION – RESOLUTION NO. 2013-01-14-6A – APPROVING A ONE YEAR LEASE RENEWAL OF THE LEASE WITH MOUNTAIN VIEW FARMS OF VIRGINIA, L.C.

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Vice Chairman Harville noted the first contract with Mountain View Farms was \$3,000. Mr. Harville explained he reviewed a chart from the USDA National Agricultural Statistics Service and in Pittsylvania County the top value is \$40 per acre. Mr. Harville passed the USDA chart to the Board members and asked that the Secretary to file the chart for future reference.

Mr. Harville **moved** adoption of *Resolution 2013-01-14-6A, approving a one-year renewal of the Lease with Mountain View Farms of Virginia, L.C., a Virginia limited liability company, as tenant, for that certain real property (GPIN 1356-75-8216) of the Authority, containing approximately 30 acres and fronting on Stateline Bridge Road, in the Authority's Mega Park site, in Pittsylvania County, Virginia, for the purpose of planting and harvesting sod, soybeans, and/or other cover crops, but not tobacco, at a total rental fee of \$1,200.00 - upon the Authority's attorney receiving the verification of the Charter.*

The Motion was **seconded** by Mr. Snead.

(Mr. Shanks entered the meeting at 12:10 p.m.)

Mr. Harville noted that the Authority attorney had contacted him when the lease was being prepared and the tenant is having his Charter renewed with Mountain View Farms; that is the reason Mr. Harville added the clause. The Lease will not be approved until Mr. Guanzon receives verification the Charter has been approved by the State Corporation Commission.

The **Motion** was carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

(Chairman Saunders left the meeting at 12:11 p.m. and Vice Chairman Harville chaired the remainder of the meeting).

6B. CONSIDERATION – RESOLUTION 2013-01-14-6B – AMENDING THE AUTHORITY'S BY-LAWS

Authority Attorney Michael Guanzon noted this amends the bylaws to remove term limits. The City has a term limit internally in the City Code but the County does not. Since the only members of RIFA are member localities and no individual citizens, staff thought to be consistent with the discussion at the last meeting, the localities should have the final say as to whether there is a term limit to put people on the board. Vice Chairman Harville noted that there would not be a vote on the matter at this meeting, but at the February meeting. Mr. Guanzon noted that there is additional time requirement for notice, and the notice is being given by discussion at this meeting.

6C. CONSIDERATION – RESOLUTION 2013-01-14-6C – APPROVING RENEWAL OF AUTHORITY'S INSURANCE COVERAGE WITH VML

Authority Treasurer Barbara Dameron noted staff is seeking the Board's permission to renew the insurance from VML. Ms. Dameron explained they do not presently have the rates and probably won't have those for a couple of months, but do not anticipate a large

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increase. Vice Chairman Harville requested that if there is an increase, that Ms. Dameron check VACO and Ms. Dameron agreed she would check other options.

Mr. Snead **moved** adoption of Resolution 2013-01-14-6C, *approving the renewal of the Authority's insurance coverage with VML Insurance Programs, administered by Virginia Municipal League, Policy No. VMLP-0628-1.*

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

6D. CONSIDERATION – RESOLUTION NO. 2013-01-14-6D – APPROVING TRANSFER OF FUNDS

Authority Treasurer Barbara Dameron noted the Authority had some grants expire and in the Mega Park - Funding Other Than Bonds, the Authority was over-expended by approximately \$12,000. Staff is requesting permission to fund that amount from the Other Funds Available for Appropriation where the Authority has monies from Yorktowne and the sale from Harmony Church, of approximately \$187,000. Staff is requesting a transfer from there to the Mega Park to cover that \$12,000 difference.

Mr. Snead **moved** adoption of Resolution 2013-01-14-6D, *approving the transfer of \$11,854.39 from the "Funds Available for Appropriation" budget sheet to the "Mega Park – Funding Other than Bond Funds" budget sheet to cover certain Phase I expenses of the Authority's Mega Park project, in light of the expiration of a grant from the Tobacco Indemnification and Community Revitalization Commission. (No written resolution)*

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

6E. AUDITED FINANCIAL REPORT AND AUDIT LETTERS FROM BROWN, EDWARDS & COMPANY

Ms. Susan Chapman from Brown, Edwards gave the Authority a brief report on the audit beginning with a review of the Financial Report and noted that Brown, Edwards has issued a Unqualified Opinion for the FY 2012. She noted they did not have any findings related to the Federal Funds and they issued an Unqualified Opinion for Federal Program compliance as well. Ms. Chapman stated that the Summary of Compliance Matters notes key things they look at for RIFA outside of the numbers regarding compliance. Ms. Chapman also reviewed the summary of the results of the audit noting this year they have no significant deficiencies.

Changes in the financials this year include some increases related to the debt issued for the Mega Park and the increase in restricted cash representing the unspent proceeds. On the Income Statement, there are increases in contributions from both localities related primarily to debt service. Ms. Chapman discussed the evaluation of land values and stated the issue

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came up last year in the audit and they were having some issues determining some costs per acre for the Mega Park. Brown, Edwards had recommended that the Authority consider contacting an appraiser, but because of the volume of land involved it was a fairly significant bill. Staff discussed this and felt it wasn't the best use of funds at the time.

Mr. Shanks **moved** to accept the Audited Financial Report and Audit Letters from Brown, Edwards & Company, LLP as presented. The Motion was **seconded** by Mr. Snead and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

6F. FINANCIAL REPORT AS OF DECEMBER 31, 2012

Authority Treasurer Barbara Dameron gave the Financial Report and noted that the disbursements for December total \$9,652, the majority of which were in general expenditures. Under Cane Creek Center, \$860 was expended for a power signs at the Center. General Expenditures include \$7,000 in legal fees, approximately \$3,400 for the Cyber Park and some expenditures for postage, meals and utilities. There are no changes in Funds Available for Appropriation and under Rent, Interest and Other Income Realized, the Authority received \$2,933 in rent from the Institute and \$300 from Securitas.

Mr. Snead **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

7A. - CLOSED SESSION

Vice Chairman Harville noted that during closed session all matters discussed will involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.

At 12:23 p.m., Mr. Snead **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting as permitted by Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended, for consultation with the Authority's legal counsel, Clement & Wheatley, and briefings by the Authority staff or consultants on *Danville-Pittsylvania Regional Industrial Facility Authority v. AVRC, Inc.*, Case No. CL 12000634-00, in the Circuit Court for the City of Danville, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

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On **Motion** by Mr. Snead and **second** by Mr. Shanks, and by unanimous vote at 12:41 p.m., the Authority returned to open meeting.

Mr. Barksdale **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

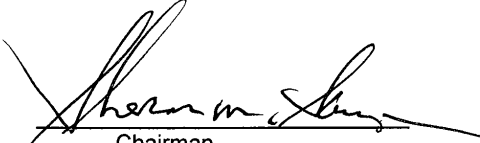
The Motion was **seconded** by Mr. Snead and carried by the following vote:


VOTE: 4-0
AYE: Harville, Snead, Barksdale, Shanks (4)
NAY: None (0)

COMMUNICATIONS

Danville City Manager Joe King distributed a letter to members from the Institute for Advanced Learning and Research noting the matter would be on the February agenda. IALR is asking RIFA to transfer the ownership of the Charles Hawkins Research Center to the Institute. Mr. King noted that staff is researching whether the EDA that funded the building would allow this transaction to occur. Mr. King noted staff would bring this back with all the pertinent information at the February meeting and the Board can determine what action they wish to take.

MEETING ADJOURNED AT 12:46 P.M.


Chairman


Secretary to the Authority