

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

December 14, 2015

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:17 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, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Vice Chairman Coy E. Harville, James A. Snead and Alternate Brenda H. Bowman.

City/County staff members attending were: Pittsylvania County Administrator Clarence Monday, Interim City Manager Ken Larking, Assistant County Administrator for Planning & Development Gregory Sides, City of Danville Assistant Director of Economic Development Corrie Teague, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Assistant Finance Director Patricia Connor, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Jennifer Burnette and Secretary to the Authority Susan DeMasi.

Also present were Brian Bradner of Dewberry & Davis and Chris Murray of Brown, Edwards.

PUBLIC COMMENT PERIOD

No one desired to be heard.

APPROVAL OF MINUTES FOR THE OCTOBER 13, 2015 MEETING

Upon **Motion** by Mr. Harville and **second** by Mr. Shanks, Minutes of the October 13, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

Chairman of the Authority, Sherman Saunders noted Item F would be heard first.

5F. CONSIDERATION – RESOLUTION 2015-12-14-5F – APPROVING A JOINT PERMIT APPLICATION FOR INSTALLATION OF A MONITORING STATION AT BERRY HILL

City of Danville Division Director of Water/Wastewater Barry Dunkley noted the City purchased this monitoring station approximately four years ago; the unit is pretty much self-contained, with solar power and battery backup. It will monitor five parameters, a sixth parameter can be added and it will be mounted on a short pier in the Dan River at the Mega Park. The station will provide continuous monitoring for Ph, turbidity, temperature, and conductivity which will be transmitted to the City's water plant through its SCADA system. Several Authority members expressed concern over security of the unit and Mr. Dunkley explained the unit will be locked. Mr. Shanks questioned if there was a way the City, through SCADA, could have video surveillance and Mr. Dunkley noted they could install a camera and they will look into hooking into the SCADA.

In response to Mr. Snead, Mr. Dunkley noted the probes go into the river and the unit itself is located above the river on the dock. It is installed on a high point so floods would not affect it. In response to Mr. Harville, Mr. Dunkley noted they could put an alarm on the unit. Ms. Bowman suggested metal poles around the unit to protect it.

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Mr. Harville **moved** for adoption of Resolution No. 2015-12-14-5F, *approving the joint permit application for the installation of a monitoring station on the Dan River at the Authority's Berry Hill Industrial Park.*

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

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

Mr. Saunders recognized Ms. Jennifer Burnette, Attorney with Clement Wheatley, filling in for Michael Guanzon.

5A. CONSIDERATION – RESOLUTION 2015-12-14-5B – RECOGNITION OF THE SERVICE OF COY E. HARVILLE

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5A *in Recognition of the Service of Coy E. Harville to the Authority as a Director, Chairman and Vice Chairman.*

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

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

5B. CONSIDERATION – RESOLUTION 2015-12-14-5B – RECOGNITION OF THE SERVICE OF JAMES H. SNEAD

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5B *in Recognition of the Service of James H. Snead to the Authority as a Director.*

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

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

5C. CONSIDERATION – RESOLUTION 2015-12-14-5C – RECOGNITION OF THE SERVICES OF BRENDA H. BOWMAN

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5C *in Recognition of the Service of Brenda H. Bowman to the Authority as a Director.*

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

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

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Mr. Saunders then recognized Mr. Harville, Mr. Snead and Ms. Bowman and read a Resolution in recognition of their service. Mr. Harville, Mr. Snead and Ms. Bowman were then presented with their Resolutions and plaques.

5D. CONSIDERATION – RESOLUTION 2015-12-14-5D – APPROVING A ONE YEAR LEASE RENEWAL WITH MOUNTAIN VIEW FARMS OF VIRGINIA L.C.,

Mr. Snead **moved** for adoption of Resolution No. 2015-12-14-5D, *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 project, 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; such renewal also includes a 60-day early termination right and right to show the Property to business recruits of the Authority.*

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

Mr. Harville noted Mountain View Farms of Virginia is in good standing and he supports renewal of this lease. The **Motion** was carried by the following vote:

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

5E. CONSIDERATION – RESOLUTION 2015-12-14-5E – RATIFYING LETTER TO ROBERT E. GITTLER, U.S. DEPARTMENT OF COMMERCE

Mr. Shanks **moved** for adoption of Resolution No. 2015-12-14-5E, *ratifying the letter to Robert E. Gittler, U.S. Department of Commerce, Economic Development Administration, Philadelphia Regional Office, from Sherman Saunders, which was the subject of Resolution No. 2015-10-13-5B at the October 13, 2015 RIFA Board meeting, in support of previous grant funding for the development of Lots 3 and 9 in the Authority's Berry Hill Industrial Park project, located in Pittsylvania County, Virginia, and future economic development.*

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

Assistant County Administrator for Planning & Development Gregory Sides explained staff felt it would be important to reinforce with the EDA, the Board's appreciation for the funding it has received to grade lots in Cane Creek Centre, let them know they are being actively marketed and how important it is in the Board's process in marketing sites. The County and the City have each sent separate letters and this letter was a joint letter through the RIFA Board, signed by the Chairman. It was authorized by a prior resolution and staff is requesting a ratifying vote today.

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

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

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5G. BERRY HILL INDUSTRIAL PARK – UPDATE OF PERMIT APPLICATION

Brian Bradner from Dewberry & Davis updated the Board on RIFA's permit application explaining they have all agency sign-offs and approvals with the exception of the 106 Review Process which involves the cultural resources. Staff has responded to two rounds of comments with the Department of Historic Resources, and the Corp has concurred with their latest response to DHR. Preservation of Virginia is also reviewing the cultural resource information; they have until December 21 to provide any additional comments to the Corp of Engineers. Once that process is complete, the Board will have permit approval.

In response to Mr. Shanks, Mr. Brander noted this application is for the Phase I development which includes approximately 133 acres of pad area. Mr. Shanks asked if the original permit is still where it was and Mr. Bradner noted it was. Mr. Shanks noted the Board had contacted its U.S. Senator and U.S. Congressman about this, and questioned Mr. Bradner on its status. Mr. Bradner explained the Authority's direction was to move forward with the permit approval for the Phase I development; the original permit is currently not active. Mr. Shanks noted he believed RIFA would pursue both permits. Mr. Sides explained the Board would follow both paths; take a short term approach to get a permit to allow RIFA to continue grading, but to continue to fight the larger issue of speculative development and not being able to move forward without users, legislatively. Board Members thanked Mr. Bradner for his presentation.

Mr. Adkins introduced a new City of Danville Finance employee, Henrietta Weaver.

5H. FINANCIAL REPORT/AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2015

Mr. Chris Murray from Brown, Edwards gave a brief review of RIFA's audit report. Mr. Murray thanked the City and County staff for their cooperation and assistance and being very well prepared for another audit. The first document is the Financial Report, and page two indicates another Unmodified or Clean Opinion for this year. Mr. Murray reviewed some highlights on page three, the Statement of Net Position, including the increase in cash balance this year as well as an overall increase in total net position. Bonds payable was down, just based on scheduling debt payments as expected. The Statement of Revenue, Expenses and Change in Fund Net Position shows consistency with the prior years. One item to note is the \$58,000 for Virginia Tobacco Funds which is related to a draw down for work performed on the Berry Hill Park. There were no new incentive agreements this year, however, one item note is \$14,000 for reimbursement relating to Elkay not meeting job creation. Also related to that, under Subsequent Event Note, is approximately \$77,000 to be reimbursed in FY2016, which has been refunded and also relates to job creation. In the Comment to Internal Controls document, there were no new comments this year and there is only one comment relating to segregation of duties which is strictly a comment the auditors have to communicate based on the limited staffing for the Authority. There are mitigating controls in place which are also noted in the letter. The final document is the Audit Committee Letter which is a required communication. This highlights the Auditor's responsibility and engagement, the Authority's responsibility and engagement and also notes there were no difficulties between the parties and no corrected or uncorrected misstatements from this year's audit.

Mr. Saunders questioned the comment about segregation of duties, would that be an issue with the Authority's bonds and Mr. Murray noted they did not anticipate that being an issue

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with the bond review. If it rose to a Significant Deficiency or a Material Weakness, that the Authority's financial statements could be materially misstated because of it, it might be more of an issue, but it is not rising to any of those levels.

Mr. Shanks stated the Auditor referenced Elkay on two separate pages, and asked the Auditor to go over those two references. Mr. Murray explained the \$14,000 was an amendment where the company agreed to pay a pro-rated dollar amount for the jobs they were short in their agreement. In early FY2016, the company did not meet the job requirement and they agreed to a prorated amount, which was the \$77,000 amount; this didn't relate specifically to June 30, 2015 which is why it is in the Subsequent Event note as an alert that that item would be coming through in 2016. Mr. Shanks questioned if both of those are reimbursements back to RIFA and Ms. Connor noted they are coming back to RIFA as part of RIFA's agreement.

Mr. Harville **moved** to accept the Financial Report/Audit for the Fiscal Year ending June 30, 2015 with Brown Edwards & Company LLP Auditors. The Motion was **seconded** by Mr. Snead and carried by the following vote:

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

5I. FINANCIAL STATUS REPORT AS OF NOVEMBER 30, 2015

Mr. Adkins reviewed the financial activity through the end of November, beginning with the \$7.3M bonds for Cane Creek; the only expenditure was \$180 to Dewberry for Wetland monitoring. Under General Expenditures for the fiscal year, the Authority paid out \$9,153 to Clement Wheatley for legal services, \$14,000 to Brown, Edwards for the annual audit fees, \$532 for meals and \$63 for utilities. There was no activity under Mega Park Funding. The Berry Hill Mega Park Lot 4 Site Development shows \$44,499 to Dewberry for two amendments; Amendment Number 9 was \$12,500 and Amendment Number 11, was just under \$32,000. Rent, Interest and Other Income indicates RIFA received \$36,582 from the Institute for Advanced Learning and Research for the monthly lease payments, \$600 from Securitas and \$341 in interest. The Authority also made its property management fee to the Institute for \$35,213. Mr. Adkins noted RIFA did make its debt service payment on time, the principal amount was \$780,000 with interest was \$91,209. Mr. Harville noted staff needs to clean up some of the things in the financial statements where it refers to State Road 863, that is now 311.

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

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

County Administrator Clarence Monday introduced the County's new Economic Development Director Matt Rowe. Board Members welcomed Mr. Rowe.

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6. COMMUNICATIONS

Ms. Bowman noted her goodbyes and thanked everyone for their courtesies and respect over the last year while she served on the Board. Ms. Bowman noted she has enjoyed working with City staff and elected officials and is looking forward to the next chapter of her life.

Mr. Harville noted this has been a wonderful venture and project that the City and County pursued and thanked the City members for working together with the County to move this forward.

Mr. Shanks noted it has been an honor and pleasure to work with the County members over the last six or seven years he has been on the Board.

Mr. Snead thanked everyone, he has been on RIFA for seven years, it has been a pleasure to serve and is looking forward to the next chapter in his life.

Mr. Vogler noted he has enjoyed working with the County members and thanked them for all they work they have done for RIFA.

Mr. Saunders noted Ken Larking is now officially the Interim City Manager for Danville. Mr. Saunders reminded the Board that on January 1, RIFA will need a new chairman. His term, based on the by-laws expires December 31, 2015. Pittsylvania County will be in line for that position. Mr. Saunders noted everyone will miss the County members.

Mr. Harville noted he has spoken to Mr. Saunders and several board members and noted he is concerned; RIFA needs to have a Chairman on a day to day basis and would like to **amend** the Agenda to discuss the Chairmanship of RIFA. Mr. Snead **seconded** the Motion and the Motion passed with the following vote:

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

Mr. Harville noted he would like to make a **motion** that Mr. Saunders have the authority on January 1, 2016 to carry on as Chairman until the pre-RIFA meeting with the staff and the RIFA meeting is set for elections. Mr. Snead **seconded** the Motion. Mr. Shanks questioned if that would run from January 1 until the first RIFA meeting and Mr. Harville noted that would give staff time to discuss this for the future election. Mr. Monday could discuss the new members when they are appointed.

Secretary to the Authority asked Mr. Harville to clarify his Motion, did he want Mr. Saunders to serve as Chairman until the next RIFA meeting and Mr. Harville confirmed he did. Mr. Shanks asked if there would be any reason to say instead of the next meeting until the new Chairman is elected and Mr. Harville noted his agreement.

Mr. Saunders noted in his experience in different boards that the Chairperson maintains their position until it is filled by another person. Ms. Burnette noted RIFA by-laws states the term of office for the officers is for the calendar year in which they are elected and shall

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continue until their successors are elected. Mr. Saunders noted that Mr. Harville's Motion confirms the by-laws.

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

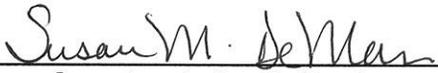
VOTE: 4-0
AYE: Harville, Snead, Saunders, Shanks (4)
NAY: None (0)

Mr. Larking expressed his gratitude to the Pittsylvania County Board members for all the work they have put into RIFA and their cooperation working with the City.

Mr. Monday commended the three Pittsylvania County Board members for their leadership efforts and responsibilities to RIFA and it was a pleasure serving with them.

The Meeting adjourned at 1:16 p.m.


Chairman


Secretary to the Authority