

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

January 11, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:26 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 Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: Pittsylvania County Administrator Clarence Monday, Interim City Manager Ken Larking, Pittsylvania County Economic Development Director Matt Rowe, 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 Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present were Brian Bradner and Shawn Harden of Dewberry & Davis.

Mr. Saunders welcomed the new RIFA Board Members: Chairman of the Pittsylvania County Board of Supervisors Mr. Jessie L. Barksdale, Vice-Chairman of the Pittsylvania County Board of Supervisors and RIFA Board Alternate Elton Blackstock and Mr. Robert Warren.

PUBLIC COMMENT PERIOD

No one desired to be heard.

Mr. Saunders noted he would like to add **Item 6C** to the Agenda. Mr. Shanks **moved** to add Item 6C. The Motion was **seconded** by Mr. Barksdale and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

APPROVAL OF MINUTES FOR THE DECEMBER 14, 2015 MEETING

Upon **Motion** by Mr. Shanks and **second** by Mr. Barksdale, Minutes of the December 14, 2015 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

NEW BUSINESS

6A. ELECTION AND REAPPOINTMENT OF OFFICERS FOR CALENDAR YEAR 2016

Authority Attorney Michael Guanzon noted under the By-laws, the terms of Officers are calendar year and because the Chairman last year was Mayor Saunders, the Chairman this year has to come from the County.

1. Mr. Saunders asked for a nomination for Chairman of the RIFA Board. Mr. Warren **nominated** Jessie Barksdale. The Motion was **seconded** by Mr. Shanks. There were no further nominations and the Motion was carried by the following vote:

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VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

2. Mr. Saunders asked for a nomination for Vice Chairman of the RIFA Board. Mr. Barksdale **nominated** Mr. Saunders for Vice Chairman. The Motion was **seconded** by Mr. Warren. There were no further nominations and the Motion was carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

3. Mr. Saunders asked for a Motion to reappoint Ms. Susan DeMasi as Secretary to the Authority. Mr. Barksdale **moved** to reappoint Ms. DeMasi as secretary of the Authority, the Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

4. Mr. Saunders asked for a Motion to reappoint Mr. Michael Adkins as the Treasurer of the Authority. Mr. Shanks **moved** to reappoint Mr. Adkins as Authority Treasurer, the motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

Mr. Saunders turned the meeting over to Mr. Barksdale, the Board's new Chairman. Mr. Barksdale thanked the Board for their vote of confidence, he thinks a lot of this Board as it provides a great partnership between the City the County.

6B. FINANCIAL STATUS REPORT AS OF DECEMBER 31, 2015

Mr. Adkins reviewed the financial activity through the end of December beginning with the \$7.3M Bonds for Cane Creek which showed no expenditures for December. Under General Expenditures, the Authority paid out \$58 to the Danville Register and Bee for advertising of a required notice; \$11,296 to Clement Wheatley for legal services, \$5,700 to Brown, Edwards for the annual audit, \$236 for meals and \$65 for utilities. There was no activity under Mega Park Funding Other Than Bonds. The Berry Hill Mega Park Lot 4 Site Development shows \$80 to Wetland Studies and Solutions. Rent, Interest and Other Income indicates RIFA received \$300 from Securitas, \$185 Interest Income and \$18,875 paid to the Institute for Advanced Learning and Research for the property management fee. Mr. Adkins explained every month the Institute pays a lease payment to RIFA and it is returned to them as a property management fee. In November, because of the timing, the income was doubled. This month, the report does not show the Income, only the Expenditure to them; typically those occur in the same month.

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Mr. Adkins explained because there is a change in Board members, staff needs to get new signatures for RIFA's checking accounts; Mr. Adkins noted staff has the forms today for them to sign.

Mr. Adkins noted last month, RIFA had the audit report from Brown, Edwards and the only thing they mentioned, which is typical for any Authority, is the segregation of duties comment and he wanted to address the two issues they brought forward. One issue was signed checks are returned to the individual responsible for check preparation, for mailing; this can allow payments to be diverted. Staff takes steps to mitigate any risks related to this. All invoices are reviewed and approved by staff, usually a combination of all three of the City's finance staff that also deals with RIFA. Once the invoice is approved, it is given to the senior secretary of the Finance Department who writes the checks, they come to the RIFA meeting for signature, they go back and the senior secretary mails them. What the auditor is commenting on is the secretary writes the check and mails them. Staff feels the mitigating factors they have in place, the multiple reviews of the invoices and having two Board members responsible for signing those checks, mitigates any impropriety that could occur with that function. The second item the Auditors note is that the individual with bank reconciliation responsibilities has limited access to the General Ledger; they have some capacity to make entries into the general ledger software. Mr. Adkins explained the mitigating factors are the bank reconciliation records. The bank statements come to the Finance department, are reviewed by at least two of the three finance staff and given to another individual in the finance department to perform the monthly reconciliation. That staff member does have the capability of making entries to record any interest income that has been generated in the account. That is the limitation of what is expected of her as far as making entries into the financial software. Mr. Adkins and his staff do have the ability to log into the software to track what is done in the system.

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

6C. CONSIDERATION OF RESOLUTION 2016-01-11-6C AUTHORIZING THE CHAIRMAN OR VICE CHAIRMAN TO EXECUTE AGREEMENT

Mr. Guanzon explained the Freedom of Information Act does allow the RIFA Board to keep confidential information that is proprietary to a recruit that is coming in or potentially coming into the area. It specifically authorizes the Chairman and/or the Vice Chairman, either one can act independently of the other, to execute the confidentiality agreements to protect the proprietary information.

Mr. Saunders **moved** adoption of *Resolution 2016-01-11-6C authorizing the chairman or vice chairman to execute any agreement promising to keep confidential certain records and information set forth in Virginia Code § 2.2-3705.6(3) as amended, including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority and to be used by the Authority for business and/or trade development.*

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

7. CLOSED SESSION

[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]

A. At 12:40 p.m., Mr. Shanks **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)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia; and as permitted by Virginia Code §2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code §2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development).

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

VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

C. On **Motion** by Mr. Shanks and **second** by Mr. Warren and by unanimous vote at 1:27 p.m., the Authority returned to open meeting.

D. Mr. Saunders **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. Shanks and carried by the following vote:

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VOTE: 4-0
AYE: Barksdale, Warren, Saunders, Shanks (4)
NAY: None (0)

8. COMMUNICATIONS

Mr. Saunders welcomed Mr. Barksdale, members of the Board and thanked RIFA for all it does for the region.

Mr. Shanks noted he looks forward to working with the new members of the Board.

Mr. Vogler welcomed the new members of the Board and looked forward to working with them.

Mr. Warren noted he was excited at the opportunity to work with the RIFA Board.

Mr. Barksdale stated he served on RIFA as an alternate for about two years, it is a great organization and a wonderful partnership between the City and the County. Mr. Barksdale noted he is looking forward to working with everyone and will work hard to make a contribution.

The Meeting adjourned at 1:32 p.m.


Chairman


Secretary to the Authority