

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY

Minutes of Meeting

May 26, 2016

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, April 28, 2016, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

David Kause, Chairman
David Carpenter
John Silva

Charlie White
Jennifer Atwell
Dicky Morgan

MEMBERS ABSENT

Wes Mabe

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

Jason Childers, Rural Retreat Town Manager
R. Cellell Dalton, Wythe County Administrator

JOINT IDA STAFF PRESENT

David Manley, Executive Director
John Matthews, Associate Director
Virginia Crockett, Administrative Assistant

DETERMINDATION OF QUORUM

Chairman Kause called the meeting to order and determined a quorum to be present. Chairman Kause offered the invocation and led the Pledge of Allegiance.

CITIZENS' TIME

Chairman Kause welcomed Wayne Sutherland, Wytheville Town Manager, and Patricia Bevil from the Virginia Employment Commission, to the meeting and asked if there was anyone present who would like to address the Board. Ms. Bevil mentioned information regarding the Virginia Employment Commission, such as job openings, job fairs, and job interviews. She thanked the Board for the invitation to the announcement of the new company. The Board asked several questions regarding job fairs, job openings, and unemployment statistics, etc. Ms. Bevil discussed the information with the Board and answered their questions appropriately. Chairman Kause asked if there were any further questions. With there being none, Chairman Kause continued with the meeting.

APPROVAL OF MINUTES—April 28, 2016

Chairman Kause asked if there were any questions or discussion regarding the April 28, 2016, meeting minutes. Mr. Carpenter stated that he had contacted Ms. Crockett regarding a couple of misspellings in the minutes and that they had been corrected. With there being no further discussion, Chairman Kause asked for a motion to approve the April meeting minutes as corrected. Mr. Morgan made a motion, seconded by Mr. Silva, to approve the minutes as amended. With no further discussion, the motion passed unanimously.

APPROVAL OF INVOICES

Chairman Kause asked if there was a motion to approve the invoices. Mr. Carpenter made a motion, seconded by Mr. White, to approve the invoices as presented. With no further questions, the motion passed unanimously. Ms. Atwell abstained from voting due to the Chamber of Commerce being a recipient of funds this month.

**Joint IDA of Wythe County
Check Register
For the Period from May 1, 2016 through May 31, 2016**

Check #	Date	Payee	Amount
EFT	5-26-16	Appalachian Power Co.	83.73
EFT	5-26-16	CenturyLink	190.61
EFT	5-26-16	Robert G. Moore	1,100.00
EFT	5-26-16	Xerox Corporation	44.57
EFT	5-26-16	First Bank – Master Card	1,982.26
7409	5-26-16	Coffee and Crumbs	178.78
7410	5-26-16	Rentopia	469.48
7411	5-26-16	TC’s Care and Repair	30.00
7412	5-26-16	The O’Connor Group	125.00
7413	5-26-16	Virginia Crockett – Reimbursement	73.44
7314	5-26-16	Virginia Fire Protection	50.00
7415	5-26-16	Wordsprint	220.00
7416	5-26-16	Wytheville Office Supply	74.97
7417	5-26-16	W-W-B Chamber of Commerce	600.00
7418	5-26-16	The Restaurant @ Wytheville G. Club	1,714.16
7419	5-26-16	Wytheville Golf Club	2,500.00
7420	5-26-16	Town of Wytheville	16,161.40
Total			\$ 25,598.40

STAFF REPORT – ASSOCIATE DIRECTOR

Webinars

Main Street Webinar – May 6, 2016
VEDP project Review and Credit Committee Webinar – May 26, 2016

Revolving Loan Fund Inquiries
Startup Wythe In Inquiries
Eric Crowgey – Properties
Wythe-Bland Young Professionals and steering committee
Chamber Business Expo
Bob Downey – Properties
Jordan Snelling (DHCD) – CAMS, Enterprise Zone, Grants
Joy Rumley (DHCD) – Small Business Attractions and Incentives

Economic Restructuring Committee

- Startup Wythe In – The committee has posted the competition outline and application, which are starting to be turned in. The committee has received pledges and payments totaling \$14,550. We have created a page on our website and shared it through Facebook.

Enterprise Zone Reporting

Our office has received the 2015 Annual EZ Report request from the Department of Housing and Community Development. This will be the first year we will file through the CAM’s online system. The report is due by July 15.

Golf Tournament

The golf tournament turned out to be a success. We had 19 teams, 12 hole sponsors, 12 reception sponsors, and 2 beverage and snack sponsors. We still have some money coming in, but we will make \$1,039.84.

STAFF REPORT – EXECUTIVE DIRECTOR

New or Expanding Business Activity

- Responded to inquiries from
 - Local industry
 - Site selection consultants
 - Accounting Firm
 - Ongoing prospects
 - VEDP
 - Tobacco Commission
 - Small Business owners
 - Downtown entrepreneur
 - Local industry CEO

Notable Activities

- Announcement: Branch Botanicals – 5/11/2016 (40 jobs, \$21 + M investment)
- Visit from The New York Times – 5/25-5/26/2016 – discussing data centers, economic development, our area in general
- Site visit from significant industrial prospect for Lot 24 – 5/9/2016
- US Senator Mark Warner’s business event @ Bolling Wilson Hotel (5/6/2016)
- JIDA Golf Tournament – 5/19/2016
- aCorridor – Executive Committee meeting/marketing discussion

Business Contacts and Meetings

- Joe Gillespie, VEDP Project Manager
- Josh Lewis, aCorridor
- Stephanie Surrectt, Exec. Dir – SVAM Center of Excellence
- Jerry Hurt, RR Depot Foundation
- Jim Grubbs, First Community Bank
- Quentin Hardy, The New York Times
- Mary Jane Umberger, HR Alliance LLC
- Matt Weaver, DHCD re: funding for sewer extension in Progress Park
- Jordan Snelling, DHCD – EZ administration
- Bill Smith
- Mark Bloomfield – Downton Wytheville, Inc. – re: Senator Warner’s visit
- Randy Lund, Hutchinson
- Alan Wood – Coperion Corp.
- Tim Pennington, Schaffner MTC
- Downtown Wytheville Economic Restructuring Committee
- Peter Argue, Somic America
- Jeff Dunnack, Somic America
- Mary Rae Carter, Office of the Secretary of Commerce
- Warren Hammer, VEDP
- Pandy Brazeau, VEDP
- Stacey Richardson, VaTRRC
- Cellell Dalton, County Administrator
- Wythe-Bland Young Professional Steering Committee
- John Smolak, Ec. Dev. Director – AEP
- Lennie Gail Mitcham, SVAM Exec. Dir.
- John Longshore, Global Location Strategies (Tiger)
- Dean Sprinkle, President – WCC
- Dan Motley, Norfolk Southern
- John Griffith, Appalachian Power
- Jason Childers, Town of RR
- Wayne Sutherland, Town of Wytheville
- Dan Tolley, Branch Botanicals

Media:

- Branch Botanicals announcement and news was covered by (at a minimum):
 - WDBJ7 – CBS Roanoke

- WSL10 – NBC Roanoke
- AOL News
- Roanoke Times
- Bristol Herald Courier
- Wytheville Enterprise
- SWVAtoday.com
- Randle Report
- VEDP
- Southern Business & Development
- Pulaski County patriot
- Freshpickeddeals.com
- Numerous other outlets and news aggregators

Upcoming:

- Strategy session w/Tazewell County EC Dev. Reps
- VEDA PRACC webinar (today)
- Ready Sites certification – VEDP meeting
- VEDA Summer meeting - Martinsville

OLD BUSINESS

GOLF TOURNAMENT RECAP

Mr. Matthews reported on the golf tournament update during his staff report.

STRATEGIC PLAN UPDATE

Mr. Manley stated that the strategic plan up for editing and discussion is still the copy from the last Board meeting. Chairman Kause stated that he has a question on the section regarding “support workforce development”, it states that the JIDA “work with educational partners at all levels.” He inquired as to whether SVAM, The Center of Excellence, and some other names were included, or is this just in general. Mr. Carpenter asked if the plan should mention names, or would working with educational partners suffice. Mr. Manley stated that the names could certainly be added if that is what the Board desired, and he thought that it would be appropriate to list them. Chairman Kause stated that was what he noticed the most while looking over the plan and that if educational partners were mentioned, maybe some of them should be listed. He also mentioned “maintain optimum external communication”, we are taking out the quarterly newsletter. Chairman Kause asked if something should be added regarding the “Year in Review” publication. Mr. Manley stated that is a great idea. Chairman Kause mentioned that he thought that last year’s year-end review publication went over well with everyone and it might be a good idea to include it in the Strategic Plan. Chairman Kause asked if there were any other comments or thoughts on the Strategic Plan. Mr. Manley stated that what he proposed to do, if this plan ends up being suitable with the Board, he will make all of the changes and bring it to the next scheduled Board meeting in a completed form for approval. Chairman Kause was going to ask if it needed to be approved today, but Mr. Manley stated he wanted to go before the Joint Governing Bodies meeting to discuss the impending changes, but the meeting had been cancelled. Mr. Carpenter if that was the Joint Committee and Mr. Manley stated that it was all three governing bodies who will now meet in August. Ms. Atwell asked about the “support Wythe County tourism plan”. Mr. Manley stated that he did not know the status of Wythe County’s tourism plan, but he understood that last year’s funding was substantially put into the Stephen F. Austin Memorial efforts and that he was not sure about this coming year. Ms. Atwell stated that the County did not appoint the tourism committee. Mr. Manley will find out if there is a tourism committee operating and the status of tourism appropriations and report back.

Chairman Kause asked if there were any further comments regarding the Strategic Plan. He mentioned that it would be good to get it finalized and knowing the efforts that went into the Strategic Plan a couple of years ago and to get to this point with only minor changes is good. Mr. Manley stated that he recommended for wholesale overhaul to do it two years from now and then another two years until the next revision. Ms. Atwell asked if wytheida.org and progresspark.org are all in one. Mr. Manley stated that everything is currently under wytheida.org and that the progresspark.com URL refers to it.

Chairman Kause asked if everything is sufficient for the final revision. Mr. Carpenter asked if the annual report will be added and if the work with the educational partners will be elaborated. Mr. Manley stated the annual reports has been added and SVAM, WCC, and other educational organizations will be listed.

Chairman Kause thanked the Board members for their input into the Strategic Plan.

BUDGET

Mr. Manley stated that the Wythe County allocations were received in the mail on Monday, May 23. He mentioned that it was not what was originally asked for, but it was level with 2015-2016, so that was a workable situation. Mr. Manley added that accordingly, the Town of Wytheville and the Town of Rural Retreat's contributions were altered as seen on the budget figures circulated. He noted that the Town of Rural Retreat's contribution for 2016-2017 is less because they did not reduce it for the 2015-2016 year when they could have based on the County's contribution. This year the JIDA requested the amount pursuant to the funding formula, which would be a less contribution than last year. Mr. Manley mentioned that this year's notification came early and gave him time to make appropriate requests of the governing bodies and to develop an operational budget before the end of the fiscal year.

Mr. Manley mentioned that revenues on the budget are self-explanatory. He added that some of the categories have been streamlined to try and make them a little more logical because if you have to choose between two or three that they can go into, that is not an efficient system. He added that everything should obviously go into one category or another and he believes that the JIDA is getting closer to that. He added that if the Board will notice the original reserve contribution for 2015-2016 is one of the major changes, which was going to be \$12,500, but with the funding reduction it was impossible. Mr. Manley stated that the JIDA is still on track to make the reserve fund whole in the course of time that was planned, he was just trying to get a little ahead. He added that the JIDA was asked to maintain roughly three months of expenditures in the reserve and that is growing and should be up to the amount in another budget year. However, the JIDA had five years to complete it according to the plan agreed to by the Joint Governing Bodies.

Mr. Carpenter asked where the revenue from the Revolving Loan Fund was kept. Mr. Manley stated that it stays in the Revolving Loan Fund. Mr. Carpenter asked if it was a total separate budgeting process, not involved in the JIDA budgeting process. Mr. Manley stated that it was, the Board has in front of them the operating budget and added the RLF and the golf tournament is not a part of the operating revenue either – they are restricted funds as opposed to operating funds. Mr. Manley stated that the budget that the Board has are the funds that were given to the JIDA to do the work of economic development. The JIDA administers the Revolving Loan Fund and it needs to be accounted for separately because grant money from a federal department created it and we have a separate account that is kept in a public account in Richmond that is kept away from the JIDA operating funds.

Ms. Atwell mentioned that she noticed the director compensation where the JIDA had one amount for last year which had already been exceeded this year-to-date. Mr. Manley stated that the JIDA was asked not to put any pay changes in the budget a year ago, although it had been approved for the director pay to change before then. He mentioned that the paperwork finally went through the Town of Wytheville, so the amount is reflected in the next year's budget in the full amount for all relevant salaries. Mr. Manley stated that the amounts in the budget are accurate best estimates for next year which brings everything up to where it is expected to be. Ms. Atwell stated that the budget for this year reflects that \$7,600 has already been spent and there is another payroll due which will make it go over. Mr. Manley stated that he knew that it was going to be over the \$6,900 that was budgeted because he was asked to not put in the full amount at the time of budget adoption, so it was destined to be over budget no matter what. He mentioned that he did include an explanation as to what had occurred during this year's budgeting process.

Mr. Carpenter mentioned that the professional development and education expenses went up by \$1,000, but the travel expenses are going to be curtailed by \$500. He asked if it was accurate that JIDA plans to spend more for education, but less to travel there. Mr. Manley stated that based on the current years use of funds a little more funds in the professional development could have been used, not nearly enough of the travel funds were used. However, based on the current state of budget use, that was an accurate projection for the coming fiscal year. Mr. Carpenter asked if mileage went down because of the drop in the federal mileage expense rate. Mr. Manley stated that it affected it some, but also that the budgeted amount would yield a lot of driving, nearly 15,000 miles per year. He mentioned that if the staff needs to drive that much, they can drive that, but based on this year's use it did not need to be that much. He added that to balance the budget some cuts had to be made and mileage was a logical place. Mr. Carpenter asked if utilities and communications are going down. Mr. Manley stated that they have gone down every year during his tenure and noted that the presented budget is based on actual monthly bills and not on projections as was done before.

Ms. Atwell asked if the audit cost went down. Mr. Manley stated that it did. He added that although there was more to audit new accounting procedures actually streamlined the audit process, cutting the necessary time for auditors to be on site. Ms. Atwell asked about the budgeted funds for engineering and consulting. Mr. Manley stated that it was an annual allowance that could be used for maps, surveying, legal matters, etc.; essentially a contingency for a prospect or expanding business needs. Mr. Carpenter asked if printing and copying was going down also. Mr. Manley stated that it was because the JIDA switched to the new copier that was purchased a year ago, it operates at a fraction of the cost of the old one. Mr. Carpenter asked where it was purchased. Mr. Manley stated that it was the newer model of the old one that the JIDA had and it was a Xerox from Wytheville Office Supply.

Ms. Atwell asked about furniture and fixtures. She stated that she was looking at the profit and loss, that it was \$.99. Mr. Manley stated that something was bought and then returned because it was not suitable and that improvements still need to be made including shelving, filing cabinets. He added that there had not been a good time yet to make those purchases and that the balance was due to a refunded amount.

Mr. Silva asked if \$1,250 was going to be saved in office supplies. Mr. Manley stated that based on the present year's spending the JIDA caught up on a lot of items that we did not have and that those items did not have to be bought annually, necessarily. He stated that he was trying to be as accurate as possible based on actual spending. Mr. Silva asked if it was based on a year-to-year basis, or on a three-year trend. Mr. Manley stated that he only has two years of experience and purchasing is done somewhat different than in previous years. Mr. Silva stated that he appreciated what Mr. Manley was doing, to not misunderstand him, but he is anticipating costs going up and not down this year, at least with his business. Mr. Manley gave examples as to why expenses will not increase, including of items that were purchased in bulk, more aggressive purchasing efforts, and items bought replacing outdated items will not have to be purchased again for some time.

Mr. Morgan asked about the decrease in website expenses. Mr. Manley stated that based on spending approximately \$100 per month has been included in the budget for repairs to the website, etc., because the site is new. Mr. Carpenter stated that the website was updated last year and that is where the funds were used and the current budget will only be maintenance. Mr. Manley stated that it is for maintenance, renewing the name every year, hosting every year, but also when something breaks on the back end that cannot be fixed by the JIDA staff someone would need to be paid to do so.

Ms. Atwell asked when the liability insurance was due. Mr. Manley stated the bill should arrive shortly and will be paid in June. Ms. Atwell asked about the website where it was readjusted do you know which account they came out of. Ms. Crockett explained that there were two original subaccounts under website that were eliminated and everything was consolidated into one website category. Ms. Atwell noted also that printing and copying had changed. Mr. Manley stated that the staff found that some things can be done efficiently in house, so those were combined because much less is sent out to be printed and that the costs were interrelated.

Chairman Kause asked if there were any other questions. Mr. Carpenter asked if this needed to be approved. Mr. Manley stated that since the letter was received in the mail confirming the County's financial support, the budget is ready to be approved for use beginning July 1. Mr. Carpenter made a motion to approve the budget as presented, Mr. Silva seconded the motion, with no further discussion the motion passed unanimously.

OTHER

None

NEW BUSINESS

BRANCH BOTANICAL ANNOUNCEMENT

The Branch Botanical announcement was discussed earlier in the meeting during the Executive Director's report. Mr. Manley stated that he did bring a copy of the press release, if anyone was interested in seeing it.

Mr. Manley mentioned that there has been a lot of activity from interested people in the project on how they can get involved. The mix of individuals includes engineers, contractors, farmers, etc. The company is asking that he compile a list of the interested parties and email them to Dr. Tolley. Mr. Manley stated that a lot of discussion was happening throughout the community regarding this new business.

CANCELLATION OF JOINT GOVERNING BODIES MEETING FOR MAY 30, 2016

Mr. Manley mentioned that the Joint Governing Bodies meeting that was to be held on Monday, May 30 had been cancelled because the date fell on Memorial Day. The next joint meeting will be held on Monday, August 29, 2016, at which time the normal report would be given to the assembled elected officials.

PROJECT UPDATES

None

OTHER

Website analytics – Mr. Manley spoke about the activity on the Joint IDA website report. He indicated traffic from new users, all users, people who typed in the address directly, and the new and returning statistics. He also mentioned what countries the activity was coming from including China, Brazil, the UK, and others.

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:10 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary