

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
October 26, 2017

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, October 26, 2017, at 3:30 p.m. in the library of Fort Chiswell High School at #1 Pioneer Trail, Max Meadows, Virginia.

MEMBERS PRESENT

David Kause, Chairman
David Carpenter
Dicky Morgan
Matthew Clarke
Wes Mabe, Vice Chairman

MEMBERS ABSENT

John Silva
Charlie White

EX-OFFICIO MEMBERS PRESENT

None

EX-OFFICIO MEMBERS ABSENT

Jason Childers, Rural Retreat Town Manager
C. Wayne Sutherland, Jr., Wytheville Town Manager
Stephen Bear, Wythe County Administrator

JOINT IDA STAFF PRESENT

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

DETERMINATION 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 Patricia Bevil with the Virginia Employment Commission to the meeting. Chairman Kause asked if there was anyone who would like to address the Board during citizens' time. There being none, Chairman Kause continued with the meeting.

APPROVAL OF MINUTES—September 28, 2017

Chairman Kause asked if there were any questions or discussion regarding the minutes from September 2017 and he asked for a motion to approve. Mr. Mabe made a motion, seconded by Mr. Clarke, to approve the minutes as presented. With no further comments, the motion passed unanimously.

FINANCIAL REPORTS AND APPROVAL OF INVOICES

Chairman Kause asked if there were any questions or concerns regarding the financial statements for October 2017. He asked if there was any discussion or a motion to approve.

Mr. Manley asked that the Revolving Loan Fund information be discussed a little later in the meeting because he had other items he would like to discuss relating to it.

Mr. Carpenter discussed what he had spoken with Ms. Crockett regarding entries on the financial reports. The items in question were: new check log from September (additional check written that was not noted on the check register from the past month, check approved), telecommunications credit in the amount of \$19.98, and maintenance charges. Mr. Manley explained that the additional charges for the lawn care were because the regular lawn maintenance man quit and another one had to be hired. The mulching and trimming of the shrubbery in front had not been done for a couple of years, so that was done this year. Mr. Carpenter mentioned that if the Board would notice on the operating account there is a negative of \$85,000, but also on the profit and loss statement it shows actual income already and that the VIAA had to be paid out this month. Staff responded that the quarterly appropriations had not yet been received from the jurisdictions and that because invoices were issued, those entries were reflected in QuickBooks. Mr. Manley noted that is normal for every quarter. Mr. Carpenter asked if the money has been received from the County yet and staff responded that it had not, but would likely be received shortly when the County pays its bills. Mr. Carpenter added that he just wanted to point those items out because when trying to balance from month-to-month, it does not add up, so he wanted to verify the changes between the two months. Mr. Manley mentioned that if the Board would not like to vote on these financials until next month we can certainly do that and prepare updated copies reflecting the changes for all Board members. Mr. Carpenter stated that he is good with the information as amended. However, he is the only member who has copies of the changes. Ms. Crockett stated that she could send the check register to all Board members. Mr. Manley stated that he did not want the Board to vote on anything that they are not comfortable with. Mr. Carpenter mentioned that was the reason he was explaining the information so that everyone would feel comfortable about the changes. Mr. Manley noted for the record that the discrepancies mentioned by Mr. Carpenter were: a \$19.98 credit from CenturyLink and a payment for \$260.00 for maintenance to Mike Atwell which had occurred after financial statements were printed and were normal business.

Mr. Carpenter made a motion, seconded by Mr. Morgan, to approve the financial reports as discussed and presented. With no further discussion, the motion passed unanimously.

**Joint IDA of Wythe County
Check Register
October 1, 2017 through October 31, 2017**

Check #	Date	Payee	Amount
EFT	10-26-17	Appalachian Power Co.	91.18
EFT	10-26-17	CenturyLink	158.78
EFT	10-26-17	First Bank MasterCard	2,433.60
EFT	10-26-17	Robert G. Moore	1,100.00
EFT	10-26-17	Xerox Corporation	61.98
7324	10-26-17	David Manley	308.70
7325	10-26-17	John Matthews	153.01
7326	10-26-17	Town of Wytheville	17,138.23
7327	10-26-17	VIAA Regional Economic Dev.	9,136.00
7528	10-26-17	W-W-B Chamber of Commerce	375.00
Total			\$ 30,956.48

STAFF REPORT – ASSOCIATE DIRECTOR

Workshops

Enterprise Zone Administrators Workshop – October 3, Marion, VA
 Designated Marketing Organization/Economic Development Office Partnership Webinar – October 4
 VEDP Update & Southwest VA Webinar – October 5
 Nine Minutes on Monday – Employment Engagement with Mary Jane Umberger – October 15, Wytheville, VA
 Business2Business Engage Bootcamp – October 19, Radford, VA
 Business Management Software Webinar – October 26

Meetings

Advanced Manufacturing Career Academy Luncheon
 Economic Vitality Committee – CBL Grant
 Manufacturing Career Fair & FAM Tours Planning
 Properties - Commercial Real Estate Agents
 Property Owners
 Revolving Loan Fund Recipients
 Small Business Assistance
 SVAM Manufacturing Awards Dinner
 VEDP Reporting – Major Employment Site (MEI) Development
 Wythe-Bland Young Professionals and Steering Committee

Upcoming Events

Manufacturing Career Fair – November 1, 9 am-12pm at the Wytheville Meeting Center
Manufacturer Round Table – January 17, 8-9:15 am at the Wytheville Meeting Center

STAFF REPORT – EXECUTIVE DIRECTOR

New or Expanding Business Activity

- **Responded to inquiries from**
 - VIAA
 - VEDP
 - Entrepreneurs
 - Existing Industry
 - Industrial contractors
 - Various candidates for local office
 - Brewery prospects

- **Business Contacts and Meetings**
 - Jay Langston, VEDP Managing Director
 - Mary Rae Carter, Asst. to Governor for Rural VA
 - Josh Lewis, Virginia's Industrial Advancement Alliance
 - Downtown Wytheville Economic Vitality Committee
 - Stephen Moret, VEDP CEO
 - Crystal Morphis, Creative Economic Development
 - Stephen Bear, County Administrator
 - Travis Staton, United Way of SWVA CEO
 - Stephanie Surrect, SVAM Center of Excellence
 - Marty Holliday, NR/MR Workforce Development Board
 - Dan Tolley, Branch Botanicals
 - Dan Motley, Norfolk Southern
 - SWVA Wedding group
 - Randy Rose, VEDP Workforce and VJIP
 - Pandey Brazeau, VEDP Business Investment Manager
 - Betty Elmore, Wythe County Community Hospital
 - Will Kline, The Retail Coach
 - Rob Morgan, Independent forester

- **Noteworthy or Other Activities**
 - Met w/Jay Langston, head of Business Retention and Expansion division @ VEDP to discuss new protocols and system for state involvement
 - Reviewed protocols for BRE as well as new operating guidelines for VEDP to comply w/legislative and JLARC recommendations as well as to provide and operational framework.
 - Responded with comments on above to Stephen Moret, VEDP CEO
 - Completed JIDA submission for Project Dusty
 - Audit preliminary review for CRIFA, JIDA
 - Met w/wedding group – planning for execution of marketing leverage grant from VTC
 - Discussion w/Josh Lewis of VIAA on local BRE protocols
 - Worked w/Downtown Economic Vitality Committee on finalizing timeline and framework for business idea competition, 3rd Ed.
 - VEDA Fall Conference; professional development seminar on negotiation
 - Reviewed and edited minutes
 - Reviewed financial reports

- Credit card reconciliation
- Revolving loan fund work
- **Retail Consulting**
 - Retailer match list being edited in real-time
 - Update this week, very little change since previous month except additional restaurant interest
 - Rural King lease space will have large impact, potentially
- **Upcoming**
 - Manufacturing Career Fair -Nov. 1 @ Wytheville Meeting Center
 - Combined holiday meeting November 30
 - Christmas open house @ JIDA – December 14

Mr. Mabe asked about clarification regarding the grant that was awarded to the Southwest Virginia Wedding group. Mr. Manley explained that the Joint IDA was asked to submit the grant application to assist the wedding group which consists of several small Wythe County businesses.

OLD BUSINESS

RETAIL CONSULTING UPDATE

Mr. Manley discussed the updates that he had received from The Retail Coach. Items mentioned were: Timeline and Visits; Conference Representation; Recruitment Updates; Need of a Franchisee; Interested Retailers/Restaurants; what work is still needed to be done; and the retailers who were not interested.

Mr. Manley answered questions from the Board and noted he will receive another update and will share it with the jurisdictions and the JIDA Board as the information is received.

REVOLVING LOAN FUND UPDATE

Mr. Manley directed the Board to the two handouts given to each member. He mentioned that one of the borrowers with an excellent payment history was having a cash flow problem this month. Normally the borrower pays more than is due so there was no problem in allowing a late payment. Mr. Manley added that Vivian Womble and Don Jensen have not paid. Ms. Womble was given the proposal approved by the board to catch up the payments, to have an interest only period. Beyond that there has been no further discussion or payment. Mr. Carpenter asked if Ms. Womble has responded to contact. Mr. Manley stated that she has and that she was told to bring the loans current. That was the last contact with Ms. Womble. Chairman Kause asked if her store is officially open in Radford. Mr. Manley answered that, according to her Facebook page, she is opening in October, maybe November and that staff was monitoring that progress.

Mr. Manley presented a memo that he would like the Board to review and see if it would be satisfactory to send to each borrower to address late payments and penalties. He added that all but two of the loan contracts have a provision for late fees and the two that do not leave it open ended where the loan could be called. Mr. Manley stated that he would rather not call the loan, but some type of penalty could be negotiated and applied. What Mr. Manley would like to do is to get those two to sign a simple one-page agreement that this is what the penalty is going to be. The alternative is to call the loan which is an extreme response. The new customized loan agreement that was drafted has a built-in late fee that is calculated at 10% of the monthly payment amount. Mr. Carpenter asked that returned checks be covered in the agreement also. Mr. Manley stated that returned checks are covered in each agreement. Mr. Carpenter asked if they just pay the returned check amount. Mr.

Manley answered that he believes there is a late fee in the agreement as well, which is \$35.00, plus bank fees. Mr. Carpenter asked if the agreement that the borrowers signed for the money states that there is a returned check policy in the amount of "x" dollars for a returned check, plus the check fee, plus the bank fee. Mr. Manley explained that basically any fees can be assessed which are allowed by law according to the agreement. Mr. Carpenter asked if the fees are set. Mr. Manley stated that there are three sets of agreements out and he would have to look at each individual one to respond.

Mr. Manley mentioned that he wants to make sure that payments are flowing according to contracts, so the late fee will be enforced to the fullest. There will be a 30-day notice to each borrower. Mr. Carpenter asked if the second sheet for loans was an updated copy. Staff responded that it was printed to reflect two additional payments that came in before the board meeting. Mr. Carpenter asked if the amount on the sheet is the original payment amount and if it shows late fees. Mr. Manley answered that there have been no late fees collected to-date. He added that the memo is the first warning that fees will be assessed each month the borrower is late. Mr. Carpenter asked if extra payments are going to influence the late payments. Mr. Manley stated that would have to be a decision made by the Board. Mr. Carpenter asked if extra payments are being noted on the amortization schedule. Mr. Manley responded yes.

Mr. Manley asked if the Board thinks it is appropriate to send the memo out to each borrower. Mr. Clarke asked about Branch Botanicals loan security and Mr. Manley explained that there are personal guarantees on all loans. Mr. Manley shared a report from Branch Botanicals with the Board.

Mr. Manley stated that with the Board's endorsement he would send the memo out to all Revolving Loan Fund borrowers. There was a consensus from the Board to mail all borrowers a copy.

Mr. Morgan asked what was going to be done with the Jensen loans. Mr. Manley stated that he sent the letter that was discussed during the September 2017 meeting and he has not heard anything back from Mr. Jensen.

Chairman Kause stated that Mr. Jensen has returned to church with improved health, but his wife is in ill health at this time.

SPECIAL RECOGNITION AWARD DECISION FOR 2017 (CHAMBER DINNER PRESENTATION)

Mr. Manley reminded the Board that American Tire Distributors, Inc. was the recipient of the Joint IDA's Special Recognition Award for 2017. He mentioned that the award would be presented to them during the Annual Chamber Dinner being held on Thursday, November 2, at the Wytheville Meeting Center. The Joint IDA has a table reserved for the Board and guests.

OTHER

Update on Site Selector Review – Mr. Manley stated that since he was on vacation and had undergone surgery that the review was put off until November if mutually convenient.

NEW BUSINESS

OTHER

None

PROJECT UPDATES

Mr. Manley mentioned that there was another RFI received that the staff submitted. He mentioned that business has been a bit slow with the holidays coming and discussed a few of the existing active projects.

CLOSED SESSION AS PERMITTED BY CODE OF VIRGINIA §2.2-3711(A)(5)

None

ADJOURN

There being no other business, Chairman Kause adjourned the meeting at 4:55 p.m.

David Kause, Chairman

Attest:

Virginia M. Crockett, Secretary