

July 27, 2006

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, July 27, 2006, at 3:00 p.m. at the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

Joseph W. Freeman, Chairman William F. Snyder, Vice Chairman
George T. Johnstone, Treasurer Danny B. Gordon

MEMBERS ABSENT

Gerald L. Brewer
David Elmore
David N. Johnson

EX-OFFICIO MEMBERS PRESENT

C. Wayne Sutherland, Jr., Wytheville Town Manager

EX-OFFICIO MEMBERS ABSENT

Raymond E. Matney, Rural Retreat Town Manager
R. Cellell Dalton, Wythe County Administrator

DETERMINATION OF QUORUM

Mr. Freeman called the meeting to order and determined a quorum to be present. Mr. Gordon offered the invocation, and Mr. Freeman led the Pledge of Allegiance.

ELECTION OF OFFICERS

Chairman Freeman relinquished control of the meeting to Dr. Hawthorne for purposes of electing a chair. Dr. Hawthorne called for nominations for chairman. Mr. Johnstone nominated Mr. Freeman. Dr. Snyder made a motion, seconded by Mr. Gordon, that nominations cease and Mr. Freeman be elected chairman by acclamation. The motion passed unanimously, and Mr. Freeman was elected chair by acclamation. Mr. Freeman resumed control of the meeting, and called for nominations for vice-chair. Mr. Johnstone nominated Dr. Snyder. Mr. Gordon made a motion,

seconded by Mr. Johnstone, to cease the nominations and elect Dr. Snyder by acclamation. The motion passed unanimously, and Dr. Snyder was elected by acclamation. Mr. Freeman called for nominations for treasurer. Dr. Snyder nominated Mr. Johnstone. Mr. Gordon made a motion, seconded by Dr. Snyder, to cease the nominations and elect Mr. Johnstone by acclamation. The motion passed unanimously, and Mr. Johnstone was elected by acclamation. Mr. Freeman called for nominations for clerk and secretary. Mr. Gordon nominated Ms. Skeens. Dr. Snyder made a motion, seconded by Mr. Johnstone, to cease the nominations and elect Ms. Skeens by acclamation. The motion passed unanimously, and Ms. Skeens was elected by acclamation.

CITIZENS' TIME

Mr. Freeman asked if there were any persons present who wished to address the board during citizens' time. There being none, he proceeded with the agenda.

PRESENTATION OF JOINT IDA WEBSITE UPGRADES

Mr. Webb introduced Rob Swiger of Infinidev, LLC. Mr. Swiger presented the beta version of the new Joint IDA website. Mr. Swiger gave updates on what would take place in the near future, as this is a work in progress. Mr. Swiger informed the board that the text will be updated along with the photographs. Dr. Hawthorne commented on the different font sizes on different pages. Mr. Swiger is working with the Virginia Economic Development Partnership to get the Vanilla Scan software incorporated into the Joint IDA website. Mr. Swiger will also incorporate sorting capabilities that will make it easier for the user to locate information. Mr. Webb informed the board that success highlights would be added to the website. He informed the board that he and Ms. Teed took many photographs for the website. Mr. Swiger explained that another feature is the capability to download to Blackberries. Mr. Gordon asked about local links. Dr. Hawthorne explained that many were on there and were still being added. Mr. Gordon asked if the radio station would be a link. Dr. Hawthorne stated it was one that would be added. Mr. Gordon questioned if the old site was still operating. Dr. Hawthorne stated it was and would continue to be until this website goes live. Mr. Gordon asked if the website would have an index for information. Dr. Hawthorne stated that is a feature that had been addressed and will be incorporated. Mr. Gordon asked how fast the site would download. Dr. Hawthorne stated one of the concerns was to be able to download at a fast speed. Dr. Hawthorne stated that concentration has been on organizing the website and gathering pertinent information. Mr. Swiger also noted the improvements to the menus, which will help navigate through the website. Mr. Gordon asked if the site would be operable by older users. Mr. Swiger stated the site would be compatible for users of all ages. Mr. Freeman stated that he looks forward to seeing the finished product. Dr. Snyder remarked how improved the site is and how nicely it was coming together.

APPROVAL OF MINUTES - June 22, 2006 board meeting

Mr. Gordon made a motion, seconded by Mr. Johnstone, to approve the minutes as presented.

The motion passed unanimously.

APPROVAL OF INVOICES

Mr. Gordon questioned check #5007 payable to the Council of Development Finance Agency. Dr. Hawthorne explained that this was the registration fee for him to attend the Industry Bond Primer Seminar in Washington, D.C. Dr. Hawthorne stated this seminar will discuss industrial development bonds which will benefit the Joint IDA. Mr. Gordon asked if this item should have been on the agenda for approval. Mr. Freeman stated that he and Dr. Hawthorne had discussed this matter in detail, and felt that it was in the best interest of the Joint IDA for him to attend. Mr. Johnstone made a motion, seconded by Dr. Snyder to pay the invoices. The motion passed with the following votes: For: Mr. Freeman, Dr. Snyder, and Mr. Johnstone; Against: Mr. Gordon.

Joint IDA of Wythe County

Check Register

For the Period From Jun 23, 2006 to Jul 27, 2006

Check #	Date	Payee	Amount
1042	7/27/06	Joint IDA of Wythe County	685.46
4994	6/23/06	Robert G. Moore	1,100.00
4995	7/27/06	Appalachian Power	77.72
4996	7/27/06	Anthem Blue Cross and Blue Shield	1,505.38
4997	7/27/06	Companion Life Insurance Co	74.97
4998	7/27/06	The Mount Rogers Dev Partnersh	2,299.92
4998V	7/27/06	The Mount Rogers Dev Partnersh	-2,299.92
4999	7/27/06	Robert G. Moore	1,100.00
5000	7/27/06	Sprint PCS	85.30
5001	7/27/06	Embarq	123.50
5002	7/27/06	Embarq	5.11
5003	7/27/06	Town of Wytheville - Postage	24.06
5004	7/27/06	Virginia Employment Commission	22.51
5005	7/27/06	Xerox	395.07
5006	7/27/06	Southern Business & Development	750.00
5007	7/27/06	Council of Development Finance Agen	675.00
5008	7/27/06	Anthem Southeast Dental	94.89
5009	7/27/06	Laura Teed	1,012.33
5010	7/27/06	Alan R. Hawthorne	4,045.13
5011	7/27/06	Danielle M. Skeens	1,744.56
5012	7/27/06	Michael B. Webb	2,135.53
5013	7/27/06	Bankcard Services	124.59
5014	7/27/06	Anthem Life	71.55
5015	7/27/06	Workforce Investment Board	20.00
5016	7/27/06	VA Dept Of Taxation	524.43

5017	7/27/06	First Bank of Virginia	3,239.99
5018	7/27/06	Mike Webb	56.07
5019	7/27/06	Danielle M. Skeens	29.87
5020	7/27/06	Alan Hawthorne - Reimbursement	558.32
5021	7/27/06	Laura Teed	10.24
Total			20,291.58

OLD BUSINESS

JOINT IDA BUDGET APPROVAL

Dr. Hawthorne informed the board that Wythe County Board of Supervisors approved the Joint IDA budget request. Dr. Snyder made a motion, seconded by Mr. Johnstone, to approve the budget as presented. The motion passed unanimously. A copy of the budget follows the minutes.

CAREER COACHING GRANT

Dr. Hawthorne commented on the success of receiving a grant of \$50,000 from the VEC to assist in the start up funding of the Career Coaching program. He informed the board that the Wythe County Public School System had interviewed for the three positions. Dr. Hawthorne stated he was part of the interview process and that the interview committee had made recommendations to the school board for the positions. He stated he was very impressed with the interest in these positions, and he hoped that this program proved successful. Mr. Gordon asked about liability issues with these positions involving the Joint IDA. Dr. Hawthorne stated there were interagency agreements. Dr. Hawthorne asked that this topic be deferred until the topic arose on the agenda under new business.

FAIRVIEW INDUSTRIAL PARK PAVING

Mr. Webb explained that Mount Rogers IDC paved its parking lot in Fairview Industrial Park. He shared a photo of the improved lot.

RLF IMPAIRED LOAN STATUS

Mr. Webb provided an update on the impaired Revolving Loan Fund loan. He noted that payments were received in 2006 for the amount of \$103,792.70. This amount would suffice to recapture the principal if all interest is waived from June 21, 2005, forward. He noted that USDA Rural Development is comfortable with the Joint IDA doing this. Otherwise the party involved could lose their house to further pay off debt. Dr. Hawthorne provided some history of the loan and its repayment. Mr. Gordon made a motion, seconded by Dr. Snyder, to waive the interest.

The motion passed unanimously. Mr. Johnstone inquired if there was new interest in the Revolving Loan Fund, and Dr. Hawthorne replied that there was not since local banks seem to be able to finance all bankable projects. He added that the Joint IDA is marketing the loan to the local banks, and he is meeting some bank managers in the next few weeks.

OTHER

Dr. Hawthorne explained the status of the Lot 31 project in Progress Park. The project would provide sewer to Lane Industries and the southern part of the park. Working with Wythe County, a Community Development Block Grant was obtained in the amount of \$250,000, but this is only a portion of the estimated \$800,000 project cost. Wythe County and Lane Enterprises were unable to commit funding for the difference, and Lane Enterprises did not want to take on the liability of the grant due to some corporate restructuring. Therefore, Lane Enterprises will install a septic system to meet its wastewater needs, and the sewer project is off for now.

Mr. Webb informed the board that the Wytheville Planning Commission will hold a Working Session on August 10, 2006, to discuss the M-1M zoning. The purpose of the Working Session is to gather input from the landowners as to where the M1-M should go, if at all. Assistant Town Manager Steve Moore sent letters to all landowners in the Fairview Industrial Park area about the Working Session. Mr. Webb stated he assumed the Joint IDA would want to take a passive role in this matter, and he would attend the Working Session as an observer. Dr. Snyder remarked that there will be no chance of adopting an M1-M zone if the landowners are passive. The Joint IDA should encourage landowners to attend. Mr. Gordon noted that it is a matter between the town and the industries. Mr. Freeman commented that he is uncertain how important it is to landowners besides Bob Fowlkes, who attended the public hearing previously held on the issue. Mr. Freeman suggested that he and Mr. Webb meet with Mr. Fowlkes about the matter. Town Manager Wayne Sutherland added that written comments are fine if landowners could not attend the Working Session. He advised that without some resolution about which zone the church would be in, there is no chance of anything changing. Mr. Freeman inquired about what boundaries are being considered, and Mr. Sutherland replied that none were set. Mr. Gordon asked if the rezoning request must come from the Joint IDA, and Mr. Sutherland stated that the Planning Commission can instigate the request. Mr. Freeman asked if the signatures of support from the landowners previously obtained are valid for the Working Session, and Dr. Snyder replied that they are. The consensus of the board was for the Joint IDA to play a passive role in this matter, and Mr. Webb reiterated he would attend the Working Session as an observer.

Mr. Webb shared a copy of the Spring 2006 issue of *Southern Business and Development* so the board could see the Gatorade ad the Joint IDA placed.

NEW BUSINESS

APPROVAL OF WYTHE COUNTY PUBLIC SCHOOLS MOU

Dr. Hawthorne informed the board of the Memorandum of Understanding between the Joint IDA and the Wythe County Public Schools. Mr. Gordon asked if there was a liability statement in the MOU that would eliminate the Joint IDA from any liability. He further questioned since these individuals will be employed under the Wythe County Public School System, would the Joint IDA have any liability issues. Dr. Hawthorne stated that there were specific requirements to follow and that the Joint IDA's involvement is for financial purposes only. Dr. Hawthorne stated Mr. Gordon's point was well taken and that he would share his concerns with his contacts. Mr. Freeman asked if there would be additional bookkeeping for the Joint IDA staff. Dr. Hawthorne explained there would be some in order to be reimbursed. Mr. Gordon made a motion, seconded by Dr. Snyder, to authorize the chair to sign the MOU. The motion passed unanimously.

APPROVAL OF VEC MOU

Dr. Hawthorne informed the board of the Memorandum of Understanding between the Joint IDA and the VEC. Mr. Gordon made a motion, seconded by Dr. Snyder, to authorize the chair to sign the MOU. The motion passed unanimously.

PROGRESS PARK TRAFFIC STUDY

Dr. Hawthorne informed the board that the Virginia General Assembly made changes to comprehensive planning, giving VDOT a much larger say in projects. It now looks as it will be necessary for Wythe County to conduct a traffic study of Progress Park to prevent unexpected delays or opposition on future projects in light of the new changes. Dr. Hawthorne will work with County Administrator Cellell Dalton on arranging a traffic study.

AERIAL PHOTOS OF PROGRESS PARK

Mr. Webb shared aerial photos of Progress Park.

FY 2005-2006 FINANCIAL STATEMENTS

The board reviewed the financial statements. A copy of the statements follows the minutes.

PROJECT UPDATES

Dr. Hawthorne explained that the Joint IDA hosted several prospects, but these prospects are in

the early stages of site searching.

OTHER

Dr. Hawthorne shared that the Joint IDA was honored recently by the Wythe County School Board for being a partner with the Wythe County Technology Center.

Dr. Hawthorne shared a press release issued by Lane Enterprises. The company is now 100% employee owned.

Dr. Hawthorne explained that the Governor of Oklahoma announced that PepsiCo will build a Gatorade facility in his state.

ADJOURN

There being no other business, Mr. Freeman adjourned the meeting at 4:37 p.m.

Joseph W. Freeman, Chairman

Attest:

Danielle M. Skeens, Secretary

APPROVED FY 2006-2007 Joint IDA Budget

	<u>2005 Budget</u>	<u>2006 Budget</u>	<u>Change</u>	
			<u>(%)</u>	<u>(\$)</u>
Appropriation - Wythe County	\$130,386.00	\$135,000.00	3.54%	\$4,614.00
Appropriation - Wytheville	\$66,240.00	\$68,604.00	3.57%	\$2,364.00
Appropriation - Rural Retreat	\$10,326.00	\$10,692.00	3.54%	\$366.00
Total Appropriations	\$206,952.00	\$214,296.00	3.55%	\$7,344.00
Other fees grants, and reserves	\$63,500.00	\$66,950.00	5.43%	\$3,450.00
Total Revenue	\$270,452.00	\$281,246.00	3.99%	\$10,794.00
Salaries	\$143,777.84	\$146,040.00	1.57%	\$2,262.16
Director compensation	\$0.00	\$6,300.00	??	\$6,300.00
Salary related (FICA/ins/SIMPLE)	\$29,314.15	\$31,326.00	6.86%	\$2,011.85
Services (Act/legal/engin/other)	\$7,800.00	\$7,800.00	0.00%	\$0.00
Office (sup/post/phone/equip/subs)	\$27,460.00	\$27,080.00	-1.38%	(\$380.00)
Advertising/printing	\$9,000.00	\$9,000.00	0.00%	\$0.00
Dues/membership	\$29,000.00	\$29,000.00	0.00%	\$0.00
Insurance	\$2,600.00	\$3,200.00	23.08%	\$600.00
Travel (mileage/hotel/conventions)	\$12,000.00	\$12,000.00	0.00%	\$0.00
Other (host/park/ind apprec/other)	\$6,500.00	\$6,500.00	0.00%	\$0.00
Capital equipment	\$3,000.00	\$3,000.00	0.00%	\$0.00
Total Expenses	\$270,452.00	\$281,246.00	3.99%	\$10,794.00

Joint IDA of Wythe County
Revenue and Expenses
For 12 month period ending June 30, 2006

	General	Special	RLF	Total
Revenues				
Appropriations				
Wythe County	\$130,386.00			\$130,386.00
Wytheville	\$66,240.00			\$66,240.00
Rural Retreat	\$10,326.00			\$10,326.00
				\$206,952.00
Service Fees				
IDB administrative fees	\$2,000.00			\$2,000.00
RLF management fees	\$842.81			\$842.81
CRIFA services	\$50,000.00			\$50,000.00
				\$52,842.81
Sales/Leases				
Lease income on bldg	\$450.00			\$450.00
Sale of land		\$1,540,500.00		\$1,540,500.00
less cost of sales		(\$1,461,674.54)		(\$1,461,674.54)
	\$450.00	\$78,825.46		
Grants/Reimbursements				
VEDP VOR/VEDA grant		\$3,782.56		\$3,782.56
WOF grants		\$2,740,500.00		\$2,740,500.00
Reimbursements	\$1,286.28			\$1,286.28
				\$1,286.28
Contributions/Events				
Contributions-aCorridor ad	\$411.25			\$411.25
Contributions-private	\$79.75			\$79.75
Golf tournament-sponsorships	\$2,640.00			\$2,640.00
Golf tournament-participants	\$4,460.00			\$4,460.00
Job Fair revenue	\$27,156.03			\$27,156.03
				\$34,747.03
Interest Income				
LGIP interest	\$11,335.26			\$11,335.26
Other interest	\$1,616.51			\$1,616.51
				\$12,951.77
Revolving Loan Fund				
RLF loan interest		\$5,700.12		\$5,700.12
RLF LGIP/ckg interest		\$19,762.18		\$19,762.18
RLF impaired loan recovery		\$103,792.70		\$103,792.70
Total Net Revenue	\$309,229.89	\$2,823,108.02	\$129,255.00	\$3,261,592.91

Expenses Summary

Salaries	\$136,861.00		\$136,861.00		
Directors salaries	\$6,075.00		\$6,075.00		
Salary Related	\$28,162.32		\$28,162.32		
Annual leave accrual	\$885.58		\$885.58		
Contract Services	\$5,034.50		\$5,034.50		
Copier	\$3,729.30		\$3,729.30		
Advertising	\$1,833.03	\$1,212.49	\$3,045.52		
Postage	\$438.06		\$438.06		
Telecommunications	\$2,194.89		\$2,194.89		
Office supplies	\$768.87		\$768.87		
Office rent	\$13,200.00		\$13,200.00		
Meeting expenses	\$264.15		\$264.15		
Subscriptions/books	\$361.63		\$361.63		
Dues/membership	\$28,644.04		\$28,644.04		
Depreciation expense	\$701.28		\$701.28		
Hosting	\$375.09		\$375.09		
Mileage	\$5,185.32		\$5,185.32		
Lodging/perdiem	\$1,022.10		\$1,022.10		
Conventions/education	\$1,939.35	\$500.00	\$2,439.35		
Repairs & Maintenance	\$82.42		\$82.42		
Park expenses	\$1,663.50		\$1,663.50		
Surety Bond	\$352.00		\$352.00		
Public Officials Insurance	\$1,234.80		\$1,234.80		
General Liab./Prop. Insurance	\$1,478.20		\$1,478.20		
Utilities	\$988.16		\$988.16		
Other expense	\$25.00		\$25.00		
Job Fair expense	\$20,847.35		\$20,847.35		
Industry Appreciation Act.	\$790.00		\$790.00		
Industry Appreciation-golf	\$5,974.04		\$5,974.04		
Purchase discounts	(\$56.60)		(\$56.60)		
WOF grants		\$2,740,500.00	\$2,740,500.00		
RLF Closing & Other Expenses		\$1,732.16	\$1,732.16		
RLF Bad Debt Expense		\$862.50	\$862.50		
Total Expenses		\$271,054.38	\$2,742,212.49	\$2,594.66	\$3,015,861.53
Net Income		\$38,175.51	\$80,895.53	\$126,660.34	\$245,731.38

Joint IDA of Wythe County

Balance Sheet

June 30, 2006

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$100.00	\$0.00	\$100.00
Cash-checking account	\$22,202.70	\$45,584.68	\$67,787.38
Cash-LGIP	\$378,938.11	\$559,595.71	\$938,533.82
A/R-other	\$12,600.00	\$0.00	\$12,600.00
Prepaid insurance	\$5,076.27	\$0.00	\$5,076.27
Total Current Assets	\$418,917.08	\$605,180.39	\$1,024,097.47
Inventory			
Inventory-land for sale	\$148,347.54	\$0.00	\$148,347.54
Inventory-buildings	\$0.00	\$0.00	\$0.00
Total Inventory	\$148,347.54	\$0.00	\$148,347.54
Property and Equipment			
Fixed assets-furniture/equip.	\$28,821.22	\$0.00	\$28,821.22
Accum. deprec.-equipment	(\$28,821.22)	\$0.00	(\$28,821.22)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
Deferred payment on land sale	\$100,000.00		\$100,000.00
RLF Outstanding Loan Balance	\$0.00	\$68,545.74	\$68,545.74
Total Other Assets	\$100,000.00	\$68,545.74	\$168,545.74
Total Assets	\$667,264.62	\$673,726.13	\$1,340,990.75
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	\$1,143.10	\$0.00	\$1,143.10
Accrued annual leave	\$10,094.47	\$0.00	\$10,094.47
Unemployment taxes payable	\$211.75	\$0.00	\$211.75
Deferred income	\$1,717.44	\$0.00	\$1,717.44
Total Current Liabilities	\$13,166.76	\$0.00	\$13,166.76
Long-Term Liabilities			
RD RLF Grant	\$0.00	\$500,000.00	\$500,000.00
Total Long-Term Liabilities	\$0.00	\$500,000.00	\$500,000.00
Total Liabilities	\$13,166.76	\$500,000.00	\$513,166.76
Capital			
Fund balance - BOY	\$535,026.82	\$47,065.79	\$582,092.61
Net Fund Change	\$119,071.04	\$126,660.34	\$245,731.38
Total Capital	\$654,097.86	\$173,726.13	\$827,823.99
Total Liabilities & Capital	\$667,264.62	\$673,726.13	\$1,340,990.75