

November 16, 2006

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, November 16, 2006, at 3:00 p.m. at the Council Room of the Rural Retreat Town Offices located at 306 South Main Street, Rural Retreat, Virginia.

MEMBERS PRESENT

Joe Freeman, Chairman
William F. Snyder, Vice Chairman
George T. Johnstone, Treasurer

David N. Johnson
Gerald Brewer

MEMBERS ABSENT

Danny B. Gordon
David Elmore

EX-OFFICIO MEMBERS PRESENT

Raymond E. Matney, Rural Retreat Town Manager

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
C. Wayne Sutherland, Jr., Wytheville Town Manager

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Mr. Freeman asked if there were any persons present who wished to address the board during citizens' time. Mr. Matney welcomed the board to Rural Retreat.

APPROVAL OF MINUTES - October 26, 2006 board meeting

Dr. Snyder made a motion, seconded by Mr. Johnstone, to approve the minutes as presented. The motion passed unanimously.

APPROVAL OF INVOICES

Dr. Hawthorne stated that check #5092 was the quarterly payment to the Virginia aCorridor and is paid in the middle month of each quarter. Also, he stated check # 5091 is reimbursement for a performance grant, which he would elaborate on in more detail later in the board meeting. Mr. Johnstone made a motion, seconded by Mr. Brewer, to approve the checks. The motion passed unanimously.

Joint IDA of Wythe County
Check Register
For the Period From Oct 27, 2006 to Nov 22, 2006

Check #	Date	Payee	Amount
	11/20/06	Va Municipal League Group	
1043	11/16/06	Hodges & Campbell	120.00
5090	11/3/06	Clerk Of Court	97.00
5091	11/16/06	Wythe County	5,827.00
5092	11/16/06	The Mount Rogers Dev Partnersh	6,899.75
5093	11/16/06	Alan R. Hawthorne	4,045.13
5094	11/16/06	Danielle M. Skeens	1,744.56
5095	11/16/06	Michael B. Webb	2,135.53
5096	11/16/06	Appalachian Power	98.66
5097	11/16/06	Anthem Southeast Dental	94.89
5098	11/16/06	Anthem Blue Cross and Blue Shield	1,505.38
5099	11/16/06	Companion Life Insurance Co	76.25
5100	11/16/06	D&D Trophies	505.00
5101	11/16/06	Sprint PCS	83.67
5102	11/16/06	Embarq	1.65
5103	11/16/06	Town of Wytheville - Postage	9.21
5104	11/16/06	VA Economic Dev Assoc.	45.00
5105	11/16/06	Xerox	267.86
5106	11/16/06	First Bank of Virginia	2,915.07
5107	11/16/06	Robert G. Moore	1,100.00
5108	11/16/06	VA Dept Of Taxation	483.76
5109	11/16/06	Bankcard Services	353.58
5110	11/16/06	Infinidev	400.00
5111	11/16/06	Town of Wytheville	26.75
5112	11/16/06	Danielle M. Skeens	22.25

5113	11/16/06	Mike Webb	38.27
5114	11/21/06	Embarq	123.51
5115	11/21/06	Best Deal Signs	18.00
Total			29,037.73

PRESS RELEASES

The board reviewed a press release regarding the expansion at Mid-Atlantic Manufacturing and Hydraulics. Mr. Jeff Conaway from Swanson Industries, Mid-Atlantic's parent company, was present. He stated he is excited about the expansion at Mid-Atlantic Manufacturing and Hydraulics and the opportunity to grow the business and the job opportunities for the employees. Mr. Freeman stated Mid-Atlantic played a key role in developing the career coach training programs. A copy of the press release follows:

Mid-Atlantic Manufacturing & Hydraulics Expands in Rural Retreat Industrial Park

RURAL RETREAT—Mid-Atlantic Manufacturing and Hydraulics, Inc., a division of Swanson Industries, is expanding its operations in the Rural Retreat Industrial Park. Mid-Atlantic Manufacturing provides fluid power components manufacturing and remanufacturing services for products such as hydraulic cylinders and pumps and offers the specialized capability of friction welding for these and other applications.

The facility and operations expansion will create 50 new jobs and represents a \$6 million investment. Governor Timothy Kaine approved a \$75,000 grant from the Governor's Opportunity Fund for the project. The Virginia Department of Business Assistance will provide recruitment and training assistance through its Workforce Services Jobs Investment Program.

Headquartered in Morgantown, West Virginia, Swanson Industries provides an array of services including manufacturing, remanufacturing, repair, and distribution for mining, construction, off-shore oil, and other sectors. "We are pleased that the business-support climate in Virginia and Wythe County has helped us gain new business in a competitive environment," Swanson Industries President Thomas DeWitt said.

"We congratulate Mid-Atlantic on its success and look forward to its continued prosperity," said Rural Retreat Mayor Timothy Litz. Board of Supervisors Chair Susan Crigger said, "Wythe County is pleased to support expansion at the Rural Retreat facility of Swanson Industries."

The Mid-Atlantic facility in Rural Retreat, which began operations in 2001, is ISO-certified.

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The board also reviewed the following press release that will be distributed after the Chamber of Commerce dinner on November 20, 2006:

Joint IDA of Wythe County Presents 2006 Industry Awards

WYTHEVILLE—The Joint Industrial Development Authority presented recognition awards to several community businesses at its annual awards ceremony. These awards were presented in conjunction with the Wytheville-Wythe-Bland Chamber of Commerce's annual membership dinner held at the Wohlfahrt Haus Dinner Theatre on November 20, 2006.

A Special Recognition Award was given to Camrett Logistics for being a successful locally-owned company and providing valuable support to Wythe County industries as well as numerous community involvements.

A New Industry Recognition Award was presented to Amcor PET Packaging.

The following companies received acknowledgment for their contributions to the community over extended periods of time: 5-year award- *Mid-Atlantic Manufacturing & Hydraulics, Inc.*, and *Wytheville Technologies, Inc.*; 10-year award- *Oak Hall Industries, LP*; 15-year award- *Acrylife, Inc.*, and *Shenandoah Designs*; 20-year award- *G&W Manufacturing, Inc.*, *Simply Home*, and *Tectonics, Inc.*; 25-year award- *Austinville Limestone, Inc.*; 30-year award- *SPX Process equipment*; 35-year award- *JAVATEC, Inc.*; 45-year *Donnkenny LLC*.

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GUEST SPEAKER -SANDY RATLIFF, VIRGINIA DEPARTMENT OF BUSINESS ASSISTANCE

Dr. Hawthorne introduced Ms. Sandy Ratliff of the Virginia Department of Business Assistance (DBA) to the board members. Ms. Ratliff presented a slide show detailing services offered by the Virginia Department of Business Assistance. She discussed issues of the first phase of starting a business, running the business, and expanding the business. She also informed the board that DBA has a hotline available to answer any questions. Mr. Freeman thanked Ms. Ratliff for her presentation and willingness to provide support to the Joint IDA.

OLD BUSINESS

RESEARCH FOR CHINA MARKETING MISSION

Mr. Webb informed the board that he had been in contact with Mr. Dave Elmore concerning the possibility of Dr. Hawthorne traveling to China for a marketing mission. Mr. Webb stated he had also conducted research via the internet. Mr. Webb stated Dr. Hawthorne had applied for a passport. Dr. Hawthorne stated he did have some reservations about traveling to China, as he is not sure the opportunities this will bring to our county. He stated these jobs may not be the jobs that Wythe County is looking to have in this area. He stated he had been in contact with Mr.

Terry Lentz of the Virginia Economic Development Partnership. VEDP has a new international trade representative, Roy Dahlquist, who will be traveling to China in the near future. It is possible that Dr. Hawthorne could travel with Mr. Dahlquist. Dr. Snyder asked if Mr. Elmore has specific contacts and companies for them to visit. Dr. Hawthorne stated that he needs to discuss this in greater detail with Mr. Elmore. Dr. Snyder stated that Mr. Elmore is in a great position to introduce him, but it would be better to partner with the state. Dr. Hawthorne commented this would need to be a joint effort, as it would be too difficult by himself. Mr. Freeman asked if Mr. Elmore had specific targets in mind, and again Dr. Hawthorne stated that he really did not know for sure, as he had not been able to discuss this with Mr. Elmore in great detail. He stated he would like to continue research and to get back to the board at the December meeting. Mr. Freeman stated that was a good plan and then they could take official action in December, which will allow ample time to proceed with the mission. There were no objections.

WEBSITE UPDATE STATUS

Dr. Hawthorne informed the board members that the website has progressed somewhat, but is not yet finished. He stated that he needs the site up and running on a server where he can access the information and make the necessary changes. Dr. Hawthorne stated the final payment for Mr. Rob Swiger's work is in this month's checks; however, until these capabilities are available, he would like to wait to make the payment. There were no objections from the board members. Mr. Freeman stated the payment should be made when Dr. Hawthorne gets the site on a server, where he can do what needs to be done. Dr. Johnson asked if Mr. Swiger will be hosting the site. Dr. Hawthorne stated he will on a third party server. Dr. Hawthorne also commented on the current site. The contract for this site ends December 1, 2006, and he wants to make sure that the new site is up and running before this date.

GATORADE DEDICATION CEREMONY REPORT

Dr. Hawthorne commented on the recent dedication ceremony at Gatorade. He said it was a great day and all went very well. He said Gatorade was very pleased with the turnout. Dr. Hawthorne stated many state and local officials were in attendance.

OTHER

Dr. Hawthorne apologized for not being able to attend the reception at Klöckner Pentaplast of America last Thursday, as he was out of town. He thanked Mr. Freeman for attending on his behalf. Mr. Freeman commented this was an excellent event with around twenty attendees, including former Governor Baliles. He stated the facility had been open for thirteen years and in the past two years, the company had invested over \$20 million in new equipment. He said the Rural Retreat plant is Klöckner's largest rigid plastic facility in the United States. He informed the board that Mr. Louie Pritchett, site manager, is taking a job at the company's headquarters in Gordonsville. Mr. Bob Turgon is the new site manager. Mr. Freeman said he had the opportunity

to meet with Mr. Turgon.

Dr. Hawthorne updated the board on the recent meeting between the NAACP, Gatorade, and Pepsi Bottling Group. He stated a meeting was held on Wednesday, November 15, 2006, at the Heritage Center, with Mayor Trent Crewe, Board of Supervisor Chair Sue Crigger, four representatives from NAACP, Human Resource managers and site managers from both PBG and Gatorade. He stated the meeting was a success and they were able to answer some key questions the NAACP had. They were also able to clear up some confusion on hiring practices. They were able to show the initial applicant screening process and how it is in no way designed to discriminate. They discussed more recruitment events and opportunities on how to better access the available positions. Dr. Johnson stated that Mr. Joe Bybee and the community college had already started the preparation for this. Dr. Hawthorne informed the board that there will be a few more meetings with the NAACP.

Dr. Hawthorne discussed the recent reimbursement from Musser Lumber. This reimbursement is for the Wythe Opportunity Grant to the County through the Joint IDA. Musser Lumber was unable to meet one of the standards originally agreed to by the parties involved. He stated there are three components to the grant and that Musser Lumber had failed to use the natural gas component due to the high costs incurred because of natural gas price inflation. They abandoned the natural gas and use wood waste as their fuel source. He stated Musser Lumber has been very cooperative, and understands the partnership. Dr. Hawthorne sent them a detailed letter explaining the grant. Within a few days, they reimbursed the grant the \$5,827.00 without reservation.

NEW BUSINESS

JOINT IDA CHRISTMAS OPEN-HOUSE/RETIREMENT RECEPTION FOR OUTGOING BOARD MEMBERS

Mr. Webb discussed hosting a Christmas open-house reception again this year. He stated that since Mr. Brewer and Mr. Johnstone will be ending their terms as board members, this would be a good opportunity to honor them as well. The consensus of the board was to host such a reception and for Mr. Webb to send invitations.

FALL 2006 NEWSLETTER

Dr. Hawthorne presented the board members a draft copy of the first page of the Joint IDA Fall Newsletter. He highlighted the key areas and stated that final copy will be sent out electronically around November 22, 2006.

DRAFT 2007 CALENDAR

Dr. Hawthorne presented the board with a 2007 draft calendar. Dr. Hawthorne stated that one change had been made from previous years to the calendar. He explained a few holidays were marked partial staff. It was the consensus of the staff to work on some of those days and take off sometime later in the year. Dr. Hawthorne stated the employees will still receive twelve holidays. Mr. Brewer stated this was a good idea, as the “floating holidays” seem to accommodate everyone. Dr. Hawthorne stated that unless there were objections, the calendar will be officially approved in December and then publically posted. Mr. Webb reminded the board that this year’s Thanksgiving holiday began November 22 at noon since Governor Kaine officially offered the half day on Wednesday to the state employees and the Joint IDA pegs to the state as to when to take a holiday.

POTENTIAL FOR JOB FAIR

Mr. Webb asked the board if they thought it was a good idea to revisit the possibility of holding another job fair at the beginning of next year. Dr. Hawthorne commented that last years success was due in part to the number of jobs that were available. He stated that the Joint IDA needs to see if there will be available jobs at the local companies. Dr. Hawthorne stated that he had considered asking the Town of Wytheville to partner with the Joint IDA. He stated the new Community Center would be available and hoped that the town would host the fair there. Dr. Hawthorne also stated that because of last year’s success, the investment of the Joint IDA should not be as much in the future. However, Dr. Hawthorne warned that it would be more difficult to get some grant money for another job fair. It was the consensus of the board to explore the job opportunities and the possibility of holding a job fair in February or March 2007.

FIRST QUARTER FINANCIAL REPORT

Dr. Hawthorne shared the first quarter financial report with the board members. A copy follows the minutes.

Dr. Hawthorne state the audit had been completed and had gone well. He stated the official audit should be received by the end of the year.

WHITE PAPER ON ECONOMIC STATUS

Dr. Hawthorne shared a draft that will be distributed and posted on the website in the near future. He asked the board members to review and make any suggestions. Dr. Hawthorne stated he had sent the draft out to several VEDP partners, Mr. Tom Elliot, Mr. Cellell Dalton, and Mr. Wayne Sutherland for their review as well. Mr. Freeman stated this would be a useful tool to the career coaches. Dr. Snyder asked about the wages falling behind national and state averages. Dr. Hawthorne commented that if one removes food service and retail jobs from the calculations, the

wages are really not too bad. He stated that Wythe County needs to recruit jobs paying above prevailing wage and to support companies so that they can improve productivity.

PROJECT UPDATES

Dr. Hawthorne provided an update.

OTHER

Ms. Skeens asked the board permission to pay any invoices that may be received late due this meeting being held one week earlier in the month. It was the consensus of the board to pay the invoices as they arrive.

Dr. Hawthorne informed the board that Rural Retreat and the Mount Rogers Planning District Commission will be participating the regional water study. Rural Retreat is interested in having the water supply at Staley Springs tested as it has the potential to be a great source of water. It has potential to serve the eastern end of Smyth County also. Dr. Hawthorne stated the Joint IDA will be an active player in this study.

Mr. Freeman asked Dr. Hawthorne if he had any concerns over the electricity rate increase. Dr. Hawthorne stated even though rates are increasing, they are still competitive and he feels that the companies will be able to accommodate the increase. Dr. Hawthorne stated that he and Mr. Webb would be attending an energy conference at Virginia Tech later this month where he hopes they can learn about new resources and opportunities.

ADJOURN

There being no other business, Mr. Freeman adjourned the meeting at 4:50 p.m.

Joseph Freeman, Chairman

Attest:

Danielle M. Skeens, Secretary

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

	<u>Appropriations</u>	<u>Operations</u>	<u>Grants</u>	<u>RLF</u>	<u>Total</u>
Revenues					
Appropriations					
Wythe County	\$33,750.00				\$33,750.00
Wytheville	\$17,151.00				\$17,151.00
Rural Retreat	\$2,673.00				\$2,673.00
Service Fees					
Administrative fees		\$2,000.00			\$2,000.00
Income					
Services Income		\$13,185.46			\$13,185.46
Interest Income		\$5,398.88			\$5,398.88
Misc. Income		\$7,950.00			\$7,950.00
Reimbursements					
Reimbursements		\$115.85			\$115.85
Grants-Other			\$1,717.44		\$1,717.44
WOF Grants			\$869,500.00		\$869,500.00
Revolving Loan Fund					
RLF loan interest				\$8,882.84	\$8,882.84
Total Net Revenue	\$53,574.00	\$28,650.19	\$871,217.44	\$8,882.84	\$962,324.47
Expenses Summary					
Salaries	\$37,790.00				\$37,790.00
Directors salaries	\$1,350.00				\$1,350.00
Salary Related	\$7,634.61				\$7,634.61
Copier	\$1,171.94				\$1,171.94
Advertising/printing	\$0.00		\$400.00		\$400.00
Postage	\$19.77				\$19.77
Telecommunications	\$641.74				\$641.74
Office supplies	\$175.72				\$175.72
Office rent	\$3,300.00				\$3,300.00
Meeting expenses	\$8.00				\$8.00
Dues/membership	\$6,899.75				\$6,899.75
Mileage	\$1,335.63				\$1,335.63
Lodging/perdiem	\$912.57				\$912.57
Conventions/education	\$1,220.00		\$0.00		\$1,220.00
Repairs & Maintenance	\$10.87				\$10.87
Park expenses	\$52.00				\$52.00
Surety Bond	\$90.50				\$90.50
Public Officials Insurance	\$190.45				\$190.45
General Liab./Prop. Insurance	\$397.05				\$397.05
Utilities	\$240.35				\$240.35
WOF grants			\$869,500.00		\$869,500.00
Industry Appreciation Act.	\$500.00				
RLF Closing & Other Expenses				\$685.46	\$685.46
Purchase discount on exp. item	(\$12.13)				
Total Expenses	\$63,928.82		\$869,900.00	\$685.46	\$934,026.41
Net Income	(\$10,354.82)	\$28,650.19	\$1,317.44	\$8,197.38	\$27,810.19

Joint IDA of Wythe County

Balance Sheet

September 30, 2006

	General Operations	Grants	RLF	Total
ASSETS				
Current Assets				
Cash-petty cash	\$100.00		\$0.00	\$100.00
Cash-checking account	\$35,665.65			\$35,665.65
Cash-LGIP	\$383,975.20			\$383,975.20
RLF Checking Account			\$48,603.07	\$48,603.07
RLF-LGIP			\$567,034.21	\$567,034.21
A/R-other	\$12,500.00		\$0.00	\$12,500.00
A/R-other		\$500.00		\$500.00
A/R- RLF			\$803.77	\$803.77
Prepaid insurance	\$2,737.54		\$0.00	\$2,737.54
Prepaid health /dental insurance	\$1,600.27			\$1,600.27
Total Current Assets	\$436,578.66	\$500.00	\$616,441.05	\$1,053,519.71
Inventory				
Inventory-land for sale	\$148,347.54		\$0.00	\$148,347.54
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				
RLF Outstanding Loan Balance			\$65,482.46	\$65,482.46
Noncurrent assets-other	\$100,000.00			\$100,000.00
Total Other Assets	\$100,000.00		\$65,482.46	\$165,482.46
Total Assets	\$684,926.20	\$500.00	\$681,923.51	\$1,367,349.71
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
FUTA payable	\$194.82		\$0.00	\$194.82
SUTA payable	(\$5.58)		\$0.00	(\$5.58)
Total Current Liabilities	\$11,715.53		\$0.00	\$11,715.53
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	\$11,715.53		\$500,000.00	\$511,715.53
Capital				
Fund balance - BOY	\$654,097.86			\$654,097.86
RLF-BOY			\$173,726.13	\$173,726.13
Fund Transfers	\$1,317.44			\$1,317.44
Fund Transfers		(\$1,317.44)		(\$1,317.44)
Net Fund Change	(\$10,354.82)	\$28,650.19	\$1,317.44	\$8,197.38
Total Capital	\$645,060.48	\$28,650.19	\$0.00	\$181,923.51
Total Liabilities & Capital	\$656,776.01	\$28,650.19	\$681,923.51	\$1,367,349.71