

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY
Minutes of Meeting
May 28, 2009

The Joint Industrial Development Authority of Wythe County, Wytheville, and Rural Retreat held a regular meeting on Thursday, May 28, 2009, at 3:00 p.m. in the Council Room of the Wytheville Municipal Building located at 150 East Monroe Street, Wytheville, Virginia.

MEMBERS PRESENT

William Snyder, Chairman
Linda DiYorio
Tom Jones
Dana Pack

David Elmore, Vice Chairman
Foy Patton
Jennifer Jones

MEMBERS ABSENT

None

EX-OFFICIO MEMBERS PRESENT

None

EX-OFFICIO MEMBERS ABSENT

R. Cellell Dalton, Wythe County Administrator
Raymond E. Matney, Rural Retreat Town Manager
C. Wayne Sutherland, Jr., Wytheville Town Manager

DETERMINATION OF QUORUM

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

CITIZENS' TIME

Chairman Snyder welcomed Bucky Sharitz to today's meeting and asked if there were any persons present who would like to address the Board during citizens' time. There being none, Chairman Snyder proceeded with the meeting.

APPROVAL OF MINUTES—April 23, 2009, meeting

Mr. Pack made a motion, seconded by Mr. Jones, to adopt the minutes. The motion passed unanimously.

APPROVAL OF INVOICES

Dr. Hawthorne reminded the Board that, beginning in June, the Joint IDA will be utilizing the IRS and Commonwealth of Virginia websites to deposit withholding taxes. Dr. Snyder inquired as to whether there were any other accounts that were handled using electronic funds transfer. Dr. Hawthorne noted that the Simple Fidelity deposits were also handled in this manner. Mr. Elmore made a motion, seconded by Ms. DiYorio, to approve the invoices. With no further discussion, the motion passed unanimously.

Joint IDA of Wythe County
Check Register
For the Period From April 24, 2009 through May 28, 2009

Check #	Date	Payee	Amount
5867	5/28/09	Alan R. Hawthorne	4,220.55
5868	5/28/09	Patrick G. Burton	2,476.57
5869	5/28/09	Virginia M. Goodwin	1,506.83
5870	5/28/09	Appalachian Power	89.42
5871	5/28/09	Alan Hawthorne - Reimbursement	110.00
5872	5/28/09	Anthem Southeast Dental	100.72
5873	5/28/09	Anthem Blue Cross and Blue Shield	1,544.35
5874	5/28/09	Embarq	212.27
5875	5/28/09	Mellon Trust of New England, NA	850.00
5876	5/28/09	The Mount Rogers Dev Partnership	6,899.75
5877	5/28/09	Principal Life Insurance Co.	152.94
5878	5/28/09	Robert G. Moore	1,100.00
5879	5/28/09	Sprint PCS	81.77
5880	5/28/09	Bankcard Services	276.12
5881	5/28/09	Xerox	267.86
Total			\$19,889.15

OLD BUSINESS

INDUSTRY APPRECIATION GOLF TOURNAMENT REPORT

Dave Elmore gave a report on the Business and Industry Appreciation Golf Tournament. He stated everything went well and that everyone enjoyed the afternoon. There were 29 teams who participated in the tournament. Proceeds from the event will be distributed equally between the Chamber of Commerce and the Joint IDA. Dr. Snyder stated that he had received several positive

comments about the tournament. Mr. Elmore mentioned that there will be a tournament committee meeting on Friday, May 29 at 11:00 a. m. in the Joint IDA office to discuss the tournament and finalize all information

UPDATE ON ANNIVERSARY CELEBRATION EVENT COMMITTEE

Ms. DiYorio gave an update on the Anniversary Celebration Event planning. The Progress Park tours will be held on June 24 and June 27. There is still a need for volunteers to assist as tour guides. Anyone wishing to help can contact Linda DiYorio or Patrick Burton. Mr Burton is developing a script to be used by the tour guides. There will be a meeting of the tour guides the first week of June to discuss and familiarize them with the script and make any necessary changes. Dr. Snyder mentioned that the tours were listed in the Chautauqua Festival's calendar of events on their website.

ENTREPRENEUR EXPRESS REPORT

Patrick Burton reported on the Entrepreneur Express Workshop that was held on April 30 at the Wytheville Meeting Center. There were 38 participants in attendance. Sandy Ratliff, with the Department of Business Assistance and her team did an excellent job providing information to the current and potential business owners. Ms Ratliff held follow-up sessions with several of the workshop participants at the Joint IDA office on May 7. She received positive feedback on the workshop and was able to discuss other opportunities and assistance that is available from various agencies and organizations in Virginia.

REVISED BUDGET FOR 2009-2010

Dr. Hawthorne discussed the adopted 2009-2010 budget. The budget will need to be revised due to increases in employee health insurance premiums. Dr. Hawthorne explained the increase and informed the Board of the amount (i.e., \$2,300) needed to cover the premiums and that the funds needed could come from the Joint IDA reserve account. He noted that the Wythe County Board of Supervisors had approved the previously adopted budget. Dr. Snyder asked if there was any discussion regarding the revised budget. Mr. Elmore made a motion, seconded by Ms. DiYorio, to approve the revised budget provided confirmation of budget approval is received from the County. With no further discussion, the motion passed unanimously.

PROGRESS PARK RAIL SITE DEVELOPMENT REPORT

Dr. Hawthorne reported on his sessions with potential funders of the development of a large rail-served site in Progress Park. The potential funders are the Economic Development Administration (EDA), the Appalachian Regional Commission (ARC), the Virginia Tobacco Indemnification and Community Revitalization Commission (TICRC), the Virginia Department of Transportation (VDOT IAR), and the County of Wythe. Dr. Hawthorne noted that Wythe County is undertaking subsurface (ER) mapping, that there are now low VRA interest rates for bonds for water projects, that the TICRC has issued an open submission for applications for funds to provide grant matches, and there have been informal pre-proposals submitted to the EDA and the TICRC. Dr. Hawthorne asked for the Boards input as to whether he should continue working on the project and added that it would be more affordable to do the work now because costs would go up in the future. The Board members agreed and recommended that he continue with his efforts.

OTHER

None

NEW BUSINESS

LONG-RANGE PLANNING (CONTINUED)

Dr. Hawthorne gave an updated presentation on his long-range planning analysis regarding future trends in Wythe County titled: "Wythe Future - A peer over the horizon, 2030." The original presentation was a Board status report given during the February 2009 meeting that looked over the horizon 20 years into Wythe County's future.

Dr. Hawthorne reviewed the result of the analysis. The report provided an idea of future issues regarding workforce supply and demand, a diversified economy, what product is needed, and economic development strategies. Significant trends/events (e.g., population growth and labor force participation) and how they will affect the future of Wythe County were addressed. Employment assumptions and Progress Park employment capacity were also discussed.

By continuing to recruit high quality, advanced manufacturing companies that need a technology-focused workforce, Progress Park has the potential to grow to employment of approximately 4,000. Dr. Hawthorne concluded that Progress Park will provide significant job opportunities for Wythe and surrounding counties. He noted that there will likely be reduced out-commuting and increased in-commuting to the county and that worker demand will meet supply in the manufacturing sector. He stated that there would not be a need for an additional industrial park in the foreseeable future.

FINANCIAL STATEMENTS

The first quarter financial statements were distributed to the Board members. Dr. Hawthorne asked if there were any questions regarding the statements. There were no inquiries made by the Board.

FANTASTIC 50 PRESS RELEASE

Board members received a copy of the press release announcing the inclusion of MTC Transformers in the Virginia Chamber of Commerce's Fantastic Fifty list for the second consecutive year. In 2009, MTC Transformers is the only manufacturing company on the list. Dr. Hawthorne and the Board extended their congratulations to the employees of MTC Transformers for their hard work, dedication, and their contributions to the community. A copy of the May 6, 2009 press release follows:

PRESS RELEASE

MTC Transformers Highlighted as Top Manufacturer on Fantastic Fifty List

WYTHEVILLE - The 2009 Fantastic Fifty list of Virginia's fastest growing companies has been released, and for the second consecutive year, the list includes MTC Transformers of Wytheville. The Fantastic Fifty listing is coordinated by the Virginia Chamber of Commerce and annually recognizes Virginia companies with the highest revenue growth over a four-year period. In the 2009 listing, MTC Transformers was ranked the 39th fastest growing company in the Commonwealth and is the only manufacturing company on the list. The company was nominated for this recognition by the Wytheville-Wythe-Bland Chamber of Commerce. Company representatives attended an awards banquet in Chantilly on April 30. A listing of this year's Fantastic Fifty can be found in the May issue of *Virginia Business* magazine (p.33).

MTC Transformers has grown dramatically over the past decade, from four employees in 1998 to approximately 100 today. Revenues from sales have increased roughly 20 times since 1998. The company reports that sales through the first four months of 2009 are ahead of the same period in 2008. In fact, April 2009 was a record sales month for the company. Eager to explore new market opportunities, MTC Transformers is participating in the Chicago Wind Power Trade Show in early May.

The success of the last several years has meant increased visibility for MTC Transformers, with multiple mentions and appearances in *Virginia Business*. The company will be included in a segment of the Economic Report television program which is scheduled to air later in the year.

Dr. William F. Snyder, Chairman of the Joint IDA, observed, "MTC Transformers has a reputation for excellent products and customer service in the power transformer industry. The company is a world-class operation that is proud of its roots in Wytheville and Wythe County. On behalf of the entire Wythe County community, we extend congratulations to the people of MTC Transformers for their accomplishments."

MTC Transformers is headquartered in Wytheville, with a repair service division located in Louisville, Ohio. The company builds and services transformers for electric companies, mass transit systems, the mining industry, the military, and other customers.

###

SPRING NEWSLETTER

A copy of the Joint IDA spring newsletter was given to each Board member. The newsletter was distributed on Monday, May 18.

PROJECT UPDATES

Dr. Hawthorne updated the Board on current projects. He informed them that there had been several inquiries in recent months and that he would continue to keep the Board apprised of any developments or announcements that are made in the future.

OTHER

None

ADJOURN

There being no other business, Chairman Snyder adjourned the meeting at 4:35 p. m.

William Snyder, Chairman

Attest:

Virginia M. Goodwin, Secretary

Joint IDA of Wythe County
Revenue and Expenses
For nine-month period ending March 31, 2009

	<u>General</u>	<u>Special</u>	<u>RLF</u>	<u>Total</u>
Revenues				
Appropriations				
Wythe County	\$105,003.00			\$105,003.00
Wytheville	\$53,361.00			\$53,361.00
Rural Retreat	\$8,316.00			\$8,316.00
		\$166,680.00		
Service Fees				
IDB administrative fees	\$0.00			\$0.00
RLF management fees	\$323.85			\$323.85
CRIFA services	\$37,500.00			\$37,500.00
		\$37,823.85		
Sales/Leases				
Lease income on bldg	\$450.00			\$450.00
Sale of land		\$0.00		\$0.00
less cost of sales		<u>\$0.00</u>		\$0.00
		\$450.00	<u>\$0.00</u>	
Grants/Reimbursements				
VEDA grant		\$500.00		\$500.00
WOF grants - xxx		\$0.00		\$0.00
- xxxx		\$0.00		\$0.00
-xx refund		<u>\$0.00</u>		\$0.00
		\$500.00		
Reimbursements	\$93.60			\$93.60
		\$93.60		
Contributions/Events				
Contributions-WMC	\$310.00			\$310.00
Contributions-EE workshop	\$800.00			\$800.00
Golf tournament-sponsorships	\$100.00			\$100.00
Golf tournament-participants	\$0.00			\$0.00
Awards luncheon sponsor	\$600.00			\$600.00
		\$1,810.00		
Interest Income				
LGIP interest	\$8,743.61			\$8,743.61
Other interest	\$368.39			\$368.39
		\$9,112.00		
Revolving Loan Fund				
RLF loan interest		\$1,719.70		\$1,719.70
RLF LGIP interest		\$10,801.47		\$10,801.47
RLF other interest		\$68.11		\$68.11
Total Net Revenue	\$215,969.45	\$500.00	\$12,589.28	\$229,058.73

- For Management Purposes Only -

	General	Special	RLF	Total
Expenses Summary				
Salaries	\$114,006.00			\$114,006.00
Directors salaries	\$4,725.00			\$4,725.00
Salary Related	\$27,144.02			\$27,144.02
Annual leave accrual	\$0.00			\$0.00
Contract Services	\$6,710.00			\$6,710.00
Copier	\$2,574.54			\$2,574.54
Advertising	\$498.06			\$498.06
Postage	\$155.34			\$155.34
Telecommunications	\$1,913.87			\$1,913.87
Office supplies	\$326.67			\$326.67
Office rent	\$9,900.00			\$9,900.00
Meeting expenses	\$484.55			\$484.55
Subscriptions/books	\$155.90			\$155.90
Dues/membership	\$21,544.25			\$21,544.25
Depreciation expense	\$0.00			\$0.00
Hosting	\$525.00			\$525.00
Mileage	\$2,786.95			\$2,786.95
Lodging/perdiem	\$1,545.00			\$1,545.00
Conventions/education	\$1,600.00			\$1,600.00
Repairs & Maintenance	\$3.97			\$3.97
Surety Bond	\$267.75			\$267.75
Property Insurance	\$93.75			\$93.75
Public Officials/General Liab. Ins.	\$1,547.25			\$1,547.25
Office equipment	\$0.00			\$0.00
Utilities	\$967.43			\$967.43
Job Fair expense	\$0.00			\$0.00
Industry Appreciation Act.	\$1,245.00			\$1,245.00
Industry Appreciation-golf	\$0.00			\$0.00
Other Expense–Jr. Achiev. grant	\$0.00			\$0.00
Other Expenses	\$10.00			\$10.00
Purchase discounts	\$12.63			\$12.63
WOF grants		\$0.00		\$0.00
RLF Closing & Other Expenses			\$323.85	\$323.85
RLF Bad Debt Expense				\$0.00
Total Expenses	\$200,742.93	\$0.00	\$323.85	\$201,066.78
Net Income	\$15,226.52	\$500.00	\$12,265.43	\$27,991.95

- For Management Purposes Only -

Joint IDA of Wythe County

Balance Sheet

March 31, 2009

	General	RLF	Total
ASSETS			
Current Assets			
Cash-petty cash	\$50.00	\$0.00	\$50.00
Cash-checking account	\$15,905.75	\$9,026.99	\$24,932.74
Cash-LGIP	\$578,660.60	\$713,792.23	\$1,292,452.83
A/R-other	\$12,595.00	\$1,547.82	\$14,142.82
Prepaid insurance	\$2,530.29	\$0.00	\$2,530.29
Total Current Assets	\$609,741.64	\$724,367.04	\$1,334,108.68
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.	\$37,469.86	\$0.00	\$37,469.86
Accum. deprec.-equipment	(\$37,469.86)	\$0.00	(\$37,469.86)
Total Property and Equipment	\$0.00	\$0.00	\$0.00
Other Assets			
Deferred payment on land sale	\$0.00		\$0.00
RLF Outstanding Loan Balance	\$0.00	\$28,264.18	\$28,264.18
Total Other Assets	\$0.00	\$28,264.18	\$28,264.18
Total Assets	\$758,089.18	\$752,631.22	\$1,510,720.40
LIABILITIES AND CAPITAL			
Current Liabilities			
Accounts payable	(\$3.00)	\$0.00	(\$3.00)
Accrued annual leave	\$7,793.98	\$0.00	\$7,793.98
Unemployment taxes payable	\$202.69	\$0.00	\$202.69
Deferred income	\$0.00	\$0.00	\$0.00
Total Current Liabilities	\$7,993.67	\$0.00	\$7,993.67
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	\$7,993.67	\$500,000.00	\$507,993.67
Capital			
Fund balance - BOY	\$734,618.99	\$240,115.79	\$974,734.78
Net Fund Change	\$15,725.52	\$12,265.43	\$27,990.95
Total Capital	\$750,344.51	\$252,381.22	\$1,002,725.73
Total Liabilities & Capital	\$758,338.18	\$752,381.22	\$1,510,719.40