

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF CAMPBELL, VIRGINIA**

January 22, 2009

The regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Community & Economic Development Conference Room, County Office Building, Rustburg, Virginia, on January 22, 2009.

The Directors present were:

George Rosser, Chairman
Geraldine Pettigrew
K. William Kirk
Lewis Robertson
D. Vance Driskill

The Directors absent were:

Malcolm Morris

Also Present:

J. Michael Davidson, Economic Development Director and Assistant Secretary-Treasurer
Amy R. Allen, IDA Staff Support
Frank Wright, Jr., Esq., Overbey, Hawkins, & Wright

// Chairman Rosser called the meeting to order at 7:35pm. The minutes from November 20, 2008 were presented for review. Mr. Rosser asked if there were any additions or corrections to the minutes. With no additions or corrections to the IDA minutes, upon a motion by Mr. Robertson, seconded by Mrs. Pettigrew, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority approved the November 20, 2008 minutes.

Chairman Rosser turned the discussion over to Mr. Davidson.

Matters from Economic Development Director

// Mr. Davidson began with by introducing his new Administrative Assistant, Amy R. Allen. Amy is a native of Rustburg and comes to us from Center Virginia Training Center, joined us on December 1, 2008. The first item on the agenda is the financial report. Due to some confusion, the financial statement was not prepared in advance of the meeting. Copies of the financial report will be sent out in the next few business days to the members. Due to several factors Timken did not meet their employment criteria; which meant that the IDA had to return \$150,000 to the state for the Governor's Opportunity Fund. A payment towards Wards Crossing West Road, Simon's Run, has been paid. Mr. Davidson pointed out that if members have not had the opportunity to drive the new road, it is now open.

// Mr. Davidson next discussed the FY08 Audit. Copies of this audit will be mailed with the financial report copies in the next few business days. Auditors are still recommending that the County take over the IDA bank accounts due to the amount of money that is running through these accounts. They have not yet required that this action be taken because we have implemented several of their recommendations over the years. Another plus in our favor is that the County keeps a separate set of books using the County Software to verify the books. Chairman Rosser asked if the main object was based on the amount of volume of the account. Mr. Davidson stated that their

objections/recommendations are based on the fact that the IDA has no paid staff, and a department other than the County Accounting Office handles the books. Mr. Driskill stated that the signing authority is not with a member of the County staff; however it is required to have two signatures. Also, the auditors believe that the incentive payments that go out incrementally should have monthly verification done due to governmental accrual accounting. With the size of the administrative staff in the Economic Development staff, that is just not possible. Mr. Davidson believes that to forego any further issues from an audit that the IDA pull out of the County audit and have an independent audit performed. That would mean that the incentives would no longer be an issue. Other than a few material weaknesses in the audit, which only have to do with accrual accounting, there were nothing wrong. The main reason that the IDA does not have the County Accounting Office handle the books is because of the time frame needed to get a check written. Mr. Davidson pointed out that the time frame has gotten better and is now at best one week and at most two weeks. Mr. Driskill asked if there was any way to shorten that time frame. Mr. Davidson stated that at this time, he does not know of anything in the works that would give him that impression. Mr. Driskill would like to know what it would mean to the IDA if they are forced to have the County Accounting Office handle the books. Mr. Davidson pointed out that at this time, nothing is really time sensitive.

One other item of issue with the Wachovia account on the December statement. We are not sure where the error occurred or who made the error, however a check from the Campbell County account was processed through the IDA Account. A check from the Campbell County checking account came into their central processing center, in which the bottom of the check where the account number is located was so damaged that the account number could not be identified. The clerk who entered the check for processing simply looked up the first account information available with Campbell County in it and ran it through that account for \$845. They have no explanation for the error. Mr. Davidson is not sure if this means that the IDA needs to move their account from Wachovia due to this issue or to leave the account in Wachovia's hands trusting that this issue will not happen again. The money has been refunded and the matter has been corrected.

// Mr. Davidson next discussed the Project Updates. He referred the members to their packet of information on the project updates. The Airport East Hotel is scheduled at this point to open March 1st, 2009. The hotel involved in Wards Crossing West is on hold at this time due to no financing. There were no other updates at this time.

// Mr. Davidson then discussed the Brookneal Wireless Broadband System sale, which was discussed at the November 20, 2008 meeting. Mr. Davidson was able to successfully negotiate the sale for the \$1,000 that the IDA wanted for the sale. There were two conditions that would need to be met to facilitate the sale; Mr. Davidson is currently working with the Town of Brookneal on these conditions. The first is making sure that the Town of Brookneal would allow them to continue to have the antennae array on the top of their water tank. The other issue is the electricity issue; currently the equipment is taking power from a small structure at the base of the water tank, which is owned and operated by Public Safety. At this time, Public Safety is getting ready to let that building go. Campbell County Public Safety has a repeater system on this water tank; which will no longer be needed once the secondary command site at the Brookneal Rescue Squad is up and running. Mr. Davidson does not feel that Public Safety will have a problem transferring everything over to the new owner. It is only a matter of working out the appropriate details.

// Mr. Davidson next discussed in a conceptual perspective the sale of the Banker Steel occupied building. If any type of specific questions is asked, we will add that to the Closed Session to take place later in the meeting. Mr. Davidson was contacted in early December by Banker Steel that their board of directors had decided to buy out the remainder of the loan on that building. This project will still be

dependent on financing, which may or may not be hampered because of the economy. They are currently shopping around for financial backing and Mr. Davidson is sure that one the financial backing is in place, they will get back in touch with him. Mr. Davidson stated that he does not believe that there is any action to be taken at this time; however it may be necessary to have a called meeting in February if they wish to close before the March 19th, 2009 regular meeting.

// Mr. Davidson next requested to go into closed session to discuss a Confidential Working Paper. On a motion of Mr. Driskill, seconded by Mr. Robertson, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority enters into a closed session at 8:08 pm in accordance with §2.2-3711 (A)(5) of the Code of Virginia of 1950, as amended; discussion or consideration of prospective business(es) and industry(ies) and discussion or consideration of expansion of existing business(es) and industry(ies), for the purpose of discussing 1 prospective new business and 11 existing business expansion projects.

The vote was: Aye: Robertson, Rosser, Driskill, Pettigrew, Kirk.
Nay: None.
Absent: Morris.

On a motion of Mr. Robertson, seconded by Mr. Driskill, and duly adopted by unanimous vote, the Campbell County Community and Economic Development Committee reconvened in open session at 5:40pm.

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Campbell County Industrial Development Authority had convened a closed session on the 22nd day of January 2009 pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3711 of the Code of Virginia requires a certification by the Campbell County Community and Economic Development Committee that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Campbell County Community and Economic Development Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Campbell County Community and Economic Development Committee.

The roll call vote was: Aye: Robertson
Aye: Rosser
Aye: Driskill
Aye: Pettigrew
Aye: Kirk
Nay: None.
Absent During Meeting: Morris.
Absent During Vote: None.

Mr. Davidson presented no other items for discussion.

Matters from the Chairman

// Chairman Rosser had nothing to discuss with the members.

Matters from IDA Members

// There were no matters for discussion from the IDA members.

Following general discussion of the aforementioned matters, and with no other business presented for consideration, upon a motion by Mr. Robertson, seconded by Mr. Driskill, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority adjourned at 8:25 pm.

George Rosser, Chairman

Vance Driskill, Secretary-Treasurer