

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

January 24, 2008

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 24, 2008.

The Directors present were:

Vance Driskill
Malcolm Morris
Lewis Robertson
Robert Kennedy
Geraldine Pettigrew

The Directors absent were:

George Rosser, Chairman
Darryl Whitesell, Vice-Chairman

Also Present:

J. Michael Davidson, Economic Development Director
Frank Wright, Jr., Overbey, Hawkins, & Wright
Rebecca Schwarz, Assistant Secretary-Treasurer

Secretary-Treasurer Driskill presided over the meeting due to the absence of both Chairman Rosser and Vice-Chairman Whitesell. Mr. Driskill called the meeting to order at 7:35pm. The minutes from November 29, 2007 were presented for review. Upon a motion by Mr. Morris, seconded by Ms. Pettigrew, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority approved the November 29, 2007 minutes as recorded.

Mr. Driskill turned the discussion over to Mr. Davidson.

Matters from Economic Development Director

// Mr. Davidson asked Ms. Schwarz to review the financial report (see attached). Ms. Schwarz reviewed recent account activity. Ms. Schwarz commented that the members could see reflected on the financial report a \$0.00 balance for the Sanfacon checking account and a \$0.00 balance on the Sanfacon loan. She said that the remaining Sanfacon funds were put into three Certificates of Deposit.

Mr. Davidson reviewed the auditor's comments for Fiscal Year 2007. He devoted some time to explaining and discussing the auditor's six suggestions for improvements or changes to the IDA accounting system. The suggestions were as follows:

1. Management should periodically reconcile all transactions between the County and the IDA. Ideally, reconciliations would be performed at least quarterly.
2. The County should designate certain general ledger accounts which track only outflows to the IDA – these accounts could continue to be reported in the economic development or capital project areas. Isolating the payments to the IDA to several specific accounts will greatly simplify the reconciliation on both sides of the transactions.
3. The economic development director and his assistant should continue to update and maintain the spreadsheet monitoring incentive grants throughout the year.

4. In the IDA's general ledger accounts (the 800 fund), management should consider establishing a separate revenue line for *changes in the balance recorded as receivable from the County*. Another revenue line should continue to be used to post cash payments received from the County. Again, this will simplify reconciliation.
5. The IDA's "800 fund" should use a separate expense account to record incentive grants expense, and use other accounts for all other expenses.
6. Management should maintain a simple spreadsheet which reconciles IDA incentive grant expense to the recorded contributions from the County. In all cases these should reconcile with only minor differences, since the IDA accrues *income* at the same time it accrues *expenses* for incentive grants.

Mr. Davidson commented on each of the suggestions, and the IDA discussed how it intended to approach – or had already approached – implementing the recommendations. The IDA will respond to each of the suggestions via a letter to Management Services and the auditor; and the IDA members discussed the board's intended response to the suggestions. In addition to the above suggestions, Mr. Davidson said that the auditor, per its comments, still prefers that the IDA transfer all accounting responsibilities over to Management Services. The IDA discussed this issue and agreed to leave things as they are right now and re-evaluate the situation over the next year. General discussion followed.

// Mr. Davidson discussed the invoice for legal services performed by Frank Wright, Jr., Esq. for the IDA. The invoice encompassed fees for three things: Sanfacon, the Centra Health bond, and meeting fees. The bill came to a little over \$4,200, but Mr. Wright gave the IDA a discount, bringing it down to \$3,750. Mr. Driskill asked Mr. Wright what the IDA can anticipate being billed for a meeting. Mr. Wright's fee is \$180 / hour, so a regularly schedule meeting costs approximately \$180. However, when Mr. Wright is working on a project for the IDA, he typically discounts the meeting that takes place surrounding that project. Mr. Davidson discussed the sources the IDA will use to pay for these and future legal fees. Mr. Davidson advised the IDA that it will be reimbursed for the legal fees for the Centra Health bond and that it has already received payment from Sanfacon for administrative costs.

// Next Mr. Davidson asked if there were any questions, comments, or other items for discussion regarding the Project Updates. There were no questions or comments from the members.

// Mr. Davidson updated the IDA members on the Centra Health bond. He said that the legal work on the bond is basically complete, though we have not yet received the final document package. Mr. Davidson said he will push to get that package soon. Upon Mr. Driskill's suggestion, Mr. Davidson briefly reviewed the details of the bond for the benefit of Ms. Pettigrew, who joined the IDA after the project began.

// Next Mr. Davidson discussed Seneca Commerce Park. First he reviewed the details of the situation with the storm water retention pond and updated the IDA on new developments on that project. The existing pond, which was unknowingly built in the pathway of a perennial stream, must be taken out, and a new pond must be built. Wiley & Wilson will be doing all the engineering work and will pay for a large part of the cost.

When the park was built, Dominion Virginia Power was determined to be the power provider. However, we recently discovered that AEP, American Electric Power, is the provider for the back section of the park. Currently there is no way to provide that section of the park with industrial power. Mr. Davidson discussed the details of the situation. The involved parties are in negotiation to determine how to resolve the situation. Among the possible outcomes is the option of AEP turning control of its small section of the park over to Dominion Virginia Power. General discussion followed.

// Campbell County completed Phase II of the Dearing Ford Business & Manufacturing Center. The industrial access road is now complete, and two pad sites are currently available.

// Mr. Davidson reviewed the County Planning Process for the Industrial Development Authority. He explained the different steps in the process and how they affect the funding and completion of projects.

// Mr. Davidson advised the Authority that revisions to the IDA By-Laws are needed. The IDA has not amended the By-Laws since 1969, and a number of items need changing. He reviewed what changes he recommends, and he said that we will discuss this further with Mr. Wright and work on the changes before the March meeting in order that the IDA can review a draft of the revised By-Laws at that time. Further discussion followed.

Matters from IDA Members

// The IDA Members had no items for discussion.

Following general discussion of the aforementioned matters, and with no other business presented for consideration, upon a motion by Mr. Morris, seconded by Mr. Robertson, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority adjourned at 8:31 pm.

George Rosser, Chairman

Vance Driskill, Secretary-Treasurer

