TOWN COUNCIL AND FRONT ROYAL ECONOMIC DEVELOPMENT AUTHORITY (FREDA)
JOINT SPECIAL WORK SESSION MINUTES

Wednesday, June 22, 2022 at 6:00 PM - Town Hall Conference Room

The following minutes are a summary of items on the agenda.
This meeting may be viewed in its entirety by accessing the video of the same date online via the Town's website at www.frontroyalva.com.

Discussion Pertaining to Front Royal Economic Development Authority's (FREDA) Proposed By-Laws and Proposed Amendments to Town Code Chapter 16 – Industrial Development Authority – Vice Mayor Cockrell opened the meeting and Town Manager Steven Hicks gave an overview of how and why they were meeting tonight. FREDA Chairman Rick Novak advised Council that at the last FREDA meeting, the Directors made suggested changes to the by-laws in front of them tonight but did not vote on them. Mrs. Cockrell went over all the changes in the by- laws. There was much discussion pertaining to Article X.2. and 3. That pertains to FREDA limitations and review of all documents by an attorney. Mr. Novak advised that FREDA did not want to ask Council for approval on everything they wanted to do, wanting autonomy subject to their budget. Interim Town Attorney Jim Cornwell explained that if a developer wants to do something he will have to find a lender, noting that the Town or FREDA are not responsible for loans. He continued that the only time the Town could be considered in debt were if FREDA were to build a facility to attract an industry, the Town could give moral obligation to pay, but FREDA has to have a source of revenue to do these kinds of projects. Moral obligation is defined as a promise to put in the budget on a yearly basis but don't have to. Councilwoman Thompson clarified with Mr. Cornwell that the proposed amendment to Town Code Chapter 16-5 that pertains to the Industrial Development and Revenue Bond Act of the Code of Virginia as discussed would be legally binding.

Council voiced concern over an attorney giving Council or FREDA bad advice. Mr. Cornwell explained that attorneys carry malpractice insurance. He reminded them that the Town currently has Bond Counsel that FREDA could use if desired. Mr. Cornwell understood that Council was "gun-shy" however, he commented that there were good people on FREDA, they can be audited by the Town's Auditor and Town Staff was working closely with them and attended all meetings. Mr. Cornwell advised that with his experience with other localities most localities share an attorney, Town Manager and staff. He reiterated that a bond counsel would handle most of the work and shared attorneys would hand general issues. He continued that some localities place salaries of staff into their budgets. Director Nick Bass suggested relying on Deputy Town Attorney George Sonnet and Interim Town Attorney Jim Cornwell until such time FREDA has resources to be able to hire their own attorney. Mr. Novak suggested working on their budget as the first step.

The election of a FOIA (Freedom of Information Act) Officer for FREDA was discussed but noted that they could choose the Executive Director as the FOIA Officer but was up to FREDA on how to handle FOIA requests.

Council and FREDA continued discussion on proposed amendments to Town Code Chapter 16. It was noted that most amendments were addressed during the by-laws discussion. It was confirmed that the Town Code amendments would require a public hearing.

Mr. Novak suggested that a meeting/retreat be scheduled with them and Council in the near future to discuss budget, goals and vision of FREDA. It was agreed this was a good idea and a date was discussed. It was also suggested to invite Director of Planning/Zoning Lauren Kopishke to the meeting to give them an update on the Comprehensive Plan, as well as Finance Director BJ Wilson to help with budget questions. It was agreed that July 13, 2022 from 4:00p – 8:00p would be the date set for the retreat. Mr. Hicks was directed to set the place.

The meeting was adjourned at 7:22pm.

PRESENT: Vice Mayor Cockrell, Councilmembers Gillispie, Jackson, Morris and Thompson, Town Manager Steven Hicks, Interim Town Attorney Jim Cornwell (via remote), Clerk of Council Tina Presley, and Manager of IT Grant Autry.

COUNCIL ABSENT: Mayor Holloway and Councilman McFadden
FREDA ABSENT: Directors Stankiewicz and Gedney

Approved by Town Council

Date: 6/27/22