

JOINT TOWN COUNCIL, BOARD OF SUPERVISORS & EDA MEETING MINUTES

**Tuesday, August 27, 2019 @ 6:00pm
Warren County Community Center**

1. Call to Order – Dan Murray, Chairman

2. Pledge of Allegiance

3. Roll Call

MEZA Absent

Mr. Carter

Mr. Fox

Ms. Glavis

Mr. Sayre

Mr. Murray

Mr. Gillispie

Mr. Holloway

~~Mr. Meza~~

Mr. Sealock

Mr. Tewalt

Ms. Thompson

Mayor Tederick

4. Approval of the Town Council and Board of Supervisors Joint Meeting minutes of August 13, 2019

1 – Tederick

2 – Tewalt

ALL voted to accept

5. EDA Presentation

Ed Daley, Chairman of the Economic Development Authority, introduced the Vice Chair of EDA, Mr. Browne, noted that

Bring in business industry

Expand and encourages entrepreneurship

Handout is current mission statement and proposed vision statement

Work toward core mission is their intent

Here tonight because there was a catastrophic failure
And none of us wish to see that again
Due to Failed procedures and failed oversight

Eda did its own accounting and wrote its own checks – never again
County check writing the checks
EDA looks forward with
Adopt additional procedures
Effective oversight
Has to be effective oversight by County and Town, and the citizens
Encourage attendance of meetings – trust but verify
Great opportunity, bury old disagreements

New eda Board, it is active and looking to turn EDA around
Make Town and County better

End of the day
Looking for strong economic

Parsons:
Financial policies is paramount
Revised financial policies and transitioned to County

Went through the financial process:
Expenses/receive a bill:
Get signature of TWO
County Finance Dept
Then go to BOS, then and only then are checks cut

Deposits:
Coded checks are brought to County Treasurers office for depositing

Properties: Identified props that are not appropriate to be held by EDA and they have listed them by
Have had them appraised recently

New committees within the Board, and the Brd is engaged
Committees are active, reviewing properties and offers received

Finance & Loan: sets criteria
Review loan applications

Communications: Communications Plan drafted, website plan

Exec: Committee will set monthly agenda and handle admin issues

Micro Loans: Delinquent loan issues are handled

50% of loan portfolio was delinquent

FRPD: working with Penoni
Punch list Items with the project are to be done in September

Retention: met with major employers for retention and and expansion matters
Local and state opportunities

Marketing and new prospects: working with Virginia Eco Dev Author
Focusing on being more effective, efficient, and more aggressive

Handouts show cash balance, loans, principal balance, property list, microloans, also have documentation,
total requisitions to date for FRPD as well

DALEY – working to become more transparent
Putting more items more matters on the table

No money at the EDA

Basic EDA functions is our priority

Need to answer questions related to the FRPD

TEDERICK: Introduce the Board please
ED Daly – chair of the Board
Jeff Browne, Chair of Communications
Gray Blanton, Dr. Patteson, Mark Browne, Jorie Martin, Greg Harold

No one here that has been here more than two years
We are all catching up to what has happened and how to correct it

Dan MURRAY asked, how do we stand, are we solvent or insolvent
Parsons noted that EDA can meet debt service currently
Debt is in area of \$40 million
Obligations can be met, need settlement omeny from civil suit, and can extend the time we can be solvent,
thought there may be a time where debts cannot be met
Finance Committee is reviewing things for long term to ensure that the needs can be met

HAROLD: unraveling the accounts that are dealing years and even decades old that have some anomalies to
them, you cannot journal out the entries, you have to attempt to understand the logic behind untangling
the numbers and the accounts
The new board is attempting to work on the numbers to untangle the depth of the tremendous amount to
obtain the correct bottom line

TEDERICK: Thank the EDA Board Members, people forget that they are volunteering their time and it is no
small task and couple that it is a turultous time with catastrophic events and the Council and the BOS
understands that it is a hard task
Community recognizes the work
He is encouraged by the Reform Committee and their work

HAROLD asked
Why do we need an EDA and how does it best serve the public?

Daley noted that the EDA coordinates and focuses on the Mechanism issues finances on behalf of state and local government

BROWNE Reality is that EDAs are throughout the Town and County throughout the Commonwealth and there must be a focused effort to work with business

Many firms request non-disclosure agreements through the EDA to negotiate in secrecy and the EDA provides that

There are many forms that the EDA comes in, and the set up that is the most common is what the Town/County has had

It did not work recently, though generally this set up has

HAROLD noted that there are thousands of EDAs competing for businesses and we are also competing with WV and Maryland as well. He stated that it was not just a state issue, but

How do we prevent another workforce housing? Or IT Federal? What processes are being developed to make sure this doesn't happen?

Parsons noted that researching the client is vital and there are plenty of resources available to do that. He stated that there are plenty of ways to complete your due diligence to ensure that they are who they say they are. He noted that the options are limitless to check resources.

Mr. Parsons stated that there are better ways to make certain that it is not the mission of EDAs to be involved with workforce housing and he felt that this EDA should not as well.

HAROLD – How does the VA Economic Develp prescreen clients:

Parsons stated that scandals to EDAs is not exclusive to Warren County and a few years ago the State EDA had an issue, with the Commonwealth giving the company \$1 million and the individuals ran. He noted that the State is focusing on performance based matters, rather than funding. Mr. Parsons stated that the State will incentive a project, though they require tasks first, before the companies can submit for reimbursement for example. He explained that is just one way that performance based matters are handled in order to ensure matters are correctly processed.

Mr. Parsons explained that requests are handled relating to the State database and processing the match State incentives and competition with neighboring EDAs and States.

Mr. Sayre asked about a bakery on Main Street and the requirements that were not processed for the building. He noted that questions should be answered when asked of the EDA.

Mr. Daley noted that if answers are not given, then go to another Board Member, as questions should be answered.

Mr. Sayre stated that it was not fair to constituents either when they ask matters of the EDA. He noted that there should be some transparency and honesty, there should be immediate feedback to the BOS and the Council when asked. Mr. Whitten noted that it was a microloan and then the bakery owner moved to Georgia after a few payments and the bakery never opened. Mr. Parsons agreed with Mr. Sayre noting that openness should take place.

HAROLD explained that a business plan matters here -----

Draft version is working and will be made public and they will

Councilman Thompson has a list of EDA properties from the spring and the list given the other day does not match. Parsons noted that he would be happy to meet with her on that and the list pertains to the value of the property.

Tewalt asked about the property list and he asked about any liens on the property liens

Mr. Daley noted that most properties have some type of bank lien

Tewalt asked about the warehouse property that was purchased about a year and a half ago. Mr. Murray noted that they most likely intend to sell it.

Mr. Whitten stated that the EDA owns the property and when a prospect comes in, they will speak with the BOS when a prospect comes in.

Whitten noted that - County is paying the loan because the BOS agreed to pay the loan

Seeking to sell the property and any left over they may consider reimbursing the amount to the EDA

Tederick: a resolution back in 1981?? County would be getting 50% and Town would be getting 50% of the profits

Town and County used to be making decisions related to assets of the EDA

None of the profits were distributed back to the Town taxpayers

Consider the amount of monies that may be owed to Town and County, he does not believe the EDA is solvent

Council could vote to not accept the monies owed to them, though he would be surprised by them

When an asset is sold, and Whitten speaks of returning to the County, it should ALSO be returned to the Town as well

It is clear that the County is the fiscal agent of the EDA, though he questions the legality of that setup

He is not clear with relationship with the Town and EDA, in the past the Town would fund 28% of the operational line item

Tederick explained that the Town stopped funding that portion, and he feels that is a mistake, as it gave the perception, that the Town has no involvement with the EDA, though it is beneficial to discuss the Town/EDA relationship

He asked: Where is the Town in the EDA priorities?

Assets bought and sold – EDA has been getting a blessing from the County and what is the policy from here on out

Daley noted that the EDA Board is unsure what role the Town wants to play in regard to the EDA

He stated that he asked a year ago and he was told that the “Town leaves that to the County” so that was the perception, so when someone asked him to consider joining the EDA Board, he stated that the County asked him join the EDA Board

Tederick stated that he was very aware of the VA Eco Dev Partnership

He asked what proactive role the EDA planned to take

Parsons stated that the VDEP would assign a rating to each site around the state and the goal is to have your site at a level raised, geo technical, etc, and the more that are raised, the more often those properties will be raised to the forefront

Conventions and trasheshow around the world

VA Inland port is an incredible asset and he is working to identify opportunities and the EDA can certainly use that to enhance the community’s success and he has a good understanding of how the VADEP works, as he was employed there over 4 years

Mr. BROWNE noted that EDAs proaction in past years is pretty old, the strategic plan is from 2013, and the new Board is updating many aspects of the organization, a targeted list of industries, he wants changes to how that has been handled

GILLISPIE – tax payer funds were appropriated during closed session – Daley – he knows that law;
Gillispie – will charges will be brought?? Daley – will not happen with our EDA Board

Carter – Baugh Drive – were approached by EDA, that was the old North American Housing, it became vacant, the Director said she had a prospect that would lease the property and when it was explained to us, supposedly there was another company lined up – and they did not contact the Town, no.

Carter noted that Town/EDA went forward with Afton Inn and PD and they did not contact the County;
By all means, the Communication Committee, the County and Town will be notified from this point forward it seems

Carter stated that the EDA Reform Committee – Sept 12th next meeting; EDA Board Member suggestion, and Whitten will be gone; so in addition to Parsons, that will have Daley as his suggestion

CARTER MOVED, Sayre seconded to add Daley to REFORM COMMITTEE

Tederick – which one will be the voting member would be his question, only one voting member though.
Not both as a voting member.

HAROLD – Daley OR Browne, made an amendment
Glavis

BERRY CLARIFIED

TEDERICK
SAYRE seconded
EDA choose their own
AMENDMENT

TEDERICK moved, two EDA Members, only one voting
HOLLOWAY seconded
CARRIED

Sayre asked about the citizens committee
Murray – cannot move forward on this time

Carter asked – MAIN MOTION
Tederick rescinded main motion,

MAIN MOTION – EDA will choose their selection and they will have one vote
NOSSSSS by everyone

Sayre moved, seconded Tederick
County attorney vote
ALL FOR

6. Review Action Item List

- a. Memo to EDA from the Town and County pertaining to Debt Service/Dates/Amounts**

b. Obtain copy of Insurance Policies from Attorney Whitten pertaining to the EDA Occurrence Limits

Tederick thanked Whitten they received the copies within 48 hours of last meeting and they have turned the insurance documents over to appropriate individuals.

c. Obtain copy of EDA Property List from Attorney Whitten within 30 Days

EDA noted that the list is enclosed in

Carter noted that the list did not match the earlier list from the spring

Parsons – happy to work on rectifying that list

Amounts owed on the properties please, asked Thompson

d. Obtain unredacted Cherry Bekaert Report

Whitten unable to provide that

Tederick asked if the EDA have the authority to waive that stipulation

Whitten yes, though he is unsure they would want to do so as it would compromise the EDAs position

Tederick asked Napier – EDA chose to waive privilege – allowed to just give it to the Town; Napier noted that he would have to look into that; though since the EDA and Town have commonality he would be surprised if they would have to give it to all defendants if they provided it to the Town

Tederick asked if there is a concern with turning it over, could there be a ruling for the

Civil process alone – court can order it, so the Town cannot release it to the Town ; yes perhaps per napier
Whitten – yes agree if there was a court order

Daley – successful in that, please share it with the EDA Board; as they have not seen it

Carter – strategize with legal counsel – this item should fall under that matter

e. MOU from the Town pertaining to the Afton Inn within 30 Days

Tederick very motivated to see activity and town is very optimistic

Keep it on as pending item

7. Schedule Upcoming Meetings

Tederick stated that having a Town Hall meeting would be preferred and he would like to do so; need to hold a forum for the community to ask their questions and have the BOS and Council answer the questions

Citizens need answers and they need to have a Town Hall style meeting; and he requested that Waltz place it on worksession

Asked if BOS and EDA were interested

This Joint Meeting – very productive, very necessary; considering state of affairs; would like joint meeting:
Council agrees that they are very worth it; perhaps in 45 days
Murray – further out than 45 days

a. Next Joint Meeting

Oct 14-18 time and date of meeting BERRY will send out list

b. Meeting with Attorney Dan Whitten, County Finance Consultant Carolyn Stimmel, Town Attorney Doug Napier and Town Finance Director BJ Wilson pertaining to the Police Department's payoff amount.

Tederick stated that still some negotiating taking place regarding one of the terms
Waltz has direction and the report back from Staff noted that it was very productive

c. Meeting with legal counsels of the Town, County and EDA to strategize

Tederick asked Napier to schedule next meeting
Murray stated that Mr. Whitten is leaving soon
Mr. Napier clarified which attorneys he would like to meet with
Mayor Tederick noted that legal strategy and commonality regarding pursuing third parties

8. Executive Session to discuss legal matters (optional)

none

Murray - Recruiting is one thing, also retention
Extremely important

9. Adjourn

1 – Tederick
2 - Tewalt