MINUTES OF MEETING

The Board of Directors of the Industrial Development Authority of Washington County met pursuant to notice on Wednesday, June 12, 2013, at 3:00 p.m. in the Board Meeting Room #2 of the Washington County Government Building located at 1 Government Center Place, Abingdon, Virginia for the regular monthly board meeting.

PRESENT:

Henry Snodgrass, *Chairman*
Pat Callebs, *Treasurer*
Randy Woodward
Saul Hernandez
Larry Hines
David Matlock
Gene Copenhaver

ABSENT:

ALSO PRESENT:

Fred Parker, *Fiscal Agent for The Highlands*
Sam Kiser, *Thompson and Litton*
Christy Parker, *County Department of Economic Development & Community Relations* (Counted present at 3:30 p.m.)
Joe Lyle, *Hale, Lyle and Russell - IDA Legal Counsel*
Neta Farmer, *IDA Recording Secretary*

CALL TO ORDER

Chairman Snodgrass called the regular June board meeting to order and determined that a quorum was present. The Chairman welcomed and introduced David Matlock and Gene Copenhaver as newly-appointed members to the IDA Board.

READING AND APPROVAL OF MINUTES

A motion was made by Randy Woodward and seconded by Larry Hines to accept minutes of the regular May board meeting (May 8, 2013) and called meeting (May 22, 2013) as presented. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

INTRODUCTION OF NEW AUTHORITY MEMBERS

- Gene Copenhaver and David Matlock

Chairman Snodgrass introduced to the IDA Board new Board members Gene Copenhaver and David Matlock.

REVIEW AND APPROVAL OF FINANCIAL REPORT/PAYMENT OF BILLS

- **Highlands Project Report – Fred Parker**

Fred Parker reviewed The Highlands Project report with the Board. A motion was made by Saul Hernandez and seconded by Randy Woodward to approve The Highlands Project report as presented.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

Updated Financial Report

In Secretary Suzanne Lay's absence, Chairman Snodgrass reported that the IDA had not received some of the bank statements before Ms. Lay left on vacation and the updated financial report would be presented at the July board meeting. The Board reviewed the then available financial report. A motion was made by Pat Callebs and seconded by Larry Hines to accept the then available financial report as presented. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

- **2013-2014 Budget**

Pat Callebs presented the proposed 2013-14 IDA budget to the Board and answered questions regarding the same. Chairman Snodgrass commented on several items listed on the proposed budget, and the Board discussed the proposed budget. A motion was made by Pat Callebs and seconded by Saul Hernandez to adopt the proposed budget for fiscal year 2013-14 as presented subject to the following modification - restoration of the Fiscal Agent line item to $9,000.00.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

- Payment of Bills

A motion was made by Pat Callebs and seconded by Larry Hines to approve payment of the following invoices: Fred Parker –Fiscal Agent for The Highlands - $750.00; Thompson and Litton - $2,412.17; Hale, Lyle & Russell - $4,107.70, $1,033.00; and
Baker Construction - $12,200.00. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

ATTORNEY'S REPORT – JOE LYLE

~ PERFORMANCE AGREEMENTS ~

- **INNOVATIVE TECHNOLOGIES**

Legal Counsel reported to the Board that the Circuit Court of Washington County, Virginia had entered a Final Order granting a judgment in favor of the IDA against Innovative Technologies; reminded the Board that Innovative Technologies was out of business; and recommended that the IDA not go to the expense of trying to collect because the company was out of business and appeared to have no assets. It was the consensus of the Board for Counsel not to pursue collection further and for Counsel to advise Mr. Stephenson with the Tobacco Commission of the judgment.

- **COLUMBUS MCKINNON**

Legal Counsel reported to the Board that, as directed, he had forwarded a demand letter to Columbus McKinnon; that Columbus McKinnon had responded that it was scheduling a meeting with Senator Bill Carrico; and that Mr. Stephenson with the Tobacco Commission advised that a meeting was scheduled for June 13 and to wait the results of the meeting before proceeding further. It was the consensus of the Board to proceed as directed with the approval of Mr. Stephenson.

- **MARTINO LAND**

Legal Counsel advised that he had spoken with attorney David Hutton, counsel to Martino, concerning the matter.

- **AGC FLAT GLASS**

Legal Counsel reported that AGC Flat Glass had provided the Washington County Commissioner of Revenue its Machinery and Tools Tax Report for 2012 and that he had analyzed the report with the IDA's records concerning the status of performance and had briefly discussed the same with Brandon Butcher, a senior tax analyst with the company. He advised

that he would work with Mr. Butcher to further review the information to come to a final conclusion of the company's performance and report to the Board at a future meeting.

- **CLEAN ENERGY R & D**

Legal Counsel reported that the Board of Supervisors was scheduled to consider the Clean Energy R & D performance agreement and if approved the agreement would be circulated for execution.

OAK PARK SEWER AGREEMENT WITH WCSA

Legal Counsel presented for review and approval the proposed Oak Park Sewer Agreement between the IDA and the Washington County Service Authority and answered questions concerning the proposed Agreement and the Service Authority fees. The Board discussed the matter. A motion was made by Larry Hines and seconded by Pat Callebs to approve the Oak Park Sewer Agreement with the Service Authority and to authorize Chairman Snodgrass to sign the Agreement. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

COMMUNITY SERVICES BUILDING

Update on Janitorial Services

Chairman Snodgrass reported that Kevin Hill was currently working with tenants of the Community Services Building to determine if a full-time maintenance worker was needed at the building. More information will be given as it becomes available.

Mowing RFP

Chairman Snodgrass advised that the IDA had solicited Quotes for Mowing Services at the Community Services Building from four contractors and had received two Quotes in response. The Board reviewed the Quotes, and it appearing that the Quote from Kestner's Lawn Care was the best of the two submitted Quotes, a motion was made by Larry Hines and seconded by Pat Callebs to accept the Kestner's Lawn Care Quote and authorize Chairman Snodgrass to enter into a contract with Kestner's Lawn Care to provide mowing services in accordance with the IDA's solicitation and the Quote to take effect on August 1, 2013. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

Security RFP
Chairman Snodgrass advised that the IDA had solicited Requests for Proposal for Installation of Security System for the Community Services Building from five contractors and received three Proposals in response. The Board reviewed the Proposals, Chairman Snodgrass advised that the Facilities Committee agreed that the Proposal from Dynamark Security Systems was the best of the three submitted Proposals, and recommended that the Board accept the Dynamark Security Proposal. Accordingly, a motion was made by Pat Callebs and seconded by Randy Woodward to accept the Dynamark Security Proposal and authorize Chairman Snodgrass to enter into a contract with Dynamark Security to install the system in accordance with the IDA's RFP and the Proposal at a cost of $26,654.50, noting that the IDA would pay Dynamark and be reimbursed accordingly by the IDA's tenants the Department of Social Services, Health Department and Child Connection. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

OAK PARK PHASE III & IV

- **TVA GRANT-Sign update and Pad Preparation**

Christy Parker provided information to the Board regarding the approved TVA Grant for the Oak Park sign. The Board reviewed this information and discussed the process to obtain proposals for the design and installation of the sign in accordance with the IDA's Small Purchase Procedures. It was also noted that Bordwine's Excavating, Inc., d/b/a Bordwine Construction was still on site completing the demolition of the house on Lot 14 where the sign is to be located and that the IDA could likely obtain a favorable price from Bordwine Construction to prepare the small building pad for the sign inasmuch as the company had equipment on site and would not have to remobilize. Accordingly, it appearing to be in the best interests of the IDA to do so, a motion was made by Larry Hines and seconded by Pat Callebs to authorize the Chairman pursuant to the IDA's Small Purchase Procedures to obtain a single quote from Bordwine Construction for such work and within the Chairman's reasonable discretion to authorize Bordwine Construction to perform the work pursuant to the quote. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

- **SINKHOLE REPORT**

Chairman Snodgrass reported that the sinkhole repair was completed pursuant to the contract with Baker's Construction and Excavation Co. and advised that an additional bill will be forthcoming from Foundations Systems for inspection of the work.

BLUE RIDGE BEVERAGE SIGN

Chairman Snodgrass presented for approval the proposed Blue Ridge Beverage sign to be placed at the entrance. The Board reviewed Blue Ridge Beverage's submission. A motion was made by Pat Callebs and seconded by Saul Hernandez to approve Blue Ridge Beverage's entrance sign as presented and to allow the company to proceed with installation of the same. The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

STRATEGIC PLAN

Proposed date of next meeting - June 26

Chairman Snodgrass reminded the Board that they planned to continue discussing strategic plan on Wednesday, June 26, 3:00 p.m.

CLOSED SESSION

A motion was made by Randy Woodward and seconded by Pat Callebs to convene in closed session pursuant to Virginia Code §§ 2-2-3711(A)(5) and (A)(6) to discuss prospective businesses or industries interested in locating, and existing businesses or industries interested in expanding, in Washington County where no previous announcement has been made of the prospective and existing businesses' or industries' interest in locating or expanding in Washington County and to discuss and/or consider the investment of public funds associates with the potential location or expansion of such businesses or industries where bargaining is involved, and where, if made public initially, the financial interest of the IDA would be adversely affected.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

Chairman Snodgrass asked the following persons to remain in closed session with the IDA Board members: IDA Counsel - Joe Lyle; and County Department of Economic Development & Community Relations - Christy Parker

Following the motion the Board convened in closed session, and following the closed session, a motion was made by Randy Woodward and seconded by Pat Callebs, to approve the following resolution,

> WHEREAS, the Industrial Development Authority of Washington County has convened in closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and
>
> WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Industrial Development Authority of Washington County that such closed meeting was conducted in conformity of Virginia law;
>
> NOW, THEREFORE, BE IT RESOLVED that the Industrial Development Authority of Washington County hereby certifies that, to the best of each member's knowledge, (i) only public business matters 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 of convening the closed meeting were heard, discussed or considered by the Industrial Development Authority of Washington County.

The vote on the above-mentioned motion was as follows: (7-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Matlock	Aye
Copenhaver	Aye				

The hand vote was unanimous.

UPDATE ON MOVING TO ELECTRONIC FORMAT

Randy Woodward reported that Neta Farmer was uploading the IDA agendas and minutes to the IDA page of the Washington County website.

FTZ REPORT

Chairman Snodgrass noted that the letter responding to the Tri-City FTZ questions was in the Board's agenda packet and that the IDA shall continue as a member of the New River Valley Foreign Trade Zone.

CHAIRMAN'S REPORT HENRY SNODGRASS

- **Industrial Appreciation Event June 5, 2013**

Chairman Snodgrass reported the Industrial Appreciation Event was a great event and 80 people had participated in the annual golf outing.

- **Committee Structure**

Chairman Snodgrass noted that committee structure would be discussed at the recessed meeting June 26th.

- **SWVTC Awards Banquet and Gala**

Chairman Snodgrass and Pat Callebs reported that they planned to attend the SWVTC Awards Banquet and Gala, and other members were invited to attend.

- **Set Annual Meeting**

Chairman Snodgrass announced that the July organizational meeting would be held on Wednesday, July 10, 2013, at 3:00 p.m.with dinner to follow the organizational meeting at 6:30 p.m. at the Damascus Old Mill.

RECESS

A motion was made by Randy Woodward and seconded by Larry Hines to recess the regular June 12, 2013, board meeting until Wednesday, June 26, 2013 at 3:00 p.m. The vote on the above-mentioned motion was as follows: (6-0-0)

Snodgrass	Aye	Callebs	Aye	Woodward	Aye
Hernandez	Aye	Hines	Aye	Copenhaver	Aye

The hand vote was unanimous.