

The Carroll County Economic Development Authority held its regularly monthly meeting, Tuesday, June 9, 2020, 4:00 pm, at the Carroll County Governmental Complex in Hillsville, Virginia.

Members present: Chairman Ricky Thomas, Vice-Chairman Richard Sowers, Ronnie Collins, Larry Edwards, Mandi McCraw, and Secretary Larry Chambers.

Members absent: Kay Carter

Citizens Time

No citizen addressed the board

Minutes

Chairman Thomas had several questions concerning additions to the May 4th minutes submitted by Ms. McCraw:

1. **Sediment pond** –I want to ask if we feel that it necessary to add that to the official minutes of the discussion since the EDA transaction was essentially in order on both the agreement side and the transaction side. Does that still need to be in the minutes? Ms. McCraw responded with, Are you asking me personally? Chairman Thomas answered yes and Ms. McCraw stated that she felt anything discussed should be included in the minutes. Chairman Thomas questioned even if it has no bearing on this body. Ms. McCraw again responded with an affirmative.
2. **Two hundred dollar maintenance fee for Liddle Tykes** – for the repair of the potholes. Chairman Thomas questioned what the dispute referenced or the need to have this discussion included within the minutes. McCraw responded as before regarding any discussion should be included in monthly documentation as well as the \$200.00 was an estimate from Mr. Dalton. Thomas' opinion is the alternative is to actually spend money outside the county, where the \$200.00 estimate was coming from the county maintenance group which as long as there's no overtime present, we're just simply transferring money from EDA to the county and no money actually leaves the county, so would this still be a problem? Ms. McCraw responded this would still be considered a transaction, one that would need prior approval.
3. **Vanguard request** – Chairman Thomas' only issue was that the request never really came before the board. It was something that had been asked about because there had been some emails about it, but the transaction nor the request never officially came before the board.

Chairman Thomas voiced concerns regarding "pickiness" of minute inclusions. Ms. McCraw referenced minute documentation of Board of Supervisor meetings and was countered by Chairman Thomas by the BOS minutes being transcribed. Ms. McCraw continues to affirm her belief that anything discussed should be documented. At this time, Stephen Durbin, county attorney addresses the board citing the Virginia code / Freedom of Information Act (FOIA) requirements regarding documentation of records. **FOIA requires that the minutes of course be in writing and shall include the date, time, location of the meeting, the members of the public body recorded as present and absent, a summary of discussion of matters proposed, deliberated, or decided, and a record of any votes taken.** Mr. Durbin also stated additional requirements for electronic minutes, but these statutes are not relevant to this group at this time. Mr. Durbin reiterated the point, if it's a matter proposed, deliberated, or decided, a topic brought up for discussion, something proposed for action on public business, etc, should be documented in monthly minutes.

Chairman Thomas asks for further discussion regarding May 4, 2020 minutes. At this time, Ms. Sandy West, treasurer for the EDA, voices her concerns regarding suggested amended minutes suggesting disparity in EDA records regarding the sale of EDA property to Mr. Donald Branscome. Ms. West references the check received and the amount of the deposit are equivalent. She states the discrepancy to be between EDA records and a possible data entry error by someone in the county by which EDA has no control.

A motion was made by Ms. McCraw to accept the minutes as presented with the additions. No second was received. At this time Chairman Thomas asked if additional time was needed for discussion, amendments, or comments. Mr. Larry Edwards questioned if Ms. West's comments would be included in current minutes. Chairman Thomas questioned Ms. West as to how she would prefer documentation. Ms. West wants it documented that there is **no discrepancy with EDA records, but there is a variance with the data entry in the tax office**. She voices having no knowledge of where the actual error is. Chairman Thomas addresses Ms. McCraw since there's no second to your motion of accepting the minutes and additions, would she be agreeable to removing the section on the sediment pond since it does include errors in the Ms. McCraw restates the fact that there continues to be an error. Chairman Thomas states EDA agreement was to sell indicated property for \$90,000.00, we received \$90,000.00 in payments, go back to minutes of the approval of this board, they are in order. Ms. McCraw interjects that this is not in this action is not in the minutes for that meeting. Chairman Thomas states that no price was discussed or listed, but Mr. Sowers made the motion for the transaction. McCraw states her concern is for the unresolved error.

Much discussion ensues from board members regarding the origin and the fault is placed outside the EDA. Discussion revolves about removing the minute addition referencing the approximate \$18,000.00 difference in transaction. Mr. Larry Edwards made a motion to remove McCraw's addition referencing the \$18,000.00 as read by Chairman Thomas: "During this time, when we discovered a substantial amount of funds that were unaccounted for, nearly \$18,000.00 for the sale of this property in 2018, in addition to incorrect dates of sale as reflected in recorded documents. This was researched in our meeting and the Carroll County GIS showed that the sale of the property took place in December for \$108,000.00. Ms. West's records indicate the sale taking place in February 2018 with the EDA only receiving \$90,200.00.

Mr. Richards Sowers seconded the motion to accept amendment for removal of McCraw's additions. Chairman Thomas calls for further discussion at which time Ms. McCraw suggests a reworded amendment be made to state "that upon further review, the EDA records are in order, but an error still remains. Ms. McCraw states that any audit will reflect the difference between GIS and EDA documentation regardless of where the fault lies. At this time, Ronnie Collins states his opinion of not enough clarity to entirely remove minute additions involving this finding.

Stephen Durbin, county attorney suggests increased clarity regarding Mr. Edwards' amendment to remove McCraw's minute additions as read.

5-1 vote in favor of removing McCraw's minute additions referencing an approximate \$18,000.00 discrepancy with McCraw opposing.

Mr. Edwards questions Mr. Durbin as to the legal authenticity of GIS. Mr. Durbin states GIS is a public and county record, but with a disclaimer that reliability is within the documents found in the circuit court clerk's office.

Chairman Thomas then questions Ms. McCraw as to whether she wants to add a statement. Mr. Collins suggests that a statement be added to the minutes stating, "It come to this body that there was a discrepancy in the sale that was made between the EDA board, at that time, the IDA board, between what the IDA records are and what the GIS records are and that it was determined that this is exactly what happened, that it would be investigated and that we would find out what the issue was. At that point, when we left the meeting, there was not clarity and in some of our minds what the absolute was, but now we have that and it was just a couple of days after that meeting, that I got documentation from the county administrator's office and the director of this board. That's exactly what happened that the sale we had recorded was for \$90,200.00, the check that we received was for \$90,200.00 and that we don't have any control over what the GIS states, so I think it needs to be referenced in there that we had this discussion about a discrepancy that was brought to our attention and that it's not a discrepancy of ours.

Mr. Edwards states his concern regarding the EDA having had an audit that's correct and not wanting to do anything to jeopardize that, but also not objecting to raising questions for other bodies to address.

Chairman Thomas presents minutes for approval as amended; McCraw suggests minutes to include Mr. Collin's amendment. Acceptance of minutes are at this time delayed to later in the meeting until proper amendments have been written.

Thomas asks for amendments / motions to be prewritten prior to board meetings.

Section V – AGENDA

Chairman Thomas recognizes Mr. Durbin to address the EDA board with discussion of Carroll County Board of Supervisor's direction contracts and conflict of interests concerns. Mr. Durbin Briefly describes highlights and topics of discussion re the BOS directives. The feeling of the BOS is that the county government at large has extended itself in financial obligations without always having sufficient revenues to meet these obligations and the board has issued a motion on March 23, 2020 as a statement of policy for future transactions of how they'd like reporting and public documents to be handled. Please reference the BOS March 23, 2020 minutes for a full description of these details concerning the EDA involvement in any such transactions. Agreements need to be stated in a way that reflects correspondence with and abiding with duties also required and set forth by the constitutional officers.

An agenda of 20 items is detailed by the BOS. Chairman Thomas questions the need for discussion of all 20 items. The following items are questioned by Chairman Thomas:

Item #14 – the authority of the BOS over the EDA

Item #13 – depositing / routing all EDA monies through Treasurer's Office. Much discussion is solicited from Ms. West without confirmation of either pros or cons. Thomas states Treasurer's Office ability to "should" vs "can" would be the item to address.

Chairman Thomas, at this time, asks for further board discussion re 20 item letter of direction.

Mr. Durbin interjects that the BOS is striving for a closer level of communication between themselves and the EDA re any and all transactions.

Mr. Collins questions clarification re "possibly affecting future funding". Mr. Durbin responded with the EDA has its own funds and is not directly under the authorization of the BOS except for future EDA board member appointments and funding of future projects. The BOS would be responsible for enforcing any of the policies they chose to enact.

Thomas agreed with 19 of the 20 items presented and voiced them to be good policies and a reference for good guidance, however, he also voices them to be impractical. At this statement, Mr. Durbin states the fact that it's already the EDA's obligation under the code of Virginia.

Thomas questions the origin of the 20 items and requests of Mr. Durbin to obtain this information from BOS member Mr. Rex Hill.

Chairman Thomas shares that at the EDA's last meeting, it composed a two member team to do a study on all EDA/Carroll Co land availability. Thomas states that the team report is requested to be completed by December and also requests Mr. Durbin to discuss time frame of EDA study with BOS.

This discussion and presentation by Mr. Durbin was for information only, thus requiring no board action.

AGENDA items #6, #7

#6 CLAIMS REPORT

See attached report. Mr. Chambers made the motion to approve the claims. Mr Collins seconded the motion. Approved 6-0 vote.

#7 TREASURER'S REPORT

See attached report. Mr. Edwards made the motion to approve the treasurer's report presented by Ms. West. Mr. Sowers seconded the motion. Approved 6-0 vote.

OLD BUSINESS

Liddle Tykes Contract

Ms. McCraw presented information regarding Liddle Tykes Daycare lease as requested by the EDA board at its May 2020 meeting. Ms. McCraw's research into the lease, which should have renewed in January 2020, warranted consultation with the county attorney, Mr. Durbin.

Upon Mr. Durbin's review of the contract, it was determined that the county had several options: continued lease agreement with current tenant, but of having the tenant make payments as proposed in the current lease agreement, which they're not currently doing so; offering the sale of this property to the current tenant; or entertaining bids for a new tenant.

Mr. Durbin states the payment controls within the lease are in effect and would determine route of action chose. Suggestions to exercise the EDA rights in the form of issuing a letter of notice to tenant of default, as lease payment agreements have not been adhered to; issuing a letter of notice of payments are in arrears to tenant and offering a time frame in which to bring current; or advertising for sale of property.

Ms. McCraw indicates that current lease was drafted by EDA without legal counsel. Lease renewal prepared by Ms. McCraw has been reviewed by and assistance provided by Mr. Durbin, county attorney.

Current monthly payment received from Liddle Tykes is \$750.00. This payment increase was to have taken effect in January 2019, but wasn't enforced until January 2020, therefore, conditions of current lease has not been met.

Thomas questioned reflection in minutes as to why this the monthly payment increase was not adhered to.

Mr. Edwards states daycare as a service to the community, but sale of property would benefit the county.

Ms. McCraw states that other lease requirements needed include copies of / proof of two insurance policies, and tenant's current address.

Mr. Durbin states the EDA has the right to establish the desired parameters for negotiations regarding this property: declare lease in default and request back payment, give notice of arrears and declaration of default, enter into a discussion of new lease agreement, or sale of property.

Chairman Thomas made motion to direct Mr. Dalton to have conversation with Ms. Liddle and engage her interests to continue current lease with associated ramifications of continuing such lease, pursue the purchase of property. Mr. Collins seconded the motion.

Ms. McCraw also made the motion to pursue the option to sell the Carroll County Child Care Center to the current tenant or continue with the current lease agreement and associated ramifications. Mr. Chambers seconded the motion. Approved 6-0 vote.

Ms. McCraw requested updated information to be obtained by Mr. Dalton from the current tenant until a plan of action had been determined by the EDA board.

BEAMER TAX RETURN

Fran Zimmerman, Commissioner of Revenue for Carroll County addressed a letter to the EDA, May 4, 2020. The letter states Carroll County taxes Virginia Produce with business equipment instead of machinery and tools since the company **does not meet the guidelines set forth by the Supreme Court to be considered a manufacturer for taxation.**

Chairman Thomas offered gratitude to VA Produce for creating jobs within the county and also expressed gratitude for the ability to tour the facility.

Chairman Thomas requested a motion to be made and for the board to work towards a resolution this night regarding tax rebate prior to having discussion.

Chairman Thomas asks for board comments, questions, and / or concerns regarding this issue. None received.

Mr. Beamer, owner of VA Produce, and a member of his staff, Nikki Cannon, attended the meeting to discuss the return of Virginia Produce tax return for 2019.

Chairman Thomas invited Moir Beamer to address the EDA board. Mr. Beamer suggests the confusions lies within people's lack of knowledge and understanding regarding "what VA Produce done and how it was done". Beamer references that the Federal government states that VA Produce is a manufacturer. Beamer states that they've done what it takes to be labeled as a manufacturer. VA Produce employs about 150 people. Beamer states that while other employers within the county have laid employees off, VA Produce has been able to hire about "20 some more". Beamer addresses the EDA board as an entity to "assist industries rather than to do battle with to get what you're supposed to get."

Ms. Cannon states Supreme Court guidelines didn't not speak to VA Produce.

It was pointed out the VA Produce had already received two payments from the incentive that was signed in May 2017.

Motion made by Mr. Larry Chambers to repay Virginia Produce, seconded by Mr. Ronnie Collins. Vote approved 5-1, Ms. Mandi McCraw being the only opposition.