

The Carroll County Economic Development Authority held its regular monthly meeting on Monday, August 3, 2020 at the Carroll County Governmental Complex in Hillsville.

Members present: Vice Chairman Richard Sowers, Larry Edwards, Ronnie Collins, Mandi McCraw, Kaye Carter

Others:

### **CALL TO ORDER**

Richard Sowers called the meeting to order and lead in the pledge.

Mr. Collins lead in invocation.

### **RESIGNATION**

Mr. Sowers shared that Mr. Thomas has resigned from the Carroll County Economic Development Authority effective July 31, 2020. Mr. Sowers read an email submitted by Mr. Thomas.

### **ELECTION OF CHAIRMAN**

Ms. McCraw asked if we could hold off on the election of Chairman until the two open seats are filled.

Mr. Dalton replied that you can table it if you would like.

Mr. Durbin agreed.

Mr. Dalton suggested that if it is tabled, we put someone in as a temporary.

Mr. Sowers nominated Mr. Edwards as Chairman.

Mr. Edwards replied he would accept on a temporary basis. Until we can get additional members I can accept.

Mr. Dalton asked if Mr. Edwards is good through the end of the year.

Mr. Collins seconded the motion.

### **ROLL CALL VOTE:**

AYES:	Larry Edwards	Ronnie Collins
	Richard Sowers	Mandi McCraw
	Kaye Carter	
NAYS	None	

## **ELECTION OF SECRETARY**

Mr. Dalton responded that Mr. Adams will be doing the minutes until we are up to full staff or you can go ahead and appoint. We wanted to take the burden away.

Mr. Edwards commented that we will table the election of Secretary until we have a full Board.

## **MINUTES**

Ms. West stated that the conversation related to the sale, I don't know if this is something that the Board feels strongly about but Ms. McCraw had mentioned that Mr. Barnard had given her the feeling that we were accusing him of an error and I wanted to correct that if we could because in the conversations that we had there really wasn't a conversation about accusing him of a data entry error. I think the only thing that we said was that we don't actually have access to the data entry process, so we have no control over it and we didn't know what happened. I felt like when I read this, if it is going to be in the minutes, I would like it clarified that was not the intent. It was just a discrepancy between two departments information.

Mr. Edwards asked if Mr. Dalton had a chance to speak with Mr. Branscome.

Mr. Dalton replied that he did. He went back and researched his files and created a report that is under Industrial Park update. The document he had is signed and didn't have any markings through it. It did reference the \$90,200.

Ms. McCraw asked if we need to approve the minutes first.

Ms. McCraw made a motion, seconded by Mr. Sowers that the minutes are approved as submitted.

The motion passed with all members present signifying aye.

## **PAYMENT OF INVOICES**

Ms. West explained that you have copies of bills and I have marked which ones are advanced payments that fall in line with the motion from the last meeting. After discussing all invoices, there is one at the end to the PSA. You will notice there is no check written for it because the EDA does not have the funds to pay it.

Mr. Edwards told that we will hand the service proposal as other business.

Mr. Sowers made a motion, seconded by Mr. Collins to approve invoices as presented.

The motion passed with all members present signifying aye.

## **TREASURERS REPORT**

Mr. Collins made a motion, seconded by Ms. McCraw to approve the Treasurers Report as presented.

The motion passed with all members present signifying aye.

## **OLD BUSINESS**

### ***Woodlawn School Update***

Mr. Durbin stated that we have been going back and forth with the Title Insurance Company. Right now, they have not reported back with a final decision. It does appear that they agree that there is coverage it is just a matter of how they are going to address it.

### ***Carroll Industrial Park Update***

Mr. Dalton stated that you requested I meet with Mr. Branscome. We met and he researched his files. They have provided me a copy of the actual deed that was signed that shows \$90,200. One of his comments was, is he in trouble or are we in trouble and I do not know the answer to that. Don felt that he paid exactly, and we prepared the deed for him. I did receive a copy of the check and it was for \$90,200.

Mr. Durbin stated that further discussion may be held in Closed Session.

### ***Liddle Tykes Lease Update***

Mr. Dalton explained that he invited Mrs. Utt. She has written a letter asking you to consider selling that property to her.

Mrs. Utt told that she wanted to express her interest in purchasing the property at 564 Industrial Park Drive, if that is something that we could work out and make the numbers work.

Mr. Dalton responded, in daycare the Governor's regulations limit the number of children that can be at the facility. We talked about working out an agreement with the school system on an educational component. Long term, she has created a nonprofit.

Mrs. Utt told that she started in last September but COVID has put a halt to that. We don't know when the Governor will lift that. This should create some jobs in the area, and we are looking to get a local business into the school. I am hoping with purchase of the property there is room for growth.

Ms. McCraw asked if the nonprofit is childcare.

Mrs. Utt responded that it is more of the children in the school system. It will be open to all children but a focus on children with trauma.

Ms. McCraw asked if the staff would be in the school in the classroom.

Mrs. Utt replied it would be an area within the school. There is a possibility of adding on to the building.

Ms. McCraw asked if in your lease now students come to your facility. I was under the impression that childcare students from the High School were coming over.

Mrs. Utt replied they do. That has been a great program. That helps with experience for me to be able to hire them in the future.

Ms. McCraw asked if that would continue.

Mrs. Utt replied she would love for that to continue.

Mr. Dalton stated they talked about bringing the building back into the tax rolls and expanding the business. We would treat her business just like we do any other business based off what she is willing to invest and provide some type of incentive. I have been providing information on grants.

Mr. Edwards commended Mrs. Utt. My mother operated a childcare center for 35 years.

Mr. Sowers made a motion, seconded by Mr. Collins to move forward with negotiations and a proposal for Mrs. Utt to purchase the property and building at 564 Industrial Park Drive.

The motion passed with all members present signifying aye.

Mr. Edwards told we need to review the inspection and the outstanding invoice from the PSA.

Mr. Collins asked if we have paid for the inspection in the past.

Mr. Dalton replied yes. There are requirements under building codes regarding the sprinkler system. To keep it current and certified that is what you have to do.

Mr. Sowers made a motion, seconded by Ms. Carter to accept the service proposal for the inspection of the sprinkler system.

The motion passed with all members present signifying aye.

### ***PSA Invoice***

Mr. Collins asked what this is for.

Mr. Edwards replied typically you have a capacity fee and a connection fee and the monthly amount. It looks like this is a bill for the last 12 months for capacity for Exit 19 and Exit 8.

Mr. Collins asked who received the bill up until now.

Mr. Edwards replied we have all been on the Board for a short period except for Richard. Is the capacity fee a one-time fee?

Mr. Durbin stated that this is a bill for the capacity fees under prior capacity agreements when the financing was done for PSA projects. I believe in the past this had been funded directly from the County and the EDA did not cut checks for it.

Ms. McCraw asked whose responsibility is it.

Mr. Edwards replied Exit 19 is owned by BRCEDA.

Mr. Dalton responded that there is an agreement between the EDA and the PSA to provide funding for this purpose. It was identified in the bond document, there is not enough revenue to start with to fund it. Everyone's hope at that time was that there would be growth there and this would go away in a short period of time. There has been no growth and these bills in the past have never come to the EDA, but the agreement is between the EDA and the PSA.

Mr. Durbin replied that is correct, although it was an agreement in the name of the EDA to fund this, it was always handled off of the EDA's books.

Mr. Edwards asked if this is the full capacity fee. Carroll is only responsible for 1/3 of Exit 19.

Mr. Dalton replied, we are responsible for 33.3%. I have been to the BRCEDA Board and talked about this very subject. Carroll has been paying everyone's share. I have been trying to get everyone to consider charging a capacity fee to the owners of the property. We have to do something differently to recover all the money we have put into it. I think it is unfair if something happens at Wildwood that Carroll citizens have paid 100% of the development without any return. There is still this agreement that says we will pay it until we can correct it.

Mr. Collins asked how many years the County has paid it.

Mr. Sowers replied, I think the agreement was 2008.

Mr. Dalton replied there are different dates, anywhere from 2008 to 2012. It is worthy of a discussion. The EDA doesn't have the funds to pay this. I am pretty stickler of following rules of agreements. Those funds should have flowed correctly. It should have followed the proper procedures. I'm not sure that y'all ever realized they were ever being paid and probably were never told.

Ms. McCraw asked when it must be paid.

Mr. Edwards stated it is net 30 days.

Ms. West stated that if we had these bills in the past I would have submitted an invoice to the County just as I do for the payment to Capital One because these agreements

recognize that the revenue stream is not there for the EDA. It is supposed to go through that 5 step process and the EDA has never seen them before.

Mr. Collins stated we are not changing how it is being paid we are just changing the process of getting it paid.

Ms. West told you would need to go through the audit process. It is reported as revenue even though it is passthrough.

Ms. McCraw replied even if we do that the County will be paying it, not the EDA.

Mr. Dalton responded, that will open a further discussion between us and the PSA. My take is the rates need to change to cover the expenses. The taxpayers should not be paying water and sewer bills and especially not in other localities.

Mr. Sowers made a motion, seconded by Ms. Carter to invoice the Carroll County Board of Supervisors for \$703,704.00 for invoice #036.

Ms. West added that the invoice is dated in June. It needs to be on the books for the same fiscal year or it will create problems on both of our audits. It just means it is accrued and we do report an accrual basis.

Ms. McCraw and Mr. Collins abstained from the vote.

The motion failed.

Mr. Dalton stated that the only way abstentions are good is when you have a personal interest. If you do not have a personal interest or a real good explanation you should vote.

Mr. Collins stated that I think we need some more clarity. I think we should speak with the Board of Supervisors before we just pass it along to them.

Mr. Dalton replied that most of them inherited the same situation. This is taking a step to get it in front of the Board and have that discussion.

Mr. Edwards told this will start a conversation.

Ms. McCraw asked if the Board of Supervisors have that much money.

Mr. Dalton replied we do have enough funds to cover it. The Board had instituted a lot of things in the last 12 months. Last year we just had a few hundred thousand and they have instituted twice a year tax collection and cut the budget by millions. By this time next year they will have their mandatory requirement of 10% reserve. The discussion then opens up another discussion with the PSA and they need to change the rate structure long term to get this paid for. A motion to send them a bill opens an avenue for a discussion. I think it is a procedural thing that has to happen to make things right.

Mr. Collins asked, when you say change the rate structure do you mean they would collect this \$700,000 from those who are getting water throughout the county, not the county itself.

Mr. Dalton replied at Wildwood there should be some type of capacity fee and frontage fee for those that are not citizens of the county that are sitting there and waiting for 12 years that they pay their portion. It is unfair to pay taxes in Carroll County to fund a future tax for two other municipalities.

Mr. Durbin stated there is an agreement with the County subject to the appropriation, so you are just taking the procedural steps. I think you also want to let the PSA know what action you are taking.

Ms. McCraw stated, I do think a conversation needs to be had. I am looking at you, a man who is trying to get us back on track and do what is right based upon what has been signed and hold people accountable and here we are again. It is not any fun to get these bills. We are dealing with this that happened years ago and this is a consequence of those decisions.

Mr. Dalton responded when we come across things we will deal with them and get it taken care of.

Mr. Edwards told he is going to revisit the motion.

Mr. Collins asked why we would not have those discussions before we take this action.

Mr. Edwards told we have an invoice so we either need to deny it or pay it. If we go back and follow procedure.

Mr. Collins suggested that we take the agreements and read them for ourselves. It sounds like there are several agreements.

Mr. Edwards asked for a revote.

Mr. Durbin stated because we want a motion to reconsider.

Mr. Sowers made a motion to reconsider.

Mr. Edwards told that both motions failed.

Mr. Collins asked if we can get a copy of the agreements.

Mr. Edwards stated that we will table this until later in the meeting.

### **CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711**

Ms. McCraw made a motion to enter Closed Session under Section 2.2-3711 A7 and A8.

Mr. Sowers seconded the motion.

The motion passed with all members present signifying aye.

### **COME OUT OF CLOSED SESSION**

Mr. Collins made a motion, seconded by Ms. McCraw to come out of Closed Session.

The motion passed with all members present signifying aye.

### **CERTIFICATION OF CLOSED SESSION**

Mr. Edwards certified the following:

**WHEREAS**, the Carroll County Economic Development Authority convened a Closed Session this date pursuant to an affirmative recorded vote and on the motion to close the meeting in accordance with the Virginia Freedom of Information Act.

**WHEREAS**, Section 2.2-3711(D) of the Code of Virginia requires a certification by the Board of Supervisors that such Closed Session was conducted in conformity with Virginia law.

**NOW, THEREFORE, BE IT RESOLVED** that the Carroll County Economic Development Authority hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the Closed Session to which this certification applies, and (II) only such business matters as were identified in the motion by which this Closed Session was convened were heard, discussed, or considered in the meeting to which this certification applies.

Roll call certification as follows:

AYES: Larry Edwards  
Mandi McCraw  
Ronnie Collins

Kaye Carter  
Richard Sowers

### ***PSA Invoice***

Ms. McCraw made a motion to invoice the Board of Supervisors for the bill from the PSA, invoice #36 to include a discussion with the Board of Supervisors and the Public Service Authority.

Mr. Sowers seconded the motion.

The motion passed with the following members present signifying aye; Mr. Edwards, Ms. McCraw, Ms. Carter, Mr. Sowers. Mr. Collins voted no.

### ***Check Signature***

Mr. Sowers made a motion, seconded by Ms. McCraw to allow Mr. Edwards to be a signatory on checks for the EDA.

The motion passed with all members present signifying aye.

### **ADJOURNMENT**

Ms. McCraw made a motion, seconded by Mr. Collins to adjourn the meeting.

The motion passed with all members present signifying aye.