

The Carroll County Economic Development Authority held its regular monthly meeting on Monday, July 6, 2020 at the Carroll County Governmental Complex in Hillsville.

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

Members absent: Kay Carter

CALL TO ORDER

Mr. Ricky Thomas called the meeting to order and Mr. Collins lead in invocation and pledge.

RESIGNATION

Mr. Thomas shared that Larry Chambers has resigned from the Carroll County Economic Development Authority effective July 1, 2020. Mr. Thomas read the resignation letter and thanked Mr. Chambers for serving over the years.

MINUTES

Mr. Thomas suggested that we have someone take minutes for the meeting.

Mr. Dalton replied that Crystal Adams will be taking minutes going forward.

CITIZENS TIME

No one was present to speak.

MINUTES OF PREVIOUS MEETING

Ms. McCraw stated that she has compiled additional information to be added to the minutes. I feel like we had a lot of important information in discussion and it needed to be included in the minutes.

Mr. Dalton distributed the resolution that was passed by the EDA Board that states the sale prices was \$108,000.

Ms. McCraw added that Mr. Barnard has given her the original deed and he felt like we were accusing him of a data entry error. Once the deed is recorded in the Clerks office, it is sent to the Commissioner of Revenue and automatically goes into the GIS System. The deed also says \$108,000, it is actually marked out and written in, but not initialed and it is signed by Mr. Truitt.

Mr. Thomas asked with this information, what is our next course of action.

Mr. Dalton responded that his take is, the motion was and the resolution passed for \$108,000 and we said we accepted \$90,200. I want to understand why you thought that was right.

Mr. Edwards asked if there was a HUD statement prepared.

Ms. West responded the only thing she has was from the minutes. This was discussed in Closed Session, but that is what the check was and that is all I have. I have never seen the crossed-out deed until we made the inquiry.

Mr. Collins asked which figure is typed in and which is written in.

Ms. McCraw replied that \$90,200 is typed and crossed out and \$108,000 is written in. My concern is all the documentation that we have except for the check says \$108,000. It is alarming to me, here we are again, there is an amount unaccounted for whether it is or whether it isn't.

Mr. Thomas asked if anyone has access to the minutes from that because that is what we were going by.

Ms. McCraw responded that she had screenshotted, but the minutes where that was discussed on February 5, 2018 and it is under Land Resolution. It states that Mr. Sowers made the motion to approve a resolution to 8.8329 acres of land in the Carroll County Industrial Park to Donald and Onella Branscome, the purchase price was \$90,200. Their stated purpose for the property was for an office machine shop and other business use. Also, as part of the motion Mr. Willie and Mr. Truitt were given the authorization to sign all legal documents connected with the land sale. Mr. Chambers seconded the motion which was approved by a 7-0 vote.

Mr. Sowers asked if that was in February, because this is in November.

Ms. McCraw replied the minutes are dated February 5, 2018.

Mr. Edwards stated this agreement is before the minutes of the agreement to sell it.

Ms. McCraw responded the deed is dated February 9, 2020.

Mr. Thomas stated that we have this information, do we have a motion of how we want to respond and move forward.

Ms. McCraw replied that it would put her mind at ease but does not know how we would do an investigation in this matter.

Ms. West noticed that the resolution includes a statement that is not in these minutes and that is the 1.1-acre additional piece, which is probably the difference, but that is not in the minutes.

Mr. Thomas asked if they could have been in a later meeting.

Ms. West replied it is possible, but I think we looked. I went through the records to see if there was anything deposited at a later date that would represent the difference and I didn't see anything, but I will look again.

Mr. Thomas told the 1.1 adjacent property was not mentioned in the deed.

Ms. McCraw stated that the deed states 8.8239 acres.

Ms. McCraw made a motion that because of information obtained from Mr. Barnard and learning GIS information is directly obtained from the Circuit Clerks Office that we further investigate this matter, the sale of Tax Map Parcel # 82A-42C to Mr. Branscome, to be performed by an outside entity such as the Virginia State Police or Commonwealth Attorney.

Mr. Edwards asked what the parcel # is.

Ms. McCraw stated 82A-42C, that is what the deed says.

Mr. Edwards told when you look at the map you have 82A-42A and 81A-42C. We do not know if the survey ever occurred or not.

Mr. Thomas announced that with no second, the motion fails. Has anyone talked with Mr. Branscome about this?

Mr. Dalton replied not about this specific subject. I do not have a problem talking to him.

Mr. Thomas responded that it might be easier just to talk to him and see what he knows, and we can bring it up at the next meeting.

Mr. Edwards commented that we need to look to the court records more so because the maps are not always updated. I would like to hear from legal counsel on that.

Mr. Durbin stated when the title is transferred you take that deed to the Circuit Court, it is out of the parties' hands at that point and the record is what it is. Whatever is in the Clerks Office is the legal transaction. It does make sense to follow up with the parties to see why one price is different in the documents to see if it represents any additional money that changed hands. That is the big question that needs to be answered.

Mr. Thomas asked Mr. Dalton to follow up with Mr. Branscome.

Ms. McCraw made a motion to approve the amendments as presented and add those to the minutes of the June 9, 2020 meeting.

Mr. Thomas seconded the motion.

The motion passed with all members present signifying aye.

Ms. McCraw made a motion to approve the minutes as amended.

Mr. Sowers seconded the motion.

The motion passed with all members present signifying aye.

PAYMENT OF INVOICES

Ms. West requested to prepay some of the invoices so that we are not incurring late charges. These are being incurred because of the lag time due to COVID.

Mr. Dalton stated that the Board of Supervisors approved to pay all utilities as well as any other invoices that incur late fees. I would suggest we do the same and ratify the payments at the next meeting.

Mr. Sowers made a motion, seconded by Mr. Edwards to approve the invoices as presented by Ms. West.

The motion passed with all members present signifying aye.

Mr. Thomas made a motion, seconded by Mr. Sowers to authorize payment of all utilities and loan payments to be ratified at the next meeting.

The motion passed with all members present signifying aye.

TREASURERS REPORT

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

The motion passed with all members present signifying aye.

AUTHORIZATION TO SIGN CHECKS

Mr. Durbin stated that the Authority needs an authorized signer for checks.

Mr. Sowers made a motion to designate Ricky Thomas, Chairman to be authorized to sign checks.

Mr. Thomas moved that we designate Mr. Sowers to be authorized to sign checks as well.

Mr. Edwards seconded the motion.

The motion passed with all members present signifying aye.

A RESOLUTION OF THE CARROLL COUNTY ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the Carroll County Economic Development Authority (the "Authority") has found it necessary and proper to designate its authorized representatives who may sign drafts and endorse checks on behalf of the Authority; and,

WHEREAS, the Authority has determined to designate Ricky Thomas and Richard Sowers as authorized representatives who may sign drafts and endorse checks on behalf of the Authority.

NOW, THEREFORE BE IT RESOLVED, by the Carroll County Economic Development Authority as follows:

Ricky Thomas and Richard Sowers, the Chairman and Vice Chairman of the Authority are hereby designated as authorized representatives who may sign drafts and endorse checks on behalf of the Authority; and it is further

RESOLVED that all such actions by the officer designated herein shall be taken pursuant to due authorization from the Board.

The foregoing resolution was approved by affirmative vote of the Authority this Sixth day of July 2020 by quorum duly assembled at its regularly scheduled meeting.

OLD BUSINESS

Liddle Tykes Contract

Ms. McCraw asked if Mr. Dalton had been able speak with anyone from Liddle Tykes.

Mr. Dalton replied that he had not as he has been out sick.

A&G

Mr. Thomas handed out an update of the background of the A&G issue and we are fastly approaching the end of the first 5 years. The first 5 years with this calendar year and I would like to begin a process to discuss the conclusion of the first phase.

Mr. Thomas moved that the Carroll County EDA Executive Director and legal counsel are hereby instructed to begin formal discussions with A&G on the assessment of the initial 5 year period of the asset purchase agreement and this should include a third party review of the financials used to validate A&G's performance against the

agreement with a 50% shared expense to each party. The Executive and/or legal counsel will provide a written monthly summary to the EDA Board until the agreement is reached.

Mr. Collins seconded the motion.

The motion passed with all members present signifying aye.

Cana Fire Department Lease

Mr. Durbin explained that he looked at that and discovered there was a deed of trust and we made a request to verify whether that had been released. That is where the communication must have broken down. I can prepare a deed to transfer back to the department but that is something we will need to resolve at the next meeting just to confirm that it has been released.

Mr. Thomas told the deed of trust has been satisfied.

Mr. Durbin stated that he has been told the deed of trust has been paid, but I have not confirmed that it has been released. We can go ahead and deed back to the department and they can verify if it has been released or not.

Mr. Edwards asked if the deed of trust was with a local banking institution.

Mr. Sowers replied no.

Mr. Durbin stated that he can check with the Clerk to see if it has been released.

VA Produce

Mr. Thomas stated that we would like to have some clarity or more than what everyone had last month.

Mr. Durbin responded that he has reviewed all of the documents provided to us by Va Produce and in my view there is nothing that explicitly ties the proposal document that had to terms to Project Baby Fresh or any other approved motion that I could locate. There has been some partial performance consistent with that term sheet. I would recommend the Authority not authorize payment at this time and make a decision either to not make any more grants of the tax or if the Authority is inclined to continue to make grants that we put an addendum that cleans it up. The most likely thing that happened is that the motion was not clear when adopted back in 2017. If you are inclined to make disbursements we put an agreement in place that clarifies what the intentions were and what you mean by machinery and tools, to ratify and confirm the prior payments consistent with that term sheet and to resolve any possible claims regarding that proposal, including any possible claims regarding Project Fresh part 1 that was referenced in that term. If you look at the term sheet it says that these grants

supersede any grants that might be due under the previous project fresh. That is all I am comfortable saying in open session, if you would like to have a closed session discussion, we can do that.

Mr. Thomas stated that Mr. Durbin came up with a suggested motion if you want to move forward with the tax relief. That would allow him to go through the process of cleaning up the May 2017 resolution on what we are doing and what is being offered.

Mr. Collins asked if it is possible to discuss in Closed Session so we can hear the other comments.

Mr. Thomas suggested we get through the open session agenda and then we can go into closed session.

Woodlawn School

Mr. Dalton stated that we were proceeding along until we got our ALTA survey in. The survey noted that in 1874 there was a reversion clause to the Fulton's and that has put us into a screeching halt. We had title insurance on the property and Mr. Durbin has contacted them.

Mr. Durbin noted that I received a phone call from the Title Company, and we are hopeful that we will have a favorable resolution on that. I suggested a possible resolution and I think he was open to that.

Mr. Dalton told the reversion clause is only for 1.1 acre, but it is right in the middle of the building. It states that if it ceases to be a school, it reverts to the family.

Mr. Thomas asked if for updates to be shared if there are any before the next meeting.

Broadband Project

Mr. Dalton told that we had a meeting scheduled with Mt. Rogers PDC and that did not happen because of sickness.

Mr. Thomas responded that anything we can do to assist the Board of Supervisors with that we would be glad to. Right now some school children are at a disadvantage not having access to good broadband.

NEW BUSINESS

VIAA

Josh Lewis told they have been really busy the last several months with business retention and we have a new employee. We have an agreement with BRCEA and they are going to forego hiring an Executive Director and VIAA is going to take on some

of those responsibilities. We will be working with EDA's on projects and you all have mentioned a few tonight that we can help with. I wanted to introduce Nicole Hare.

Ms. Hare told she has 19 years' experience in local government. I feel I can bring the tools in her toolbox and I look forward to working with you.

Mr. Dalton responded that VIAA can stay in contact everyday with all the grant agencies and keep the projects going no matter who is in the County Administrators Office.

Mr. Thomas asked if we could set up a zoom meeting to go over some projects.

Mr. Lewis responded that after the next month we will start setting up group meetings.

County Administrator

Mr. Collins stated in light of the Board of Supervisors taking applications for hire in the month of July for County Administrator, I move that the EDA request the County to include members of the EDA in the interview process as well as the selection of the next County Administrator.

Mr. Sowers seconded the motion.

Mr. Collins told that the County Administrator is also placed in the position of Executive Director of the EDA and the Board has recently asked for a stricter accounting of the transactions of the EDA, I believe it gives us a closer working relationship.

The motion passed with all members present signifying aye.

Authority Members Time

Mr. Thomas apologized to Ms. McCraw, during the last meeting I missed you on Authority Members time. Tonight we will start with you and then if you think of anything else you can have the closing time.

Ms. McCraw told that she would like to continue to see us move forward and work better together as a team and make Carroll County a better place. I think our goal and objective is to attract new business and I think we have some internal things to work out before we can fully devote our time to that.

Mr. Sowers thanked Mr. Lewis and Ms. Hare for joining us tonight.

Mr. Thomas told that he also wanted to thank VIAA staff and Mr. Durbin for joining us tonight.

CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711

Mr. Collins made a motion to enter into Closed Session under Section 2.2-3711 A7 and A8.

Mr. Durbin stated that this would be specific to Va Produce Performance Agreements and the status of grants and the Authority's legal rights and obligations.

Mr. Edwards seconded the motion.

COME OUT OF CLOSED SESSION

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

The motion passed with all members present signifying aye.

CERTIFICATION OF CLOSED SESSION

Mr. Thomas 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 vote as follows:

AYES:Ricky Thomas
Mandi McCraw
Ronnie Collins

Larry Edwards
Richard Sowers

ADJOURNMENT

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

The motion passed with all members present signifying aye.