

Mr. Kilby then made a motion to nominate Mr. Larrowe as Secretary-Treasurer, which was seconded by Mrs. Smith and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Mr. Kilby asked if there be anyone from the public who wished to make a public comment. Being none, he asked if there be a motion to approve the minutes from the meeting held on December 22, 2022. Mr. Griffin made the motion to approve, which was seconded by Mr. Emry, and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Financial Reports: Ken McFadyen

Mr. McFadyen reported that, due to staffing shortages, Preferred Business Solutions was not able to provide financial reports for December of 2021, but that the reports would be sent via email in the next week to be approved for the next EDA meeting.

Mr. McFadyen then introduced Mr. Corbin Stone to give the FY-21 Audited Financial Report, which he conducted virtually. Mr. Stone presented the audit report and referred to the packet of information provided to the EDA. On June 30, 2021, the Authority's total assets equaled \$10,705,702 with total liabilities at \$1,611,164, resulting in a total net position of \$9,094,534. The audit resulted in an unmodified opinion; however, there is a material weakness involving the need for a procedure to review new and existing contracts that create financial obligations for the Authority.

After his report, he then opened the floor to questions. Mr. Bryan asked about the recommendation in the report regarding the EDA growing in assets and if the recommendation of the report resulted in some write downs in current value of the holdings, or if it was a normal procedural change to make sure the EDA doesn't get too far ahead of itself. Mr. Stone replied that it was a normal procedure and that the material weakness in the report means that the audit finds that the financial statements are still materially correct. He also said that EDAs are unique to keep track of due to the transactions for agreements taken place today may not manifest until years later, and because of this the agreements need to show in the financial statements either as an asset or a liability. He then mentioned that the report shows the "growing pains" of the EDA because its net position has grown so quickly in a short amount of time.

Being no other questions, Mr. Kilby asked if there be a motion to accept the Audit Report as presented. Mr. Alderson made the motion to accept the Audit Report, which was seconded by Mrs. Smith and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Presentation of Draft Fiscal Controls Policy – Ken McFadyen

Mr. McFadyen noted the draft of the fiscal controls policy which was reviewed by the Finance Committee consisting of Mr. Griffin and Mrs. Smith. Mr. McFadyen said the recommendation was to present this policy as a draft and if it is acceptable, then it can be approved at the next meeting.

Consideration of Shooting Star Way Right-of-Way Conveyance to Botetourt County and Permanent Utility Easement to Western Virginia Water Authority for Sanitary Sewer Line Serving Munters – Jon Lanford

Mr. Lanford said that all the action has been taken regarding this project and that his presentation is just an update on the transfer of the easements for the sanitary sewer lines that would serve Munters and the right-of-way necessary to build a road, since the EDA owns both properties. Mr. Lanford then showed maps and drawings of the locations of the easements. He said that the sewer extension is substantially completed, which is roughly twenty-nine days earlier than what the contract proposed. As for the right-of-way, Mr. Lanford said a significant part of that right-of-way is being secured from Pratt Industries. Mr. Lanford said the easement would go from the EDA to WVWA and the right-of-way would go from the EDA to the County where it would await another transfer to VDOT.

Mr. Bryan asked if there were any wetlands that would be disturbed by the right-of-way road project. Mr. Lanford replied that there was a stream crossing and that the road would be constructed in two phases. The first phase would be a build leading up to the stream and, once the permit to cross the stream arrives in April, the second phase would complete the project.

Virtual Presentation from the Virginia Economic Development Partnership – Debbie Melvin, Susan Deusebio, Nate Day

Mr. McFadyen introduced the VEDP team and mentioned what VEDP does to directly help the businesses within the County. The VEDP team then presented on many of their different programs and grants that are available to businesses and what it is that they do to attract prospects to localities, like Botetourt, for the Commonwealth of Virginia. After the presentation, the VEDP team opened the floor to questions. Mr. Bryan mentioned that years ago he had been on a trade mission to Asia with VEDP for his company, Gala Industries, and that many companies in Botetourt could benefit from having discussions with VEDP about exporting long before they are ready to export. He said that VEDP had helped Gala Industries in ways that can't be fully comprehended in dollars due to their knowledge of the export industry, which saved the company time, money, and prevented undue stress on their workforce. Mr. Nate Day replied that VEDP is happy to help with the heavy lifting of foreign markets for the businesses in Botetourt so that they can focus on what they do best. The VEDP team then remarked on the quality of businesses in Botetourt and the quality of the County's economic development leadership.

Update on Financing of Capital Improvements to Public Facilities, Including Courthouse Improvements and VWCC Building – Taylor Bryant

Mr. Kilby introduced Mr. Taylor Bryant of VML-VACO Finance to give an overview and presentation regarding the financing options of the Courthouse and Greenfield expansion projects. He gave an overview of the memo he'd sent as well as what was discussed in the last meeting. He then went on to say that the Fed intends to raise interest rates in March following the March 15th and 16th meetings. He said that if the County waited until the May pool, they would be behind that higher interest rate, thus adding around \$1.2 million dollars in interest to the projects. To get ahead of this interest hike, the option of doing a Stand-Alone Issue was brought up to lock in the current, lower interest rate. He said that the credit rating of the County would probably be strong enough to withstand a Stand-Alone Issue and wouldn't be too much different than the VRA option in May.

Mr. Bryant then presented on the underwriting evaluation. He explained that the underwriters would buy the bonds from the EDA and then sell them to institutional investors, market funds, trusts and the like. He mentioned that RFPs were sent out to five of the largest underwriting firms in the country and that three submitted proposals. He then talked in detail about the underwriters who had submitted proposals.

Mr. Kilby then announced to the EDA that this is now one bond instead of the two and a half to three bonds that was initially discussed. He said that it was his understanding that the EDA would lease the Courthouse to Botetourt County. Mr. Hayth asked for clarification for why the EDA was issuing one bond instead of multiple bonds. Mr. Bryant

said that the option to go with two bonds, one of them being the Community College expansion for \$3.5 million, was not enough to be profitable according to the underwriters, and one bond with both the Courthouse and Community College projects included was more appealing. Mr. Kilby mentioned that the committee to discuss these projects included Mr. Webster Day who gave his opinion on the matter. Mr. Larrowe then mentioned that he wanted to disclose that he has been on the board of the Virginia Local Government Finance Corporation, which works with Mr. Bryant, for many years and is now acting Chairman of the board (which is a non-compensated position).

Being no other questions or comments, Mr. Kilby asked if there be a motion to approve the financing of the Botetourt County Courthouse and Virginia Western Community College expansion as presented. Mr. Griffin made the motion, which was seconded by Mr. Hayth and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Lease Agreement with the Community College System – Jon Lanford

Mr. Lanford presented a draft of the lease agreement based on the prior lease agreement with the Community College system. He noted two terms in the draft: one for the lease of the temporary modular units, and the second for the new expanded space once it is completed. He said that there wasn't a schedule for the lease payments yet as it would be determined by the actual construction cost once the project is complete since the total cost could escalate or lessen depending on possible change orders and other unforeseeable issues. He said that the total annual cost would be \$299,621 and that the Community College system has been paying \$345,000 over the course of the initial term, which leaves a net of \$45,379 for the Community College to pay for the utilities which will be in the Community College system's name. Mr. Kilby then asked, if the utility costs were more than the net amount, if the Community College system would pay the exceeded amount, to which Mr. Lanford said they would.

Mr. Lanford said the recommendation would be for Mr. Larrowe to be authorized to sign the deed of lease with the Community College system. Mr. Kilby then asked if there be a motion to authorize Mr. Larrowe to sign the deed of lease with the Community College system. Mr. Alderson made the motion, which was seconded by Mrs. Smith and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

After this motion, the EDA discussed if these projects would be handled similarly to that of the Colonial School project last year. Mr. Larrowe said that the school project was aided primarily by Mr. Jim Whitten, who was an invaluable asset to the project and saved a sizeable portion of money and time to that project, but that Mr. Whitten is also the building inspector for the County and has been an invaluable asset there as well.

Mr. Kilby asked for the following:

Motion to go into Closed Session to discuss the acquisition or disposition of real property for economic development purposes where discussion in open session would adversely affect the County's bargaining position or negotiating strategy namely concerning the Amsterdam (including Greenfield), Blue Ridge, and Buchanan districts, pursuant to Section 2.2-3711 (A) (3) of the Code of Virginia of 1950, as amended.

Motion to go into closed session to discuss prospective businesses or industries or the expansion of existing businesses or industries, in the Amsterdam (including Greenfield), Blue Ridge, Buchanan, and Fincastle districts where no previous announcement has been made of the businesses' or industries' interest in locating or expanding facilities in the community, pursuant to Section 2.2-3711 (A) (5) of the Code of Virginia of 1950, as amended.

Motion to go into closed session to discuss or consider the investment of public funds in the Amsterdam (Greenfield) district where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected., pursuant to Section § 2.2-3711 (A) (6) of the Code of Virginia of 1950, as amended.

Mr. Griffin made the motion, which was seconded by Mr. Hayth and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Mr. Kilby read the following resolution:

BE IT RESOLVED, it is certified that to the best of each Authority member's knowledge only public business matters lawfully exempt from open meeting requirements and only such matters as were identified in the motions to go into Closed Session were heard, discussed or considered during the Closed Session.

The EDA returned to open session with roll call:

AYES: Mr. Bryan, Mr. Alderson, Mr. Griffin, Mr. Kilby, Mrs. Smith, Mr. Emry, Mr. Hayth

NAYES: None

ABSENT: None

ABSTAINING: None

Consideration of Reimbursement Resolution for Financing – Webster Day

Mr. Day referenced the information in the agenda packets and explained that the bond issue for the Community College project would be tax exempt. He went on to say that the Fed has indicated that localities should not borrow tax exempt money to finance a project. This resolution would ensure that the money spent now would be reimbursed out of bond proceeds. He noted that the dollar amount was \$3.5 million which is the most that the Community College project would cost and does not include the Courthouse project.

Mr. Kilby asked if there be a motion to approve the Resolution as presented. Mr. Hayth made the motion, which was seconded by Mr. Bryan and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None

Being no other business, Mr. Kilby asked if there be a motion to adjourn. Mr. Griffin made the motion, which was seconded by Mr. Hayth and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mr. Emry, Mr. Bryan, Mrs. Smith, Mr. Alderson

NAYES: None

ABSENT: None

ABSTAINING: None