

A meeting of the Botetourt County Economic Development Authority was held on **Friday, February 24, 2023**, at 2:00 p.m. at the Botetourt County Administration Center at Greenfield in Room 229.

Members Present:

Mr. John Kilby - Chairman	Mr. David Bryan
Mr. John Griffin – Vice Chairman	Mr. Jeff Emry

Members Absent:

Mr. John Alderson	Mr. Lyn Hayth
Mrs. Mary Bess Smith	

Others In Attendance:

Mr. Gary Larrowe - remote	Mr. Webster Day
Dr. Richard Bailey	Mr. Ken McFadyen
Mr. David Moorman	Mr. Luke Campbell
Mr. Jon Lanford	Ms. Kim Stewart

Call To Order and Public Comment

Mr. Kilby called the meeting to order and asked for any public comment. Being none, he moved to the next item of business.

Approval of Minutes

With no questions presented, Mr. Kilby called for a motion to approve the minutes of January 27, 2023. Mr. Griffin motioned and Mr. Emry seconded. With all in favor, the minutes were approved.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None

Financial Reports

Mr. McFadyen presented the bank statement and financial statement from January 2023. Mr. Kilby asked why the most recent bill from PBS was so high. Mr. McFadyen responded that journal entries following the audit needed to be entered. He added that there was an addition on the balance sheet under line 1030, the Current Assets, from LARE for \$5,024. He has asked the accountant if that was a result of the late payment from December but has not received an answer yet. Dr. Bailey asked how much an average PBS invoice is and Mr. Kilby and Mr. Larrowe both said it's usually in the \$200-\$400, range. With no further questions, Mr. Kilby called for a motion to approve the minutes of January 27, 2023. Mr. Emry motioned and Mr. Griffin seconded, and with all in favor, the minutes were approved.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None

Mary K. Earhart, PLLC Pre-Audit Accounting Services Contract FY2023

Mr. McFadyen presented Mary Earhart's engagement letter for pre-audit accounting services for the fiscal year ending June 30, 2023. He said that she explained in an email that she is selling her firm or merging with a larger company, which is requiring her to increase her rates. On page four of the engagement letter, it shows that her rate has increased from \$160 to \$200 per hour and the subsequent rates have increased as well. The contract last year was for \$5,000 but the total cost came to \$7,000. He said this speaks to the complexity of

the books. He did say that the volume of the work increased due to the number of journal entries made, but her rates also are increasing. Mr. McFadyen praised Mrs. Earhart's work regarding the audit that was just completed and said that the EDA had no findings that were contributable to anything the EDA had done. Mr. Larrowe reminded the EDA that Mr. Corbin Stone with Robinson, Farmer, Cox had suggested the EDA have someone like Mrs. Earhart do pre-audit work especially since the EDA activity in Botetourt is so complex. Mr. McFadyen added that RFC's work has been made easier due to the pre-audit work that Mary Earhart has done. Mr. Bryan asked if there should be language in the contract allowing the EDA to review the terms of the contract once Mrs. Earhart has merged with the new firm, in the event she changes the format of her business. Mr. McFadyen thought that would be fair and also pointed to a line in the contract that allows the EDA to terminate the contract if for any reason they become dissatisfied with her service, with the stipulation that the EDA pay for any services rendered up to the point of termination. Mr. Kilby asked if there is a list of CPAs that can do County audits. Neither Mr. Larrowe nor Mr. Moorman knew of a list of certain CPAs. They were of the opinion that any CPA with the certifications to do public audits could do them and it was more a matter of whether they wanted to do County audits. With no further questions presented, Mr. Kilby called for a motion to approve the contract. Mr. Griffin motioned and Mr. Bryan seconded. With all in favor and none opposed, the contract was approved.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None

Add EDA Executive Director to First Bank Signature Card – Mr. Kilby, Mr. McFadyen

Mr. Kilby explained that a situation arose in the previous weeks where invoice signatures were delayed due to sicknesses and vacation and that the EDA would like to add Ken McFadyen to the signature card. Mr. Griffin motioned and Mr. Emry seconded and with all in favor, the motion passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None

Amendment to Deed of Lease for Virginia Western Community College – Jon Lanford

In Mr. Lanford's absence due to an earlier meeting going long, Mr. Larrowe presented the amendment to the deed of lease for the community college. It includes the real construction costs of the facility, amortized over 20 years at the bond rating rate that the EDA has, and that resulted in a certain figure. Then they estimated \$65,000 for maintenance and operational costs that the EDA would cover and they added that to the formula and also determined that the community college would pay all their utilities. The amendment to the deed of lease explains all of this. The authority members reviewed the amendment, which was provided in their meeting attachments, and Mr. Kilby called for a motion to approve the amendment to the lease. Mr. Emry motioned and Mr. Griffin seconded. With all in favor and none opposed, the amendment was approved.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None

Virginia Telecommunications Initiative (VATI) Broadband Projects Update – Mr. McFadyen

Mr. McFadyen explained that staff had learned that week that Lumos had completed construction on the VATI #1 project and that they would have a site visit with the Department of Housing and Community Development the following week to visit locations of the construction of VATI #1 south of Buchanan, as well as the VATI #2 project, which is still in the high-level engineering phase. He said all parties are confident they will meet the deadline of the end of March for the completion of that first project. He also said that Lumos

understands that to complete the project they must have all cost documentation in by the end of March. They have not released the addresses for sales to contact potential customers yet but will do so within the next week.

Closed Session

Mr. Kilby then called for a motion to go into Closed Session:

Motion to go into closed session to discuss the acquisition and disposition of real property for purposes of economic development, in the Amsterdam district (including Greenfield) where discussion in an open meeting would adversely affect the Authority's bargaining position or negotiating strategy, 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 (Greenfield), Fincastle, Valley, and Blue Ridge (East Park) 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 for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice regarding the Roanoke Valley Broadband Authority, pursuant to Section 2.2-3711 (A) (8) of the Code of Virginia of 1950, as amended.

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

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan
NAYES: None
ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith ABSTAINING: None

Return to Open Session

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 then returned to Open Session with Roll Call:

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan
NAYES: None
ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith ABSTAINING: None

Mr. Kilby called for a motion that the chairman, vice chairman, and executive director of the EDA, working with counsel to the EDA, be authorized to discuss with representatives of the Roanoke Valley Broadband Authority possible ways to resolve issues arising from the lease of the data center at Greenfield, including possible termination of the lease; however, any resolution will be subject to approval by the board of the EDA. Mr. Bryan motioned and Mr. Emry seconded. With all in favor and none opposed, the motion passed.

Old and New Business

Mr. McFadyen updated the Authority members that the GO Virginia contract with BTEC is underway and that BTEC has taken quotes on the masonry work, which is the first step. He also said that they are following the Public Procurement Act, which is required in the grant contract, and the Education Foundation is carrying the cost of the expansion of the welding lab until such time that enough invoices are ready for a draw down of funds from the GO Virginia grant.

Economic Development staff had a preliminary call with DHCD regarding the Factory Flats contract for the grant to renovate the brewery there and are awaiting details and anticipating a grant contract to go to the Board of Supervisors in April. The Supervisors would then transfer the funds from DHCD, received by the County, to the EDA to administer as a loan to the principals at Factory Flats. He continued that other than the 20-year term and 2.5 percent interest, there has been no discussion of the terms of that loan. Mr. Kilby asked where Factory Flats stands with everything and Mr. McFadyen said they got their historic tax credit approval in Bedford. Mr. Kilby asked if they ever resolved their sewer problems and Mr. McFadyen was not aware if they had, but also said that it was an issue between Factory Flats and the town, and he did not think they would be moving forward with construction if they had not resolved the sewer problems.

Finally, Mr. McFadyen said that staff is assisting Eldor with a Commonwealth Opportunity Fund extension and has spent a great deal of time on that. He also said that staff had a phone call the day prior and it is yielding positive results as far as the international management understanding this workforce so he believes it has been time well-invested.

Adjourn

Mr. Kilby called for a motion the meeting be adjourned. Mr. Griffin motioned and Mr. Bryan seconded, and with all in favor and none opposed, the meeting was adjourned.

AYES: Mr. Kilby, Mr. Griffin, Mr. Emry, Mr. Bryan

NAYES: None

ABSENT: Mr. Alderson, Mr. Hayth, Mrs. Smith

ABSTAINING: None