

# Economic Development Authority Meeting of the City of Winchester, Virginia

## Meeting Minutes

DATE: August 21, 2018

TIME: 8 a.m.

LOCATION: Elizabeth A. Minor Council Chambers, City Hall

MEMBERS:	<u>Present</u>	<u>Absent</u>
William Buettin	<u>X</u>	_____
Douglas R. Toan	<u>X</u>	_____
Lauri M. Bridgeforth	<u>X</u>	_____
Jeffery B. Buettner	<u>X</u>	_____
Carol Koenecke-Grant	_____	<u>X</u>
Tim Painter	<u>X</u>	_____
Cary Craig*	<u>X</u>	_____

ALSO ATTENDING: Shawn Hershberger, Executive Director, Eden Freeman, City Manager, Amy Simmons, Communications Director, George Hoddinott, Business and Workforce Development Director, Shirley Dodson, Business and Workforce Development Coordinator.

SUBJECT: **Call to Order and Determination of Quorum**

HIGHLIGHTS: Chairman Buettin called the meeting to order at 8:04 a.m., at which time it was determined that a quorum was present.

SUBJECT: **Review and Approval of Meeting Minutes from the August 21, 2018 Meeting**

HIGHLIGHTS: The minutes of the Meeting held on August 21, 2018 were unanimously approved upon motion duly made by Mr. Buettner and seconded by Mr. Painter.

SUBJECT: **Review and Approval of Financial Report for the Period Ended July 31, 2018.**

HIGHLIGHTS: Ms. Dodson reported that this month we saw the payment of the \$20,000 Small Business Development Center grant and the \$4,600 Worlds of Work! Event grant. There is a \$1,000 check to Jobs EQ so that we can use their data on our website. There is a check to the City of Winchester for \$375 for the 5 applications for BAR filing fees. The Financial Report for the period ending July 31, 2018 was

unanimously approved upon motion duly made by Mr. Toan and Mrs. Bridgeforth.

**SUBJECT: Executive Director Report**

**HIGHLIGHTS:** FY2016 Audit Update: Matt Heatwole and Dustin Roderick presented the financial report from the fiscal year 2016 audit. They presented the Board with three documents, the financial report which includes the opinion, and two letters. Dustin reported that the opinion on the report begins on pg. 4 and a “clean” opinion was expressed which is the best opinion that they can give. On pg. 7 there is a cash balance increase from the previous fiscal year and that is due to collection of bond admin. fees predominately. On pg. 8 there is a net loss and a write off of a notes receivable. On pg. 16 of the report there is a description of the EDA selling its interest in the Taylor Hotel joint venture.

Comments on Internal Control: Matt reported that the comments access the risks that they think management may want to look at. There were not major chances since the previous year. Pg. 5 notes tools for financial reporting. Dustin assisted with setting up a spreadsheet with the bonds and notes receivable schedule to assist management. Matt noted that some of the material weaknesses will more than likely go away with the EDA switching their accounting to the City’s accounting system.

Chairman Buettin asked if the auditors had any recommendations for entering into future joint ventures. The auditors noted that they would be happy to assist with the accounting if needed. Dustin mentioned that we should get periodic reporting from the other entity. Chairman Buettin asked if they could include more information for the Joint Venture Disclosure Section of the Financial Report.

**SUBJECT:** Mr. Craig arrived to the meeting at 8:15 a.m.

**HIGHLIGHTS: Closed Meeting**

Upon Motion duly made by made by Mr. Painter, seconded by Mrs. Bridgeforth the Authority unanimously RESOLVED to go into a closed meeting pursuant to Section 2.2-3711 (C) (A) (3) for the discussion and consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority.

**SUBJECT: Return to Open Meeting**

**HIGHLIGHTS:** At the conclusion of the closed meeting concerning the discussion and consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority, the following Resolution would unanimously adopted upon roll call vote as set forth below:

WHEREAS, the Economic Development Authority of the City of Winchester, Virginia has concluded its “closed meeting” at a meeting held on August 21, 2018 and desires return to an “open meeting”; and

WHEREAS, the adoption of this Resolution is intended to serve as the “Certificate” described in Section 2.2-3712 (D) of the Code of Virginia (1950, as amended)

NOW THEREFORE, BE IT RESOLVED that the Economic Development Authority of the City of Winchester, Virginia does hereby reconvene in an “open meeting” at its meeting held on August 21, 2018; and

BE IT FURTHER RESOLVED that each and every Member of said Authority who votes in the affirmative for this Resolution does thereby certify to the best of each Member’s knowledge that only public business matters lawfully exempted from open meeting requirements of the Virginia Freedom of Information were heard, discussed or considered during the closed meeting, and that only such public business matters as were identified in the Motion which convened the closed meeting were heard, discussed or considered during the course of said closed meeting by the Authority

<u>Roll Call</u>	<u>Vote</u>
Tim Painter	Aye
William Buettin	Aye
Cary Craig	Aye
Lauri Bridgeforth	Aye
Jeff Buettner	Aye
Doug Toan	Aye

**SUBJECT: New Business**

**HIGHLIGHTS:** Chairman Buettin entertained a motion to amend the agenda to add a motion that would authorize the Executive Director to enter into and negotiate a Purchase and Sale Agreement for the sale of the 212 E. Cork Street for \$265, 000. The authority unanimously approved to add to the agenda the Purchase and Sale Agreement upon motion duly made by Mr. Buettner, seconded by Mrs. Bridgeforth.  
The authority unanimously approved the Purchase and Sale agreement with TJS Properties LLC for 212 E. Cork Street for the purchase price of \$265,000 upon motion duly made by Mr. Buettner, seconded by Mrs. Bridgeforth.

**SUBJECT:**

**Old and Other Business**

**HIGHLIGHTS:**

Revolving Loan Application (Chopped Corner Tacos): The loan committee met to discuss the revolving loan application request from TJS Properties LLC . Ms. Dodson reported that the finance committee discussed doing two separate loans for this project, a acquisition loan and a construction loan for \$32,000. We will do a ten year term on the loans with a balloon payment due after 5 years so that the authority is out of the project at that time. We will have a construction contract that establish a timeline for construction completion and the \$32,000 will be put in an escrow account along with personal funds from Mr. Frerotte, so that when funds need to be drawn down to pay invoices Shawn can verify the distribution of funds for construction. Upon motion duly made by Mrs. Bridgeforth, seconded by Mr. Toan, the authority unanimously agreed to approve the revolving loan request from Chopped Corner Tacos.

**SUBJECT:**

**HIGHLIGHTS:** **Next Meeting**

The next regular meeting of the Authority is scheduled for September 18, 2018 and will be held in the Elizabeth A. Minor Council Chambers.

**ADJOURNMENT:** There being nothing further, the meeting was adjourned upon motion duly made by Mrs. Bridgeforth and seconded by Mr. Buettner.

Minutes respectfully submitted by:

Shirley Dodson, Business & Workforce Development Coordinator