

Approved 07/23/2020

Industrial Development Authority of the Clarke County Virginia
Board of Directors
January 23, 2020, Minutes

A meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, January 23, 2020, at 1:00 PM.

Directors Present: Ben Cochran, Brian Ferrell, English Koontz, Rodney Pierce, Isreal Preston, William Waite, William Wolfe

Directors Absent: None

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Chris Boies, Len Capelli, Cathy Kuehner, Lora Walburn

Others Present: Janice Kuhn, Doug Lawrence

1. Call to Order

At 1:00 pm, Lora Walburn called the meeting to order.

2. Organizational Items

Elect Chair

Lora Walburn, IDA Clerk, called for nominations for 2020 Chair.

Bill Waite moved to re-nominate and elect Brian Ferrell to continue to serve as Chair in 2020.

Lora Walburn, Clerk, called for vote on the motion to nominate and elect.

The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Following vote, the meeting was turned over to Chairman Ferrell.

Elect Vice Chair

Chairman Ferrell called for nominations for 2020 Vice Chair.

Brian Ferrell moved to nominate and elect Ben Cochran to serve as 2020 Vice Chair. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Elect Secretary/Treasurer

Chairman Ferrell called for nominations for 2020 Secretary / Treasurer

Brian Ferrell moved to re-nominate and elect William "Bill" Waite to continue serve as Secretary / Treasurer in 2020. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Set Meeting Date, Time and Location

By affirmation, the Board adopted the schedule as presented.

2020 Meeting Schedule

1:00 pm, Fourth Thursday Quarterly, Meeting Room AB

January 23 – Organizational

April 23

July 23

October 22

January 28, 2021 – 2021 Organizational

Adopt Bylaws and Rules and Procedures of the Industrial Development Authority of the Clarke County, Virginia

Lora Walburn informed the Board that no members had suggested changes. She continued stating that, while staff had no recommendation for changes to the current revision, any revision to the Board's bond fee rates, scheduled for review later in the meeting, would result in a revision to the Rules and Procedures.

Director Waite recommended carrying adoption of the Bylaws and Rules and Procedures forward to the April 23, 2020, meeting to allow sufficient time for the Board to review bond fees provided by surrounding jurisdictions.

Director Koontz requested correction of a typographical error on Page 1 removing the "I" following [15.2-490](#) f.

3. Adoption of Agenda

Director Cochran, seconded by Director Koontz, moved to adopt the agenda as presented. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

4. Approval of Minutes

Director Waite, seconded by Director Cochran, moved to approve the October 24, 2019, minutes as presented. The motion carried as follows:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Abstain
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

5. Investment Status Update with Janice Kuhn

Janice Kuhn, Investment Consultant Infinex Investments Inc., distributed an investment report.

– Highlights of review:

- Account value as of close of business Wednesday, January 22, 2020: \$112,616.23
- Report includes:
 - Actual holdings and position values
 - Year-end statement December 31, 2019.
- Year-end value: \$111,100.60
- Grown approximately \$1,600 in the time-period between December 31, 2019, and January 22, 2020.
- Prior year-end value, December 31, 2018: \$98,481.63
- Grew from \$98,481.63 to \$112,616.23, a little over 14%, a very good year.
- Refresher on holdings:
 - IDA agreed to diversify a little over a year ago, which worked out in its favor.
 - Funds are growth and income funds that all pay dividends, which are reinvested. Dividends are used to purchase more shares, and dividends increase with the more shares owned.
 - Four funds:
 - › Franklin Income Fund: 14.92% one-year return
 - › Franklin Rising Dividends Fund: 28.9% one-year return
 - Both of the above are higher growth.
 - Generate income and invest in investments that pay dividends.
 - These two funds did the best with last year being a very good year in equities.
 - › Franklin Floating Rate Daily Access Fund: 2.61%
 - Fund invests in short-term bank notes, which typically does better in a rising interest rate environment.
 - Typically pays over 5% dividends.
 - Averaged 2.61% for year, which is better than funds will get in a cd or a money market.
 - While it had the lowest rate of return in the portfolio, it still did better than not having it invested at all.
 - › Franklin Strategic Income Fund: 7.72%

Approved 07/23/2020

- Fund is more conservative and moderate.
- Portfolio is very diversified.
- Comfortable leaving investments “as is.”

Director Waite comments:

- Propose leaving the percentages the same.
- Propose leaving the investments the same. Investments have done exactly what was expected for minimal risk.
- Investments have earned more than budgeted [\$10,405 FY2020] which could go away; however, for right now, it is going well.
- He can identify no reason to change.

Director Waite, seconded by Director Koontz, moved to accept the report and maintain these investments for next year. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Members of the Board expressed their appreciation to Mrs. Kuhn for her fund management.

6. Treasurer’s Report

Fiscal-Year-to-Date Checking Account Log:

Industrial Development Authority FY2020 YTD Check Log

FY	Status	Check No.	Date	Description	Category	Credit	Debit	Balance	Additional Information
2020	C	588	6/28/2019	VACorp	Insurance	\$ -	\$ 1,340.00	\$ 45,805.55	FY2020 07/01/2019 thru 06/30/2020
2020	C	Dep	7/1/2019	Shenandoah University	Bond Fees	\$ 1,000.00	\$ -	\$ 46,555.55	Bond Modification 06/13/2019; 0176551
2020	C	594	7/25/2019	Mark Cochran	Director Fees	\$ -	\$ 50.00	\$ 46,505.55	Meeting 7/25/2019
2020	C	595	7/25/2019	Brian Ferrell	Director Fees	\$ -	\$ 50.00	\$ 46,455.55	Meeting 7/25/2019
2020	C	596	7/25/2019	Bill Waite	Director Fees	\$ -	\$ 50.00	\$ 46,405.55	Meeting 7/25/2019
2020	C	597	7/25/2019	Bill Wolfe	Director Fees	\$ -	\$ 50.00	\$ 46,355.55	Meeting 7/25/2019
2020	C	598	10/24/2019	William Waite Richmond Meeting	Director Fees	\$ -	\$ 425.00	\$ 45,930.55	Conference, Richmond, VA
2020	C	599	7/25/2019	Berryville Main Street	Civic Contributions	\$ -	\$ 4,750.00	\$ 41,180.55	Civic Contribution
2020	C	600	7/25/2019	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 41,130.55	Meeting 7/25/2019
2020	C	601	8/6/2019	Lord Fairfax Community College	Civic Contributions	\$ -	\$ 6,000.00	\$ 35,130.55	SBDC FY2020
2020	C	602	10/24/2019	William Waite	Director Fees	\$ -	\$ 50.00	\$ 35,080.55	Meeting 10/24/2019
2020	C	603	10/24/2019	Brian Ferrell	Director Fees	\$ -	\$ 50.00	\$ 35,030.55	Meeting 10/24/2019
2020	C	604	10/24/2019	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 34,980.55	Meeting 10/24/2019
2020	C	605	10/24/2019	Isreal Preston	Director Fees	\$ -	\$ 50.00	\$ 34,930.55	Meeting 10/24/2019
2020	Dep		1/6/2020	Grafton School	Bond Fees	\$ 562.50	\$ -	\$ 35,493.05	2019 Bond Fee

Director Waite provided the following:

Approved 07/23/2020

- The only financial activity since the October meeting was receipt of bond income from Grafton.
- Reminder notices sent today to two entities with outstanding 2019 bond fees.
- Expenditures are down to meeting attendance and insurance.
- Insurance premium is the same as last year and should be on April's report.
- Still light on the budget but expect to be close.
- IDA is covering all its operating expenses.
- Appreciate having all the data at every quarterly meeting, so there is nothing that is not completely visible.

Lora Walburn added that no inquiries or requests had been made for Waterloo Area Water and Sewer Availability Fee Subsidy; therefore, the IDA would not be reviewing any potential fund expenditures.

Following review, **Director Koontz, seconded by Director Pierce, moved to accept the Treasurer's Report as presented. The motion carried as follows:**

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Fiscal-Year-to-date Budget:

Expenditures Category	Amount	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Expended YTD	Remaining Balance
Advertising	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400
Audit	\$ 1,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,675
Civic Contributions	\$ 6,000	\$ 4,750.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,750.00	\$ (4,750)
Director Fees	\$ 1,400	\$ 250.00	\$ -	\$ -	\$ 625.00	\$ -	\$ -	\$ 875.00	\$ 525
Insurance	\$ 1,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,340
Postage	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25
Professional Services	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250
Total Expenditures:	\$ 12,090	\$ 5,000.00	\$ 6,000.00	\$ -	\$ 625.00	\$ -	\$ -	\$ 11,625.00	\$ 465

Estimated Revenues	Estimated Amount	Actual Revenue	+/- Estimate
Bonds:			
Grafton School, Inc. Bond	\$ 655	\$ 563	\$ (93)
LFCC Bond	\$ 2,750	\$ -	\$ (2,750)
Shenandoah University Bond	\$ 3,800	\$ -	\$ (3,800)
	\$ 7,205	\$ 563	\$ (6,643)
Interest Income:	\$ 3,200	\$ 2,561	\$ (639)
Total Revenue:	\$ 10,405	\$ 3,124	\$ (7,281)

FY2020 Investment Summary

Asset Summary	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	FY2020 YTD
Beginning Balance	107,808.82	\$108,179.85	\$107,623.55	\$108,495.19	\$107,981.51	\$109,096.35	
Dividends, Interest, & Other Income	\$ 311.74	\$ 303.24	\$ 292.07	\$ 312.88	\$ 292.59	\$ 1,048.65	\$ 2,561.17
Net Change in Portfolio	\$ 59.29	\$ (859.54)	\$ 579.57	\$ (826.56)	\$ 822.25	\$ 955.60	\$ 730.61
Ending Balance	108,179.85	107,623.55	108,495.19	107,981.51	109,096.35	111,100.60	

Fiscal-Year-to-Date Bond Log:

Industrial Development Authority of the Clarke County, Virginia
Outstanding Bonds

Borrower	Bond Type	Date Issued / Resolution	Purchaser / Trustee	Original Amount \$MM	2019 Fees \$K	Outstanding Balance 2019 \$MM	Date OB
BCCGC County of Clarke	Lease Revenue Bond	5/16/2007	RDA	\$4,822,000			6/30/2016
BCCGC Town of Berryville	Lease Revenue Bond	5/16/2007	RDA	\$2,327,000			6/30/2016
Grafton School, Inc.	Tax-exempt Educational Facilities Revenue Refunding Bonds Series 2010	Loan 5/1/2010; Issued 5/28/2010	Wells Fargo Bank, National Association	\$9,225,000	\$563	\$1,125,000	12/3/2010
Lord Fairfax Community College Educational Foundation, Inc.	Educational Facilities Revenue Bond Series 2012A [Tax-exempt] \$8,400,000	11/14/2012; 12/28/2012	United Bank	\$ 8,400,000			12/28/2016
Shenandoah University Project	Educational Facilities Revenue Bonds, Series 2011	12/08/2011; 12/15/2011; 12/27/2011; Issue Date 5/31/2012	BB&T	\$7,815,000			12/27/2017
						\$563	

Director Waite provided the following:

- All historic bonds – no current bonds in process.
- Grafton has paid its 2019 fees; still waiting on Lord Fairfax Community College and Shenandoah University.
- In 2019, processed a renewal for Shenandoah University.
- No significant investments nor opportunities inside Clarke.
- Supporting entities outside Clarke to generate income.

Approved 07/23/2020

- Bond fees cover the majority of the IDA's operating expenses.

David Weiss, Board of Supervisors Liaison, added that IDA's in all localities have a limit as to what can be lent; and, generally, once another locality reaches the limit, the applicant reaches out to Clarke, which was done in the case of Valley Health and Lord Fairfax Community College. He also reminded that the IDA processed the bond on the Berryville-Clarke County Government Center.

7. Director Economic Development and Tourism Update

Highlights of Len Capelli's review include:

- This was his last meeting with the IDA.
- February 22, 2020, or earlier depending upon when he reaches his contracted number of hours, will be his last day with Clarke.
- It has been a pleasure working with everyone on the Authority. He has appreciated working with a group that is so professional, particularly with the constraints in the County that limit certain growth.
- Become an Agripreneur Seminar:
 - o Wednesday, February 12, at 6:30 pm
 - o Forty-five farmers attended the 2017 Agripreneur seminar held in Clarke.
 - o The event is advertised on Facebook and the County's website
 - o Speakers / representatives from:
 - Cooperative Extension
 - Lord Fairfax Community College Small Business Development Center
 - MidAtlantic Farm Credit
 - Virginia Beginning Farmer & Rancher Coalition Program
 - Virginia Department of Agriculture and Consumer Services
 - Virginia Farm Bureau
 - o Focal areas include:
 - Business promotion on social media.
 - Business planning
 - o A North Carolina company that deals with Clarke's Equine Alliance has contributed a leaf blower as a door prize.
 - o Over one hundred persons have expressed interest

Local EDA/IDA Bond Terms Review

Highlights of review include:

- Carry review forward to the April 23 meeting.
- Director Waite has no recommendation at this time.
- Jenna French, Shenandoah County Director of Economic Development and Tourism, provided her bond fees research saving Clarke's staff tremendous amount of time.

Chairman Ferrell and Director Waite thanked Len Capelli for his service to the Industrial Development Authority.

8. Closed Session

1:21 pm, Director Waite, seconded by Director Cochran, moved that the Clarke County Industrial Development Authority convene in closed session pursuant to Section 2.2-3711-A3 discussion or 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 public body.

Chris Boies, County Administrator, joined the Authority in Closed Session.

The motion carried as follows:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

At 2:34 pm, Director Koontz, seconded by Director Ferrell, moved to return to Open Session. The motion carried as follows:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Chairman Ferrell called for a roll call vote that only matters pertaining to the subject the Authority convened into Closed Session were discussed and that no action was taken while in Closed Session.

English Koontz read the certification of Closed Session.

Certification of Closed Session

WHEREAS, the Board of Directors of the Industrial Development Authority of Clarke County, Virginia convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, § 2.1-344.1 of the Code of Virginia requires a certification by this Authority that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Industrial Development Authority of Clarke County, Virginia hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Directors.

The motion carried as follows:

Ben Cochran	-	Aye
Brian Ferrell	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye
William Wolfe	-	Aye

Next Meeting

The next meeting is scheduled for Thursday, April 23, 2020, 1:00 pm.

9. Adjournment

At 2:35 pm, Chairman Ferrell adjourned the meeting.

Minutes recorded and transcribed by: Lora B. Walburn, IDA Clerk