

**Economic Development Authority  
Of  
Lancaster County, Virginia  
At  
Chesapeake Bank Training Center  
Minutes – January 17, 2019**

Members Attending: Chairman Roy Carter, Jeff Szyperski, Ronald Davenport, Lewis Conway, Bruce Sanders and Charlotte Silverman. Ed Pittman was absent.

Others Present: Don Gill, County Administrator, Dr. Robert Westbrook, District 5 Supervisor, Dan Siegel with Sands Anderson, Ed Fuehrer and Susan Cookman with the Boys and Girls Club and members of the Broadband Authority.

Mr. Carter called the meeting to order at 10:00 a.m.

Mr. Carter stated that he would like to mention that Don Gill is now the Lancaster County Administrator and Jeff Szyperski has been elected Chairman of the American Banker's Association.

Mr. Carter called the roll. Everyone was present besides Ed Pittman, who had another engagement. He introduced the new members, Charlotte Silverman and Bruce Sanders.

**Calendar Year 2019 Organization and Adoption of By-laws**

**a. Election of Chair**

Mr. Szyperski nominated Mr. Carter to continue to serve as the Chairman. Mr. Davenport seconded the nomination. **VOTE: 6-0.**

**b. Election of Vice-Chair**

Mr. Carter stated that Mr. Pittman is the current Vice-Chair and he had not asked him if he wanted to continue as such, so it was probably not fair to elect him when he was not present.

Mr. Carter nominated Dr. Charlotte Silverman to serve as the Vice-Chair. Mr. Szyperski seconded the nomination. **VOTE: 6-0.**

**c. Election of Secretary-Treasurer**

Mr. Carter nominated Mr. Gill to continue to serve as Secretary-Treasurer. Mr. Szyperski seconded the nomination. **VOTE: 6-0.**

## **Adoption of the By-laws**

Mr. Carter stated that the by-laws were practically the same as they have been for years with one exception, which is article 5, section 7 which deals with the meeting format. He stated that they approved the change at the July 2018 meeting. He stated that the change was that the order of business in the listed format may be revised by the Chair prior to any meeting. He stated that was done so that presentations could be done at the beginning of the meetings instead of towards the end, so that presenters did not have to sit through the entire meeting.

Mr. Sanders moved and Mr. Szyperksi seconded the motion to accept the by-laws.

**VOTE: 6-0.**

## **New Business**

### **a. Broadband Authority Funding Request**

Dr. Gary Silverman, a member of the Broadband Authority, presented their proposal for funding and included information on statistics, property values and the current state of broadband internet service in the County. He stated that the lack of broadband internet is the number one factor inhibiting economic growth in the County according to a recent report.

Dr. Silverman stated that the Broadband Authority is in phase one, which includes planning and information gathering. He stated that part of phase one also includes the funding request from the EDA, a planning grant through the Department of Housing and Community Development and also working with the Center for Innovation and Technology. He stated that the next phases, two and three, include the RFP/grant process, selection of vendors/partners, installation, testing and the start-up process.

Dr. Silverman stated that they estimate that the phase one budget will total \$60,000. He stated that includes a survey, website costs, grant writing support, conferences, workshops and legal services. He referred to the \$30,000 request and stated that the money would help them to engage professional support to expand and to help facilitate the capture of other funding streams.

Cassie Thompson, a Broadband Authority member, stated that they are also writing letters to lawmakers such as Margaret Ransone and Ryan McDougale to let them know how they are working to get broadband to this area. She stated that they are also reaching out to other localities, such as Middlesex County, because there is strength in numbers.

Dr. Westbrook asked Dr. Silverman what would happen if the \$30,000 request was not granted.

Dr. Silverman replied that if they are not able to use professional services, which the \$30,000 could help pay for, they won't be able to move forward as quickly as they need to and not be able to meet the fall deadline for some larger grants.

Mr. Davenport asked how many homes in the County do not have internet service.

Dr. Silverman replied that is one of the pieces of information that they plan on gathering.

Mr. Conway spoke about the upper end of the County being underserved concerning internet service.

Ms. Thompson stated that if they can't get the funds to move toward their phase two, they will be dead in the water. She stated that they have accomplished a lot since the Broadband Advisory Group was formed last April. She also discussed the effect on home sales concerning broadband. She stated that broadband is needed on all levels.

Mr. Carter asked Dr. Westbrook, as a member of the Board of Supervisors, what was the County planning on doing to help the Broadband Authority.

Dr. Westbrook replied that they haven't been asked yet.

Mr. Gill stated that the budget call was recently sent out and requests are due back by February 8<sup>th</sup>. He stated that he understood that the Broadband Authority will be making a request.

Mr. Carter thanked the Broadband Authority for all of its hard work.

Mr. Carter stated that there was no question about the need for reliable broadband service throughout the County. He stated that the EDA has approximately \$100,000 right now and about \$62,000 of that came in a couple of years ago from funds owed by the County. He stated that, if those funds had not been received, the EDA's balance would be more like \$38,000. He stated that between now and June, they would have an income of approximately \$12,500. He stated that he had spoken to Mr. Pittman about bonds and funding and it seems that the opportunities are not as great as they were in the past and also because of the new tax laws, some of the rates have decreased. He stated that the EDA has to be conservative with its money and the Broadband Authority's request is a large one for the EDA. He asked if this would be a one-time request from the Broadband Authority because they would need to know to help make the decision.

Dr. Silverman replied that he could not answer that because they don't know what their success will be in obtaining grants. He stated that he could say that they would not ask for phase one support again.

Mr. Pere stated that their goal with the public-private partnership is a business model that is self-sustaining.

Mr. Szyperski stated that, in the past, the EDA has helped with seed money, so this request would be consistent with what has been done before. He stated that broadband is a very important issue for rural areas.

Mr. Sanders stated that, as a small business owner, the last mile coverage is very important. He stated that if someone wants to establish a business here, it has to be in a town. He stated that the County will continue to fall behind, unless broadband service is available throughout.

Mr. Carter asked if the Broadband Authority would have the same opportunities for revenue bonds as the Economic Development Authority has.

Dan Siegel, Bond Counsel with Sands and Anderson, replied no because the Broadband Authority is limited in what they do and the Economic Development Authority has a much broader range.

Mr. Szyperski stated that he knew it was a large amount and approximately a third of their budget, but thought that broadband service was fundamental for the County and for economic development. He made a motion to approve the \$30,000 request for the Broadband Authority. Mr. Davenport seconded the motion. **VOTE: 6-0.**

#### **b. Boys and Girls Club Funding Request**

Ed Fuehrer with the Boys and Girls Club spoke about the fire that damaged the Boys and Girls Club building on November 19, 2018. He stated that they have a good insurance policy and are moving forward with their plans. He stated that they have gone from a renovation plan in the building that burnt to a rebuild plan. He stated that architectural fees will not be covered by the insurance company. He thanked the EDA for its past support and stated that the Boys and Girls Club would not be where it is without it. He stated that he would like Susan Cookman to speak to where they were concerning their capital campaign.

Susan Cookman stated that she was in the Resource Development position at the Boys and Girls Club. She stated that their campaign goal is \$2.6 million and they currently have \$2.127 million. She stated that they anticipate breaking ground in either March or April. She stated that it is imperative for them to try to have all of the children under one roof.

Ms. Cookman stated that the \$10,000 funding request would help them pay for having to revamp their plans since the fire. She stated that they had no idea what they will receive from the insurance company.

Dr. Silverman asked about the insurance coverage.

Mr. Fuehrer replied that the building that burned was insured for \$924,000 and the back building was insured for \$1.2 million. He stated that they had a good umbrella policy. He

stated that their capital campaign never included having to rebuild the building in its entirety.

Mr. Carter stated that he had been asked why the EDA supports the Boys and Girls Club and what it had to do with business. He stated that his response was that it keeps parents working and the mentoring helps the County's youth.

Mr. Carter asked if this was a one-time request for this year.

Ms. Cookman replied yes.

Mr. Sanders moved to approve the \$10,000 funding request for the Boys and Girls Club. Mr. Szyperski seconded the motion. **VOTE: 4-1-1. ( Silverman-Nay, Davenport-Abstain)**

Mr. Carter stated that he had sent some articles concerning the Boys and Girls Club to Carol and Marcus Weinstein, friends of his in Richmond. He stated that the couple like to support opportunities for children. He stated that he was pleased to say that the Weinstains sent a check for \$20,000 to the attention of Philip Mumford to help the club.

**c. Mariners' Museum Request for Interest Rate Change on Existing Bond**

Dan Siegel with Sands Anderson stated that the Mariners Museum was issued a bond through the Economic Development Authority in 2012 and have been paying administrative fees since then. He stated that the bond had yield protection language if the corporate tax rate decreased. He stated that the interest rate on the bond will be reduced to 3.18 percent. He stated that, other than the rate change, there are no other changes. He stated that the administrative fees will continue to be paid each year and he did not know the outstanding bond balance.

Mr. Gill stated that the last administrative fee received from the Mariners Museum was for \$12,000 in February 2018.

Mr. Siegel stated that the administrative fees are a good way for the EDA to continue to fund local requests. He stated that the EDA would need to approve the resolution that was included in the members' packages.

Mr. Szyperski asked if Suntrust was the bondholder and if they supported this.

Mr. Siegel replied yes.

Dr. Silverman asked if this was an informational item.

Mr. Siegel replied that the approval of the resolution was an action item.

Dr. Silverman asked what effect would it have on the administrative fees collected by the EDA.

Mr. Siegel replied that it had no effect on the administrative fees because the fees for the EDA were based on the outstanding principal and not on the interest rate.

Mr. Szyperski stated that Suntrust was willing to lose the ten basis points so that they did not lose the entire deal.

Mr. Siegel replied that was correct.

Mr. Szyperski made a motion to approve the Mariners' Museum request for an interest rate change on an existing bond. Mrs. Silverman seconded the motion. **VOTE: 6-0.**

Mr. Siegel asked if there could be a roll call vote on the matter.

#### ROLL CALL VOTE

Mr. Szyperski -Aye

Mr. Carter- Aye

Dr. Silverman - Aye

Mr. Sanders- Aye

Mr. Conway –Aye

Mr. Davenport –Aye

#### **July 19, 2018 Meeting Minutes**

Mr. Carter moved to approve the July 19, 2018 meeting minutes. Dr. Silverman seconded the motion. **VOTE: 6-0.**

#### **Financial Report**

Mr. Gill stated that the EDA's bank balance as of July 1, 2018 was \$105,366.69. He stated that the account has earned \$22.82 in interest and administrative fees that have been collected total \$20,669.99. He stated that the expenses included \$600 for member meeting stipends, a contribution to Lead Northern Neck for \$5,000 and a contribution to the Boys and Girls Club for \$20,000. He stated that leaves a balance of \$100,459.50 as of December 31, 2018. He stated that the EDA is due to collect approximately \$20,000 in additional administrative fees before the end of FY19.

Mr. Carter referred to the interest rate and asked what they could do to improve their rate.

Mr. Gill replied that he would talk to Virginia Commonwealth Bank about the rate. He stated that it was an existing account and not sure how it came to be at that bank.

Mr. Szyperski stated that the account has always been there since he has been on the authority. He stated that more interest could be earned with a money market account.

Mr. Carter asked Mr. Gill to check into that.

Mr. Gill stated that he wanted to remind all of the EDA members that the Financial Disclosure Statement forms are due by February 1, 2019.

Mr. Szyperski asked if the EDA had any multi-year commitments currently.

Mr. Gill replied no.

Mr. Szyperski suggested that the EDA think about a benchmark or minimum balance to maintain. He suggested one and a half times the annual revenues.

Dr. Silverman suggested a long-term strategic plan in how they wanted to promote economic development. She stated that she thought it would help in making decisions.

Mr. Carter stated that he thought they should form a committee for that purpose. He stated that he also thought they should have a financial committee and a committee that is focused on the website. He stated that the website is outdated and needs to be more proactive in enticing businesses to the area. He suggested forming the committees now. He stated that he would be on the website committee.

Mr. Szyperski stated that he would like to be on the planning committee. He stated that a governing policy on future financial decisions would be a good idea. He referred to the Boys and Girls Club funding request and stated that it was not always obvious why the EDA would be supporting them.

Dr. Silverman agreed and stated that she was one hundred percent behind the Boys and Girls Club, but had a hard time seeing the EDA's support to them given that the EDA's purpose is to support economic development. She stated that is why strategic planning would be important.

Mr. Szyperski stated that there should also be discussions about the delineation between recurring requests and start-up requests, in his opinion.

Mr. Carter made a motion that Mr. Szyperski and Dr. Silverman come up with a strategic plan of how the EDA wanted to move forward in making decisions. Mr. Davenport seconded the motion. **VOTE: 6-0.**

Mr. Carter stated that he would be happy to take the initiative on the website. He stated that they can get great ideas from looking at other localities' websites. Mr. Davenport stated that he would assist Mr. Carter with that idea.

Mr. Szyperski made a motion to have Mr. Carter and Mr. Davenport on the website committee. Mrs. Silverman seconded the motion. **VOTE: 6-0.**

Mr. Carter referred to a financial committee and stated that this would be to look at where money has come from in the past and where opportunities might come from in the future. He asked Mr. Gill if that was something that he could help with.

Mr. Gill replied yes.

Mr. Carter asked Mr. Sanders if he would be interested in helping with the financial committee.

Mr. Sanders stated that he could work with Mr. Gill on that.

Mr. Carter nominated Mr. Sanders and Mr. Gill to be on the financial committee. Dr. Silverman seconded the nomination. **VOTE: 6-0.**

### **Other Business**

Dr. Silverman asked about moving the date for the July meeting since she will be out of town.

The consensus was to have the regular July meeting on Tuesday, July 9, 2019 at 9:30 a.m. in the training center.

### **Adjournment**

Mr. Szyperski made the motion and Mr. Carter seconded the motion to adjourn the meeting. **VOTE: 6-0.**