

**Economic Development Authority
Of
Lancaster County, Virginia
At
Chesapeake Bank
Minutes – September 24, 2014**

Members Attending: Chairman Szyperski, Mr. Pennell, Mr. Fleet, Mr. Kyzer, Mr. Pittman and Mr. Curry. Mr. Barrack was absent.

Others Present: Mr. Frank Pleva, Executive Director, Mr. Daniel Siegel of Sands Anderson, PC, Ms. Camille Dean of Sands Anderson, PC and Crystal Whay.

Mr. Szyperski called the meeting to order at 2:00 p.m.

Proposed Issuance of Lease Revenue Bonds

Mr. Szyperski and Mr. Pittman abstained from the discussion and vote on the lease revenue bond due to a possible conflict of interest.

Mr. Szyperski turned the meeting over to Vice Chairman Fleet.

Mr. Fleet asked Mr. Pleva to present the issue.

Mr. Pleva stated that the Lancaster County Board of Supervisors approved a lease revenue bond proposal and authorized Davenport and Company and Sands Anderson PC to put out a request for proposals for various banks for financing. He stated that the bonds issue would include approximately \$2.8 million for public school projects, \$4.4 million for general government capital projects and another \$1 million for refinancing existing debt.

Mr. Pleva stated that three bank proposals were received and it was decided that the joint proposal from the Bank of Lancaster and Chesapeake Bank was the best choice. He stated that the School Board also had to approve the primary school being used as collateral and that was done on September 8th.

Mr. Kyzer asked why a public building such as the primary school had to be used for collateral.

Mr. Siegel replied that it was an issue with the non-local banks and that local banks may not need collateral, but others do. He stated that things have changed with lending in the past few years and now the credit evaluations of counties are being treated as any other commercial entity.

Mr. Pennell stated that the debt is the subject of appropriations every year and the possibility may be that a new board of supervisors could come in and not want to honor prior obligations. He stated that it is the difference between a moral obligation and a general obligation.

Mr. Kyzer asked if the rates were fixed.

Mr. Siegel replied yes.

Mr. Kyzer stated that because the monies were being used for the county, he thought the EDA's fee should be waived.

Mr. Pennell made a motion to adopt the resolution of the lease revenue bond issuance and to include the fee of 1 ½ percent. He stated that other entities have to pay it. Mr. Curry seconded the motion.

Mr. Fleet stated that he was delighted that the proposed projects were getting funded, especially the school projects. He stated that he had heard that the library building may become an alternative school or offices for the school board and asked if that was true.

Mr. Pennell stated that those are possible uses for the library building and that there is also the possibility of moving the 4th grade there as well. He stated that he thought it was up in the air at the present time.

VOTE: Mr. Fleet Aye
 Mr. Curry Aye
 Mr. Pennell Aye
 Mr. Kyzer Nay
 Mr. Szyperski Abstain
 Mr. Pittman Abstain

VOTE: 3-1

Mr. Pleva stated that he suggested that there be two separate motions because for the financing to be approved, the EDA had to have a majority vote.

Mr. Siegel suggested that after a vote, the County could be asked to pay the fee.

Mr. Kyzer stated that the other entities that the EDA has helped were out of the county, but this fee will be coming from Lancaster County taxpayers.

Mr. Pleva stated that if this financing doesn't pass, the county will have to go to other financing at higher rates and more debt service and the local banks will also lose the business.

Mr. Kyzer stated that he looked at the fee as more “piling on” for local taxpayers.

Mr. Pleva stated that the money will be staying in the county and will be used for county purposes. He stated that by the time additional financing is completed, it would cost more money than it does at the present time.

Mr. Kyzer asked for a revote on the motion made by Mr. Pennell and seconded by Mr. Curry.

VOTE:	Mr. Fleet	Aye
	Mr. Curry	Aye
	Mr. Pennell	Aye
	Mr. Kyzer	Aye
	Mr. Szyperski	Abstain
	Mr. Pittman	Abstain

VOTE: 4-0. Motion passed.

Mr. Fleet turned the meeting over to Chairman Szyperski.

Minutes

Mr. Fleet moved to approve the July 17, 2014 minutes. Mr. Pennell seconded the motion.

VOTE: 6-0.

Financial Report

Mr. Pleva stated that the bank balance was approximately \$110,000.00. He stated that his concern is that the EDA may not be receiving all of the administrative fees that it's due. He stated that the county's auditor, Robinson, Farmer and Cox will be conducting an audit for the EDA. He stated that they will prepare an annual financial report and it should be ready by the next meeting in January.

Mr. Pennell stated that he thought the annual financial report was an excellent idea.

Mr. Szyperski asked about the cost of the audit.

Mr. Pleva replied the cost was a couple of thousand dollars.

Mr. Pennell made a motion to utilize the county auditor to perform an annual audit for the EDA. Mr. Pittman seconded the motion. **VOTE: 6-0.**

Unfinished Business

Mr. Szyperski mentioned Ms. Carter's presentation of the oyster trail at last month's meeting.

Mr. Pennell stated that the oyster trail efforts are just starting and they are trying to determine what the scope will be. He stated that the state is really behind it. He stated that Visions has always discussed whatever it could do to restore the traditional industries in Lancaster County, which are farming and water related industries.

New Business

Mr. Pleva stated that Susan Cockrell, Assistant Kilmarnock Town Manager, and Chris Ingram, Middlesex County Economic Director, recently received \$13,300 of state funds for their branding initiative.

Mr. Pleva asked if the EDA would consider a modest donation to the Chamber of Commerce for the upcoming River Ride and annual Christmas parade. He stated that both events bring people into the county and both events have seen decreased donations this year. He suggested an amount of \$500 per event.

Mr. Szyperski stated that both events were good for tourism.

Mr. Curry asked what the \$500 would be used for concerning the events.

Mr. Pleva replied that it could help close the gap from the traditional sponsors backing off of their donations.

Mr. Szyperski stated that it is also a way to show support for the Chamber of Commerce.

Mr. Pittman made a motion to approve a donation of \$500 for the River Ride event and \$500 for the annual Kilmarnock Christmas parade. Mr. Curry seconded the motion.
VOTE: 6-0.

Other Business

Mr. Szyperski stated that he encouraged members of the EDA to attend the monthly Visions meetings.

Adjournment

Mr. Fleet moved and Mr. Pennell seconded the motion to adjourn the meeting. **VOTE: 6-0.**

Attest: _____
Frank A. Pleva,

Executive Director