

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

*Pittsylvania County Board of Supervisors' Conference Room
1 Center Street, Chatham, Virginia 24531*

IDA BOARD MEETING PACKET

**REGULAR MEETING
TUESDAY, MAY 10, 2016
6:00 P.M.**

**Eddie L. Hite, Jr., Chairman
Stanley Simpson, Secretary/Treas.
Charlie Mahan, Vice-Chairman
Ron McMahan
Randy Anderson
Ronnie Haymore
Joey Faucette**



INDUSTRIAL DEVELOPMENT AUTHORITY OF PITTSYLVANIA COUNTY, VIRGINIA

MEETING

TUESDAY, MAY 10, 2016

6:00 P.M.

PITTSYLVANIA COUNTY BOARD OF SUPERVISORS' CONFERENCE ROOM

1 CENTER STREET, CHATHAM, VIRGINIA 24531

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda – *page 1*
- IV. Approval of Meeting Minutes (*March 8, 2016*) – *pages 2-4*
- V. Review of Financial Statements (*April 12, and May 10, 2016*)
 - A. Regular Checking – *pages 5-7*
 - B. Axxor Debt Reserve – *pages 8-10*
 - C. BB& T Loan – *pages 11-13*
- VI. New Business
 - A. VACORP Insurance Execution Ratification – *pages 14-22*
 - A. SIPS Bill of Sale for CNC Router Ratification – *page 23-26*
 - B. Harris, Harvey Neal & Co, LLP (Auditors) – *page 27 - Handout*
(*2015 Financial Statement Presentation by Stephen Gay*)
- VII. Economic Development Director Updates (Matthew D. Rowe)
- VIII. Matters from the Board
- IX. Adjourn

IV.
Approval of Minutes
(March 8, 2016)



**INDUSTRIAL DEVELOPMENT AUTHORITY
OF PITTSYLVANIA COUNTY, VIRGINIA**

**PITTSYLVANIA COUNTY BOARD OF SUPERVISORS CONFERENCE ROOM;
1 CENTER STREET; March 8, 2016, 6:00 P.M.**

MEETING MINUTES

IDA Members

Eddie L. Hite, Jr., Chairman
Charlie Mahan, Vice-Chairman
Stanley Simpson, Sec./Treas.
Randy Anderson
Joey Faucette
Ronnie Haymore
Ron McMahon

Staff Present

J. Vaden Hunt, IDA Attorney/County Attorney
Brenda O. Robertson, IDA Clerk/Legal Secretary
Matthew D. Rowe, Economic Development Director
Gregory L. Sides, Assistant County Administrator

I. Call to Order:

Meeting called to order by Hite at 6:00 P.M.

II. Roll Call:

IDA roll call by Robertson. All IDA members present.

III. Approval of Agenda:

Motion made by Anderson, seconded by McMahon, to approve Agenda. Motion carried unanimously.

IV. Approval of Meeting Minutes (January 12, 2016):

Motion by Anderson, seconded by Faucette, to approve January 12, 2016, meeting minutes. Motion carried unanimously.

V. Review of Financial Statements (February 9, and March 4, 2016):

IDA Regular Checking Account balance as of March 4, 2016, was \$301,623.68. IDA Regular Checking Account balance as of February 9, 2016, was \$301,921.56. Axxor Debt Reserve Account balance as of March 4, 2016, was \$297,728.71. Axxor Debt Reserve Account balance as of February 9, 2016, was \$292,033.21. BB&T Loan Account balance as of March 4, 2016, was \$1,606,166.68. BB&T Loan Account balance as of February 9, 2016, was \$1,612,550.10.

VI. New Business:

A. Harris, Harvey, Neal & Co., LLP (Auditor):

1. Audit Engagement Letter Execution Authorization

Motion made by Faucette, seconded by Haymore, to accept the Audit Engagement Letter, and execution by Chairman Hite. Motion carried unanimously.

2. Audit Payment Authorization

Motion made by Faucette, seconded by Haymore, to authorize the IDA Clerk to make payment for audit services in the amount not to exceed \$3,550.00. Motion carried unanimously.

B. Axxor Discussion

Motion made by Simpson, seconded by Haymore, to authorize the IDA Clerk to reimburse Virginia Economic Development Partnership ("VDEP"), from the Axxor Debt Reserve account in the amount of \$50,000. Motion carried unanimously.

VII. Updates by Matthew D. Rowe (Director of Economic Development)

Rowe provided general comments of economic development potential of the County which were not, required a vote.

VIII. Matters from the Board:

None.

X. Adjourn:

With there being no further business, motion by Stanley, seconded by Mahan, to adjourn meeting. Motion carried unanimously. Hite adjourned meeting at 6:55 P.M.

Respectfully Submitted,

Approved

W. Stanley Simpson, Sec./Treas.

Ed. Hite Jr., Ch.

DRAFT

V. (A)
Checking Account
as of
(April 12, 2016 and March 6, 2016)



Small Business Online Banking

Account Details

Checking 6030 / \$299,976.06



As of May 06,2016

<u>Available Balance</u>	\$299,976.06	Manage My Alerts
		Buy QuickBooks
<u>Posted Balance:</u>	\$299,976.06	
Interest Paid (YTD):	\$9.23	
Interest Rate:	0.010%	
Routing Number:	show	
Account Number:	*****6030 show	



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Transaction Details

<u>Date</u>	<u>Type</u>	<u>Check #</u>	<u>Description</u>	<u>Debit (-)</u>	<u>Credit (+)</u>	<u>Daily Posted Balance¹</u>
05/02/2016	Credit		EDI PYMNTS Intertape Polyme 0008INDUS-TRIAL DEV.A ACH CREDIT		\$30,324.97	\$299,976.06
04/29/2016	Interest		INTEREST PAYMENT		\$2.33	\$269,651.09
04/25/2016	Check	<u>1643</u>	CHECK #1643 View	\$30,324.97	ANB	\$269,648.76
04/21/2016	Fee		SERVICE CHARGES - PRIOR PERIOD	\$2.50		\$299,973.73
04/20/2016	Check	<u>1644</u>	TELLER CASHED CHECK #1644 View	\$300.00	Robertson	\$299,976.23

<u>Date</u>	<u>Type</u>	<u>Check #</u>	<u>Description</u>	<u>Debit (-)</u>	<u>Credit (+)</u>	<u>Daily Posted Balance¹</u>
04/14/2016	Transfer		DEBIT MEMO	\$50,000.00		\$300,276.23
04/01/2016	Credit		EDI PYMNTS Intertape Polyme 0008INDUS- TRIAL DEV.A ACH CREDIT		\$30,324.97	\$350,276.23
03/31/2016	Interest		INTEREST PAYMENT		\$2.55	\$319,951.26
03/25/2016	Check	<u>1634</u>	CHECK #1634 View	\$30,324.97		\$319,948.71
03/16/2016	Check	<u>1638</u>	CHECK #1638 View	\$150.00	Mahan	\$350,273.68
03/14/2016	Check	<u>1642</u>	CHECK #1642 View	\$150.00	Haumore	\$350,423.68
03/10/2016	Check	<u>1641</u>	CHECK #1641 View	\$150.00	Anderson	\$350,573.68
03/10/2016	Check	<u>1635</u>	TELLER CASHED CHECK #1635 View	\$300.00	Robertson	
03/09/2016	Check	<u>1640</u>	CHECK #1640 View	\$150.00	FauceHe	\$351,023.68
03/09/2016	Check	<u>1639</u>	CHECK #1639 View	\$150.00	McMahon	
03/09/2016	Check	<u>1636</u>	CHECK #1636 View	\$150.00	Hite	
03/09/2016	Check	<u>1637</u>	TELLER CASHED CHECK #1637 View	\$150.00	Simpson	
03/07/2016	Deposit		TRANSFER FROM CHECKING *****7017 03-07-16 TELEPHONE TRANS- FER	* \$50,000.00		\$351,623.68

Your [Pending Transactions](#) and Available Balance will be adjusted during our nightly processing cycle as activity is posted to your account.

Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your [Bank Service Agreement](#).

¹Daily Posted Balance: The posted balance after nightly processing is completed. Please note that transactions are paid from your Available Balance consistent with our payment guidelines, and that the Available Balance may be different than your Daily Posted Balance. Important: The Daily Posted Balance does not reflect all pending transactions and fees and should not be used to determine how overdraft fees were assessed.

Online Banking Support: 888-BBT-ONLINE (888-228-6654) Credit Cards: 800-476-4228

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V. (B)
Debt Reserve Account
as of
(April 12, 2016 and May 6, 2016)



Small Business Online Banking

Account Details

Checking 7017 / \$259,116.79



As of May 06,2016

<u>Available Balance</u>	\$259,116.79	Manage My Alerts
		Buy QuickBooks
<u>Posted Balance:</u>	\$259,116.79	
Interest Paid (YTD):	\$8.75	
Interest Rate:	0.010%	
Routing Number:	show	
Account Number:	*****7017 show	



Get paid right on site, wherever your business takes you. [Mobile Credit Card Readers >](#)

Transaction Details

<u>Date</u>	<u>Type</u>	<u>Check #</u>	<u>Description</u>	<u>Debit (-)</u>	<u>Credit (+)</u>	<u>Daily Posted Balance¹</u>
05/04/2016	Credit		BUS DISB AXXOR N A LLC INDUSTRIAL DEV AUTH ACH CREDIT		\$20,000.00	\$259,116.79
04/29/2016	Interest		INTEREST PAYMENT		\$1.96	\$239,116.79
04/25/2016	Check	<u>152</u>	CHECK #152 View	\$14,306.76		\$239,114.83
04/21/2016	Fee		SERVICE CHARGES - PRIOR PERIOD	\$2.50		\$253,421.59
04/14/2016	Credit		COUNTER DEPOSIT View		\$50,000.00	\$253,424.09
04/08/2016	Check	<u>151</u>	CHECK #151 View	\$50,000.00	Repayment COF Grant	\$203,424.09

<u>Date</u>	<u>Type</u>	<u>Check #</u>	<u>Description</u>	<u>Debit (-)</u>	<u>Credit (+)</u>	<u>Daily Posted Balance¹</u>
04/04/2016	Credit		BUS DISB AXXOR N A LLC INDUSTRIAL DEV AUTH ACH CREDIT		\$20,000.00	\$253,424.09
03/31/2016	Interest		INTEREST PAYMENT		\$2.14	\$233,424.09
03/25/2016	Check	<u>150</u>	CHECK #150 View	\$14,306.76	BBT loan	\$233,421.95
03/07/2016	Transfer		TRANSFER TO CHECKING *****6030 03-07-16 TELEPHONE TRANS- FER	\$50,000.00		\$247,728.71

Your Pending Transactions and Available Balance will be adjusted during our nightly processing cycle as activity is posted to your account.

Transactions are paid from your Available Balance at the time of posting consistent with payment guidelines in your Bank Service Agreement.

¹Daily Posted Balance: The posted balance after nightly processing is completed. Please note that transactions are paid from your Available Balance consistent with our payment guidelines, and that the Available Balance may be different than your Daily Posted Balance. Important: The Daily Posted Balance does not reflect all pending transactions and fees and should not be used to determine how overdraft fees were assessed.

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V. (C)
BB& T Loan
as of
(April 12, 2016 and May 4, 2016)



Small Business Online Banking

Account Details

Note 00001 / \$1,593,557.02



As of May 04,2016

Balance

\$1,593,557.02

Primary Account:

Business Loan Account 51458

Original Balance:

\$2,000,000.00



Customizable account access for your employees. [BB&T Multiple User Access >](#)

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Small Business Online Banking

Account Details

Note 00001 / \$1,599,745.57



As of Apr 12,2016

Balance

\$1,599,745.57

Primary Account:

Business Loan Account 51458

Original Balance:

\$2,000,000.00



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VI. (A) New Business

*VACORP Insurance Execution Ratification
(action required)*

Sent
4/14/16
via email



VACORP

2016-2017

Self Insurance Proposal for Property, Liability,
and Automobile Coverage

Proposal to: Pittsylvania County IDA



For additional information, contact:
Stephanie Heintzleman
1315 Franklin Road SW
Roanoke, VA 24016
Phone: (844) 986-2705

Presented: March 17, 2016

Package coverages, terms, conditions and exclusions are only briefly outlined. For complete provisions please refer to the coverage contract.



**Pittsylvania County IDA
Cyber Risk – Optional Increased Limit
(Response Required)**

VACORP provides members an opportunity to increase Cyber Risk coverage. You may elect to increase Cyber Liability and/or Crisis Management, Remediation and Notification Expense. Further explanation of the coverage is outlined below.

Cyber Risk - Increased Liability Coverage Options:

Cyber Risk liability provides coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft).

\$1,000,000 Total Limit	\$1,000 Additional Contribution
\$2,000,000 Total Limit	\$2,000 Additional Contribution
\$3,000,000 Total Limit	\$3,000 Additional Contribution

Cyber Risk – Increased Expense Sublimit Options:

Crisis Management, Remediation and Notification Expense coverage is for public relations services, expense to determine scope of breach, and notification expense required by law, including mailings and monitoring.

\$250,000 Sublimit	\$2,500 Additional Contribution
\$500,000 Sublimit	\$3,500 Additional Contribution

Member Acceptance:

After careful consideration, we select the following optional increased limit for Cyber Risk coverage effective July 1, 2016.

Increased Liability Option:

\$1,000,000 Total Limit \$3,000,000 Total Limit
 \$2,000,000 Total Limit REJECT Higher Limits, \$500,000 limit will be sufficient

Increased Expense Sublimit Option:

\$250,000 Sublimit REJECT Higher Limits, \$75,000 sublimit will be sufficient
 \$500,000 Sublimit

Eddie L. Hite, Jr.
 Printed Name
Eddie L. Hite, Jr.
 Signature

Chairman
 Title
3-29-16
 Date

Please return this selection form prior to May 1st.



Property (Coverage Not Applicable)

- VACORP provides members with the most extensive property coverage available.
- Property coverage is Special Form; all perils are covered except those specifically excluded.

Buildings and Contents

Total Building Values	N/A
Total Contents Values	N/A
Business Income/Extra Expense (\$100,000 Automatic or as scheduled)	N/A

Inland Marine

Blanket Inland Marine Values	N/A
Contractors' Equipment	N/A

Coverage Includes: (no additional charge) * (Coverage Not Applicable)

- Architect & Engineering fees for plans, specifications, and supervision included upon replacement
- Back-up of Sewers & Drains
- Debris Removal
- Pollutant Clean-up and Removal
- Error in Reporting Provision
- Improvements and Betterments to buildings leased by the member
- Newly Acquired Property
- Property in Transit
- Off Premises Power Failure
- Signs, fences, light poles, antenna, masts, and towers; retaining walls are covered within 1,000 feet of the premises provided their values are included in the schedule
- Building Ordinance/Increased Cost of Construction/Demolition
- Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence
- Flood (if outside the 100 year flood plain)

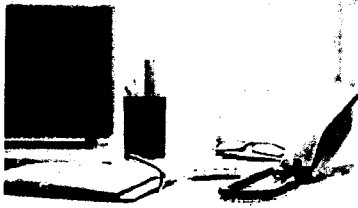
**Does not apply to properties valued at Actual Cash Value (ACV)*

Optional Coverage Available:

Builders' Risk during building construction (Optional - must be reported)

Perils Covered

- Special Form; specifically drafted for local government, all perils are covered except those specifically excluded.
- Flood (if outside the 100 year flood plain) and Earthquake are included.



Computers/Electronic Data Processing (EDP) (Coverage Not Applicable)

- This covers direct physical loss to member-owned computer equipment, fax machines, printers, and copiers.

Basis of Contribution (\$100,000 Automatic Coverage or as scheduled)

EDP Hardware Values (Blanket)

N/A

EDP Software Values (Blanket)

N/A

Perils Covered

Special Form of direct physical damage loss including electrical and mechanical breakdown

Valuation

Functional Replacement Cost, subject to reporting of 100% replacement values – otherwise Actual Cash Value

Deductible

N/A

Definitions

- **Replacement Cost:** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.



General Liability

- VACORP general liability coverage provides the broadest protection for public entities in Virginia.
- VACORP coverage provides protection from claims or suits for personal injury or property damage.
- Defense costs are provided for certain excluded acts or omissions.
- Excess limits available.

Basis of Contribution

Net Operating Expense

\$12,910

Limits

- \$2,000,000 Combined Single Limit for Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate

Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons (Volunteer Fire and Rescue are excluded)
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability
- Drone Liability

Sublimits

- \$500,000 Fire Damage Legal Liability – Real Property
- \$100,000 Care, Custody, and Control of Others' Property
- \$5,000 (Per Person)/\$10,000 (Per Occurrence) - Medical Payments

Deductible

None



Business Automobile (Hired & Non-Owned Only)

- VACORP coverage includes hired and non-owned vehicles.
- Automatic coverage for newly acquired vehicles at no additional charge
- Excess limits available

Liability

Limits

- \$1,000,000 Non-Owned and Hired Auto Liability (excess over any other collectible insurance)

Physical Damage

Deductibles

- \$250 Physical Damage to Hired or Borrowed Autos (*up to \$50,000*)

Excess Liability (Coverage Not Applicable)



Limits

N/A

Coverages

- Applies to Automobile Liability*
- Applies to General Liability

**Does not include Hired & Non-Owned Automobile Liability and Uninsured/Underinsured Motorists Coverage*

Deductible

None



Cyber Risk

- VACORP members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.

Limits

- \$500,000 Per Occurrence and Aggregate - Per Member
- \$5,000,000 Combined Aggregate for all Members
- Increased Limit options quoted in this proposal

Coverages

Network and Information Security Liability

- Liability for unauthorized access to personal identifying information such as social security numbers, credit card numbers, etc.
- Liability for transmission of a computer virus
- Includes regulatory defense, crisis management and security breach and notification expenses

Communications and Media Liability

- Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through electronic mail and/or web
- Includes regulatory defense and crisis management expenses

Regulatory Defense Expenses

- Defense expenses for any claim by a state or federal agency resulting from Network and Information Security Liability or Communications and Media Liability

Crisis Management Event Expenses

- Expenses for public relations services recommended as a result of Network and Information Security Liability or Communications and Media Liability
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Security Breach Notification Expenses

- Expenses to determine scope of breach
- Notification expenses required by law, including mailings and monitoring
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Deductible

None

V. (C)
BB& T Loan
as of
(April 12, 2016 and May 6, 2016)

Bill of Sale

April 1, 2016

BE IT KNOWN, that in consideration of the payment of One Hundred Thousand Dollars (100,000.00) paid to the Tobacco Region Revitalization Commission, the receipt and sufficiency of which is acknowledged, the undersigned Southern Virginia Higher Education Center, Rector and Visitors of the University of Virginia, SIPS of America, Inc., Industrial Development Authority of the City of Danville, and Industrial Development Authority of Pittsylvania County, as their respective interests may appear, (the "Sellers") hereby sell, transfer, assign and convey unto SIPS Team USA, its successors and assigns forever, with quitclaim covenants only, the following described personal property:

One (1) used C.R. ONSURD, INC. Model 336HR 18 W10 (Five-Axis) "High Rail Gantry 10-Series" CNC Router which is more fully described by the attached "30-DAY PROPOSAL FOR 2011 MODEL" dated 4/6/11.

Sellers hereby sell and transfer only such right, title and interest as they may hold, if any, subject to such prior liens, encumbrances and adverse claims, if any, that may exist and disclaim any and all warranties thereto. Said personal property is sold in "as is" condition and where presently located.

Southern Virginia Higher Education Center

By David Kenealy, Director of R&D CAMEE

Date _____

The Rector and Visitors of the University of Virginia
Office of Sponsored Programs

by Robert R. Merhige, Interim Director for Grants and Contracts

Date _____

The Rector and Visitors of the University of Virginia

by Phillip A. Parrish, Associate Vice President for Research

Date _____

SIPS of America, Inc.

James Farlow, President

Date _____

Industrial Development Authority of the City of Danville

by T Neal Morris, Chairman

Date _____

Industrial Development Authority of Pittsylvania County

Eddie Hite, Chairman

by Eddie Hite

Date 4-12-2016

SIPS Team USA

by Ron Harrigan, President

Date _____

Seen and agreed, and the security interest held by the undersigned is hereby released:

Tobacco Region Revitalization Commission
(fka Virginia Tobacco Indemnification and Community Revitalization Commission)

by Evan Feinman, Executive Director

Date _____

VI. (C)

New Business

Harris, Harvey, Neal & Co., LLP
2015 Financial Statement Presentation

By Stephen Gay

(Handout)

(action required)