

Industrial Development Authority
Monday, November 18, 2013, 5:30 PM
City Hall, Community Meeting Room

1. Call to Order
2. Approval of Minutes of August 7, 2013 meeting *
3. Discussion of possible IRB fee structure *
4. Discussion of investment of IDA funds *
5. Report on FY2013 Audit
6. Adjourn

* indicates attachment

IDA Minutes: August 7, 2013

The following are the Minutes of the August 8, 2013 Industrial Development Authority (IDA) meeting held at City Hall, 300 E Washington St, Lexington, VA in the Community Meeting Room.

Presiding: Michael Murphy, Chair
 Members: Jim Joyner
 Homer (Buddy) Derrick
 Anna-Lisa Fitzgerald
 Dan Vance
 John DeVogt

Staff: T Jon Ellestad, IDA Secretary and Larry Mann, IDA Attorney

Public: 0

CALL TO ORDER: The meeting was called to order by Chairman Murphy at 5:30 p.m.

Approval of Minutes: A motion was made by Mr. Joyner and seconded by Mr. Vance to approve the minutes of the June 20, 2013 meeting with one typo correction. The motion passed unanimously.

Post-Issuance Compliance Policy: Mr. Ellestad explained that a new regulation imposed by the IRS on bond issues was to have a written post-issuance compliance policy outlining means for complying with all the conditions of tax-exempt bonds. This proposed policy would transfer the responsibility for post-issuance issues to the borrower. Mr. Mann indicated that he had reviewed the policy and felt it was ready for adoption. Following numerous questions from the Authority, a motion was made by Mr. Derrick to approve the policy as written, which was seconded by Mr. Vance. The motion was approved unanimously.

Appointment of IDA Attorney: It was unclear as to whether or not the Authority had ever officially appointed Mr. Mann as Attorney for the IDA. A motion was made by Mr. Derrick, which was seconded by Mr. Joyner to appoint the City Attorney as legal counsel to the IDA. The motion carried unanimously.

Discussion of IDA Fee Structure: Mr. Ellestad indicated that the IDA's fee structure (or lack of one) for the issuance of bonds has been a topic mentioned by a number of members of the Authority. He distributed a report from 2007 that listed the fee structure for certain localities and a resolution that had been adopted when the IDA was originally created, and since rescinded. There was a great deal of discussion regarding the philosophy of raising income for the Authority with the consensus being that City Council should be asked for their perspective on this issue and, if they would like the Authority to look into this further, staff will gather more updated information concerning issuance fees charged by other localities.

The meeting adjourned at 6:10 p.m.

Respectfully submitted,

 T. Jon Ellestad, Secretary of the IDA

Research: Sept, 2013

IDA Fee Structure

Jurisdiction	Application Fee	Expenses	Annual Fee
Lexington	none	legal, advertising	none
Buena Vista	none	?	none
Rockbridge Co	none	none	none
Allegheny Co	none	none	none
Augusta Co	\$1,000	?	none
Botetourt Co	\$500	legal, advertising	none
Covington	none	none	none
Harrisonburg	\$1000-govt, charity; \$2000-private	legal, directors	1/8 of 1% (\$3750 max)
Roanoke	\$1,750	legal, admin	1/16 of 1%
Roanoke Co	\$1,250	legal	\$680
Rockingham	\$4,000	legal, \$1400	1/10 of 1% (\$3000 max)
Staunton	1/16 of 1%	none	1/16 of 1%
Waynesboro	\$1000-govt, charity; \$2000-private < \$5 mil; \$3000-private > \$5 mil	legal	1/8 of 1%
Louisa	1/8 of 1% (min \$3000, max \$50,000)	none	none
Mt. Jackson	none	none	1/10 of 1%
Woodstock	\$3,000	none	1/10 of 1% (\$3000 max)

INDUSTRIAL DEVELOPMENT AUTHORITY
Finances as of October 31, 2013

Assets

Checking Account (Sun Trust)	\$ 3,899.00
Money Market Account (Sun Trust)	95,157.62
Certificate of Deposit (Cornerstone Bank)	<u>257,624.03 *</u>
	\$ 356,680.65

** as of July 1, 2013*

Liabilities

Economic Development Incentive Grant for R. E. Lee Hotel	\$ 348,920.00
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