



**Charlottesville Economic Development Authority (CEDA)
Meeting Minutes – December 13, 2016**

Members Present

Ethan Dunstan
Paul Beyer
Carolyn Shears
Tara Boyd
Tony Lucadamo
Adrian Felts

Staff Present

Chris Engel
Jason Ness
Hollie Lee
Kelly Bassett

Others Present

Megan Argenbright
Krisy Hammill

A meeting of the Charlottesville Economic Development Authority occurred on Tuesday, December 13, 2016 in City Council Chambers. The chairman, Mr. Dunstan, called the meeting to order at 4:01 P.M.

Mr. Dunstan opened the public comment period and there being no comments from the public, he proceeded to the next agenda item.

Mr. Dunstan called for a motion to approve the consent agenda which includes the minutes from the October 11, 2016 meeting and the Treasurer's Reports from September and October 2016. Ms. Shears moved, seconded by Mr. Felts and all present voted aye.

Mr. Engel welcomed Ms. Argenbright, the auditor from Brown Edwards and asked her to present their audit report. Ms. Argenbright thanked the board for the opportunity to conduct the audit and mentioned that it was Brown Edwards first year working for the City and the authority. Brown Edwards has issued the authority a clean, unmodified opinion with no material weaknesses. She did note that a finding of significant deficiency was made related to the internal controls in place of the fiscal agent. The deficiency was found during the City audit and is not specific to the authority, but since the City serves as the fiscal agent for the authority Brown Edwards felt it appropriate to note it. She explained that no inappropriate transactions were discovered and that the City has already implemented new controls to address the issue.

In addition, Ms. Argenbright mentioned that the \$1,250,000 contribution from the city for the Market Plaza Project is currently on the EDA's balance sheet and will be recognized as revenue once the development actually occurs and a request for reimbursement happens. They also found \$8,271 that was recorded in the incorrect fiscal year due to late receipt of an invoice from the authority's counsel.

Mr. Dunstan requested clarification on the deficiency to which Ms. Argenbright explained that previously someone in finance could potentially enter items without approval, although they did have a paper system in place for approval, but going forward there will be electronic processes in place as well. There being no more

questions regarding the audit, Mr. Dunstan called for a motion to accept the FY 2016 CEDA Audit. Mr. Felts moved, seconded by Mr. Lucadamo, and all present voted aye.

Mr. Engel presented the FY 2016 Annual Report to the Board. Mr. Engel reminded the Board that the Annual Report, which includes a narrative of the EDA's activities, along with the Audit, is sent to the City Council each year.

Ms. Boyd brought up the Joint Legislative and Audit Review Committee (JLARC) report that exposed criticisms of the operations of the Virginia Economic Development Partnership. She was curious how CEDA can and has ensured that they do their due diligence with respect to grant compliance. Mr. Engel explained that on two occasions the authority has received funds from the state and there are processes in place ensuring compliance. These include an annual report from the company detailing capital investment and hiring. The first was a Government Opportunity Fund (GOF) grant used for the Martha Jefferson Hospital/CFA project. That grant has now been fulfilled and the project was closed one year ago and verified to be in compliance. The second was an AFID grant for Relay Foods three years ago which is still in its compliance period.

Mr. Beyer noted that the Relay Foods project was not noted on the annual report and requests that all ongoing projects be included going forward. Mr. Engel replied that it would have likely appeared on a previous annual report in the recent activities section, but he will ensure all continuing obligations are included in the main narrative of the annual report.

Mr. Engel discussed the recent sale of the Lexis Nexis property. The \$1 million dollar U.S. Treasury bond funds that served as a security deposit were wired to the authority earlier this month. The resolution before the board formalizes the transfer of funds back to the City's strategic investment account which is where it is believed to have come from 25 years ago. There being no questions, Mr. Dunstan called for a motion to approve the resolution. Mr. Felts moved, seconded by Ms. Shears, and all present voted aye.

Mr. Dunstan told the Board that they needed to elect a Chair and Vice Chair for 2017. Mr. Dunstan indicated that he has enjoyed serving as chair for the past two years but felt it was time to allow others to serve. He then proceeded to nominate Ms. Boyd who has served as vice chair the past two years.

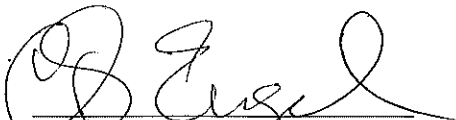
Mr. Beyer wanted to discuss in more detail some questions that came out of the most recent work session and how the potential new Chair and Vice Chair would feel towards redefining the priorities of the board for the upcoming year. There was some discussion regarding the Board's defined role. Both Mr. Beyer and Mr. Lucadamo indicated they would like the Board to be more proactive than reactive as it has traditionally been. Mr. Engel indicated a subcommittee could be created to explore the ideas further. Ms. Boyd agreed that she was open to continuing the discussions if it is something the council and majority of the board favors, and if it does not put a strain on city staff resources.

Mr. Beyer seconded the nomination of Ms. Boyd for Chair, and all present voted aye. Ms. Shears was nominated as Vice Chair by Mr. Dunstan, seconded by Ms. Boyd, and all present voted aye.

Mr. Beyer moved to create a strategic initiatives committee as previously discussed, to explore new opportunities for the authority's consideration. Mr. Lucadamo seconded, and all present voted aye. Mr. Beyer, Mr. Lucadamo, and Mr. Felts volunteered to be members of the committee.

There being no further business, Mr. Dunstan made a motion to convene a closed session per Section 2.2-3711 of the Virginia Code. It was seconded by Ms. Boyd, and all present voted aye.

Mr. Dunstan made a motion to adjourn the closed session and certified that only public business matters identified in the motion to convene the closed session were heard, discussed, or considered. It was seconded by Mr. Felts, and all present voted aye. The meeting concluded at 4:55 PM.


Chris Engel, Secretary

12/16/16
Date

2/14/17
Date Approved by CEDA