



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

SPECIAL MEETING

August 21, 2023

A Special Meeting of the Industrial Development Authority of the County of Prince William was held in the Cedar Run Conference Room at the McCoart Government Administration Building located at 1 County Complex Court in Woodbridge, Virginia. The meeting was called to order by the Chair at 6:35pm.

Present were: Lorna Wallen, Chair
Harry Horning, Vice Chair
Dexter Montgomery, Secretary/Treasurer
Andrew Taylor, Assistant Secretary/Treasurer
Terence Battle, Director
Cheryl Kenny, Director

Absent was: William Malone, Director

Donna Flory and Scarlett Barbee attended to provide administrative support.

Michael W. Graff, Jr., Partner, McGuireWoods, the IDA's Bond Counsel, was available by telephone for the discussion on commercial real estate.

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME: No members of the public were present.

NEW BUSINESS

1) ***Presentation of Prince William County Industrial Development Authority FY21 Audit Report***

Andrew Grossnickle, CPA, CFE, Robinson, Farmer, Cox Associates, noted that this is the IDA's Audit for the fiscal year ending June 30, 2021. CARES Act grants and related grant monies required the auditors to work through details with the County and resulted in a delay in the IDA receiving the FY21 Audit. Going forward, Mr. Grossnickle plans to complete audits for FY22 and FY23 simultaneously and return to the usual audit schedule. Mr. Grossnickle reviewed the Governance Letter noting that there were no material weaknesses, significant deficiencies, or compliance related issues that needed to be communicated. There were no disagreements with management. There were no significant accounting pronouncements that impacted the IDA.

Mr. Grossnickle called attention to the Independent Auditor's Report, stating that it is the main byproduct of the audit process. The FY21 Report provides an unmodified or clean opinion on the financial statements for the year ended June 30, 2021. He reviewed the financial statements, noting the IDA is on a full accrual basis. As such, the remaining residual represents the IDA's net position, which increased from June 30, 2020 to June 30, 2021. There were loan receivables based on outstanding principal balances. Previously, grant funds were shown in a note disclosure format since these funds were "passed through" from the County to the authorized grant recipients. Similar grants during the FY21 audit period are also shown in a note disclosure format. However, the vast majority of grants were for Covid-related funding, including CARES Act monies. For these funds, the IDA was deemed to be a subrecipient of the County. Therefore, these funds are counted as revenue and expenditures of the subrecipient. This requirement does not necessitate any changes to QuickBooks. In response to a question, Mr. Grossnickle noted that the County's audit would not show the exact numerical amount of the Covid-related grants passed through the IDA. This is because the County reports the same number as part of a much larger number on its

scheduled federal expenditures for Covid-related funds granted out. He reviewed the note disclosures and the Government Auditing Standards. Because the IDA was deemed to be a subrecipient, the auditors reviewed the Coronavirus Relief Fund (CRF) as a major program using the Department of Treasury guidelines regarding how CRF could be used. There were no issues related to the items tested related to the federal program. As Secretary/Treasurer of the IDA, Dexter Montgomery signed the Representation Letter that was provided to Mr. Grossnickle. Mr. Grossnickle will provide a copy of the final FY21 Audit to the IDA and file it with the Federal Audit Clearinghouse. Ms. Flory will provide the IDA's FY21 Audit Report to Brad Norris in the Prince William County Department of Finance and send a copy to the Prince William County Library, that keeps a copy on file.

- 2) **CLOSED SESSION: Discussion of Potential Purchase of Commercial Space as Allowed Under Virginia Code 15.2-4905** – At 7:03pm, in accordance with the Code of Virginia Section 2.2 - 3712, *Cheryl Kenny moved to close this part of the meeting, pursuant to Virginia Code Section 2.2 – 3711.3. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle, each voting aye. (Motion passed 6 ayes, 0 nays, 0 abstentions).* Mike Graff, Bond Counsel to the IDA, participated in the Closed Session.

At 7:52pm, *Dexter Montgomery moved to resume the open meeting, with members of the IDA certifying that, to the best of their knowledge, only public business matters lawfully exempted from open meeting requirements under Section 2.2, 3711 of the Virginia Code were heard, discussed, or considered by the IDA. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).*

- 3) **IDA Discussion of Hilton Conference Center Non-Disclosure Agreement (NDA)** Chair Wallen noted that members of the IDA received a copy of the Hilton Convention Center Confidentiality and Non-Disclosure Agreement via email on August 18, 2023. It was signed by the IDA Chair and the Hilton Convention Center developer. Chair Wallen asked for a roll call vote, with each member of the IDA acknowledging that they received and read the NDA. *The roll was called and Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voted aye, signifying receipt.* Prior to tonight's meeting, the Prince William County Department of Economic Development Executive Director suggested that the IDA appoint two members to meet with her and the County's Consultant. This meeting will better inform the IDA as to the financial details of the Convention Center project in order for the IDA to make a decision on a potential loan to the developer. Dexter Montgomery and Andrew Taylor were appointed as the IDA's representatives. Cheryl Kenny will serve as an alternate if either representative is unable to participate due to scheduling or other conflicts. Ms. Barbee will advise PWCEDED of the selected participants.

OLD BUSINESS

- 1) **Consideration of Change to IDA Bylaws to Allow for Individual IDA Members to Participate Virtually in a Limited Number of IDA Meetings Annually** – Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3B allows individual members of a public body to participate in meetings electronically under specific circumstances if a policy is in place. Andrew Taylor noted that this document is currently drafted to allow the Chair to make the determination as to whether an individual meets the relevant criteria to participate virtually. A question was raised regarding whether a physical quorum needs to be assembled at McCoart or if the member participating virtually could be part of the quorum. IDA members generally agreed a personal absence reason could include business or vacation travel but virtual attendance for any reason is limited to two meetings per calendar year. As currently written, Directors are to notify the Chair eight hours prior to an expected absence. Prior to a vote on this policy,

Andrew Taylor clearly stated that his area of legal expertise does not include local government law and he recommends that the IDA's Counsel review the draft policies. It was generally agreed that the documents should be provided to Mike Graff, the IDA's Bond Counsel for further review. Following this discussion, *Dexter Montgomery made a motion to approve the Prince William County Industrial Development Authority's Individual Member Virtual Participation Policy as drafted. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).*

2) Consideration of Change to IDA Bylaws to Allow the IDA to Hold Electronic Meetings – Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3C – Effective September 1, 2022, the Virginia Code allows for certain public bodies to hold full electronic meetings for a limited number of meetings each year. As written, the IDA policy limits all-virtual meetings to Special Meetings of the Authority or emergencies, such as extreme weather, limited to two meetings per calendar year. Andrew Taylor reiterated that his area of legal expertise does not include local government law and it was generally agreed that the documents should be provided to Mike Graff, the IDA's Bond Counsel, for further review. Following this discussion, *Dexter Montgomery made a motion to approve the Prince William County Industrial Development Authority's All Virtual Meeting Policy as drafted. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions)*

3) Consideration of the IDA's Policy Regarding Contributions to Community Organizations Under the Virginia Industrial Development Authority Statute, Virginia Code 15.2-4901 – This topic was deferred until the IDA's meeting on September 11, 2023.

4) Update on Attendance at Events Related to the IDA's Prince William Chamber of Commerce Business Development Vision Sponsorship – No new events attended.

OTHER MATTERS TO COME BEFORE THE AUTHORITY/INDIVIDUAL MEMBERS TIME:

The next Regular Meeting of the PWC Industrial Development Authority is scheduled for Monday, September 11, 2023, in the Potomac Conference Room at the McCoart Government Administration Building.

There being no further business to come before the IDA, the meeting was adjourned at 8:25pm on the motion of Terence Battle, seconded by Harry Horning.

APPROVED: September 11, 2023