

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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8 **Executive Committee Meeting**

9 Wednesday, April 29, 2020

10 10:00 o'clock a.m.

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14 *(By Conference Call)*

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1 APPEARANCES:

2 The Honorable Terry G. Kilgore, Chairman
3 The Honorable Frank M. Ruff, Vice-Chairman
4 Mr. Ed Blevins
5 The Honorable Kathy J. Byron
6 The Honorable A. Benton Chafin, Jr.
7 Ms. Jennings
8 The Honorable Daniel W. Marshall, III
9 The Honorable James W. (Will) Morefield
10 The Honorable Edward Owens
11 Ms. Cassidy Rasnick
12 The Honorable Thomas C. Wright, Jr.

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14 COMMISSION STAFF:

15 Mr. Evan Feinman, Executive Director
16 Mr. Andy Sorrell, Deputy Executive Director
17 Ms. Joyce Knight, Administrative Supervisor
18 Ms. Stephanie Kim, Finance Director

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1 April 29, 2020

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3 DELEGATE KILGORE: I want to thank everybody for
4 getting this in place, so we'll see how this goes.

5 Evan, if you could, call the roll.

6 MR. FEINMAN: Certainly, Mr. Chairman.

7 Delegate Kilgore.

8 DELEGATE KILGORE: Here.

9 MR. FEINMAN: Senator Ruff.

10 SENATOR RUFF: Here.

11 MR. FEINMAN: Ms. Rasnick.

12 DELEGATE KILGORE: She was, I saw her come on
13 here.

14 MS. KNIGHT: Her name is showing up, so she may
15 have been muted.

16 MR. FEINMAN: Yeah, let's see, you've got to unmute
17 yourself.

18 MS. RASNICK: Can you hear me?

19 MR. FEINMAN: I've got you, sorry. No worry.

20 Mr. Blevins.

21 MR. BLEVINS: Here.

22 MR. FEINMAN: Delegate Byron.

23 MS. KNIGHT: She muted, too. She just unmuted.

24 MR. FEINMAN: Kathy, you're unmuted now, tell us
25 you're here. All right, okay. Well, we heard just second ago,

1 we're going to count that.

2 Senator Chafin. We heard him a minute ago.

3 MS. KNIGHT: Yes.

4 DELEGATE KILGORE: Unmute yourself, Ben.

5 SENATOR CHAFIN: I'm here.

6 MR. FEINMAN: Okay. Secretary Layne.

7 SECRETARY LAYNE: No response.

8 MR. FEINMAN: Delegate Marshall.

9 DELEGATE MARSHALL: Here.

10 MR. FEINMAN: Delegate Morefield.

11 DELEGATE MOREFIELD: Here.

12 MR. FEINMAN: Mr. Owens.

13 MR. OWENS: Here.

14 MR. FEINMAN: Senator Stanley. Terry, he said he
15 wasn't going to make it?

16 DELEGATE KILGORE: He's not going to make it, no.

17 MR. FEINMAN: And then, Delegate Wright.

18 DELEGATE WRIGHT: Here.

19 MR. FEINMAN: You have a quorum. We're only
20 missing Secretary Layne and Senator Stanley.

21 DELEGATE KILGORE: All right, thank you.

22 Do I have a motion do we approve the 10-9, well, first
23 of all, let's set the ground rules up. Evan or Andy, whoever is
24 going to do that, so we'll know how this works.

25 MR. SORRELL: Thank you, Mr. Chairman. I sent out

1 some of my ground rules, or Jordan sent out some ground rules
2 yesterday for our meeting today, it's all in the electronics world.
3 And I'll read them off here for everybody here.

4 The meeting is going to be recorded, and we'll pass
5 the meeting recording online as soon as practical after the
6 meeting. We're also having the meeting transcribed as we do
7 normally, so we'll have our minutes from that. All participants,
8 the Commissioners, and members of the public are unmuted at
9 the beginning of the meeting. You can mute yourself, but you
10 can also unmute yourself. If there's any noise or any
11 disruptions, we'll need to mute you. And if there's repeated
12 disruption, we need to remove you from the meeting.

13 Public comment will be provided at the end of the
14 meeting. So, if any member of the public desires to address the
15 Commission, please reserve questions until that portion of the
16 meeting. The meeting moderator will ask for comments from the
17 public at that time during that session, and you can either use
18 the raised hand feature, if you're familiar with that, or you can
19 send a comment to the chat box, and we can make sure we read
20 it if you're not able to stay for the whole meeting. At the public
21 comments, please give your full name and your location and the
22 organization you might represent, and then limit your comments
23 to two minutes each. So, that's what the ground rules are.

24 Mr. Chairman.

25 DELEGATE KILGORE: All right, thank you very much.

1 And I just heard that Ms. Jennings has joined us as proxy for
2 Secretary Layne, is that true, can you hear?

3 MS. JENNINGS: Yes, I am. Can you all hear me?

4 MR. FEINMAN: Yes. Thank you very much. We're
5 doing our best here.

6 So, the biggest takeaway there, folks, is please mute
7 your line if you don't need to be speaking. You can see who's
8 making noise, and so -- is our bouncer for this meeting. If your
9 line keeps causing a disruption, we will digitally escort you out of
10 the meeting, because it's going to be very difficult otherwise to
11 try to make all this work.

12 DELEGATE KILGORE: Evan, before I digitally escort
13 you out.

14 MR. FEINMAN: Please be respectful of your colleagues
15 and your fellow citizens and try to keep the background noise to
16 a minimum. With that, Mr. Chairman, I'll move to the minute
17 portion.

18 DELEGATE KILGORE: Do I have a motion that we
19 approve the 10-9-19 minutes?

20 MR. OWENS: So moved.

21 DELEGATE KILGORE: Do I have a second?

22 MR. OWENS: Second.

23 DELEGATE KILGORE: All those in favor of approving
24 the 10-9-19 minutes, say aye. (Ayes). Opposed? (No
25 response).

1 DELEGATE KILGORE: That motion carries.

2 Now, at this time, we go to Stephanie Kim to give us
3 an update on the Talent Attraction Program, and you should have
4 had a printout on that. Stephanie.

5 MS. KIM: Okay, can you hear me okay?

6 DELEGATE KILGORE: I got you, I can hear you.

7 MS. KIM: We're sharing this screen, but this
8 presentation is also up on the website in case you cannot see the
9 screen. It is next to the, under the agenda for Executive
10 Committee. And I just wanted to give you an update, we did our
11 latest round of the Talent Attraction Program.

12 The Virginia Department of Health is doing the
13 healthcare workers, and they had a March 31st deadline, and had
14 hoped to award that first week in April, but the Review
15 Committee could not meet, and so everything has been delayed.
16 They are trying to get disbursements out before June 30th
17 because they are reliant on federal and state money, as well, so
18 they are reviewing them now and hope to have awards within the
19 next couple of weeks.

20 So, the latest round that we had in the TAP awards --

21 MR. FEINMAN: -- Just to be clear so everybody
22 knows. On the VDH side, we have really dramatically managed
23 our part of the world relative to the rest of the Commonwealth.
24 There are now, you know, the areas where they have a medical
25 personnel shortage, it's a problem all over the Commonwealth.

1 We've now gotten nearly twice as much funding for our area as
2 the whole rest of the Commonwealth shortage area. So, it's
3 really going to, it should dramatically improve our ability to
4 recruit doctors, nurses, physicians assistants, et cetera. So, you
5 know, we're really excited about the numbers that come out of
6 that program. They're on a different schedule from our main line
7 Talent Attraction. So, it's just going to take a little longer to find
8 out the outcomes of that, but that's going to be big.

9 DELEGATE KILGORE: That's great. All right,
10 Stephanie.

11 MS. KIM: For the nonmedical side that we're
12 handling, we received 91 applications, and we made 77 awards,
13 totaling \$1.3 million. And because this time we changed it to be
14 more forward-facing and more of an incentive to move and work
15 in our region, we actually had about 20 percent of the applicants
16 are not from the Tobacco Region originally. Some of them live
17 there now and have moved there already, but they didn't
18 graduate from high school in the Tobacco Region.

19 Just to give you an idea of the split between
20 occupations, these are the, we found were the hardest-to-fill
21 occupations in the Tobacco Region, and this is how the applicants
22 that were given awards, what occupations they ended up in. So,
23 we may be looking at doing a second round in the fall, I think we
24 want to see how everything plays out. There are some recipients
25 that we have awarded to that may not graduate on time, but

1 we'll make adjustments if needed. And some of the
2 accommodations may be needed. I think some of them are
3 concerned about their volunteer hours, we were requiring 50
4 hours per year, and many of them were planning to volunteer in
5 spring sports and summer camps and things, so we may need to
6 make an adjustment for that, especially for the first round of
7 recipients. And that's just a reminder of what occupations we
8 were targeting.

9 Just a quick update on where we are for the --

10 DELEGATE KILGORE: Thank you, Stephanie. How are
11 we doing moneywise on this whole program? Do we have
12 enough money?

13 MS. KIM: We did have enough money. At the last
14 meeting you approved an additional one million in addition to our
15 carryforward, I don't think we will be using all of that. But I
16 guess it depends on if we do a second round.

17 MR. FEINMAN: Yeah, we'll do a second round and
18 we'll get as far as we get. You know, this was supposed to be,
19 the first time we did it last summer was really our pilot, and that
20 went well. But we were looking forward to having a normal
21 spring semester -- the program, and that just didn't happen.
22 So, you know, I still think this is, we're still in a pretty one
23 standard or pilot phase of it, but this is significantly cheaper than
24 the scholarships were, and it's getting us guaranteed results.
25 Every single person who gets an award under this program is

1 somebody who you've got with a four-year degree in a hard-to-
2 fill job in our part of the world. So, that's a, it's really, really
3 highly targeted. And so I'm really pleased with the way we're
4 going.

5 Some of these folks are really inspiring. They write us
6 all an essay about how they're going to serve their community in
7 addition to working and living in the Footprint. We've got folks
8 doing all kinds of neat stuff, people who are, you know, who are
9 coaching sports, people who are mentoring kids, people who are
10 joining the Rotary, or the Lion's Club, or the Ruritan Club, who
11 were young, you know, who were, who were getting in there,
12 who were, you know, 25, which is going to be really important
13 for those organizations.

14 So, I think we've got a really nice set of folks that are
15 coming in and we're hoping to fill the new generation of leaders
16 for the Footprint, and we all know how badly our communities
17 need those. So, I think that's, I love this program.

18 DELEGATE KILGORE: Thank you. Any other
19 comments or questions from other members?

20 DELEGATE WRIGHT: Mr. Chairman.

21 SENATOR RUFF: Terry, this is Frank. I would
22 encourage the Staff to connect in some way with rescue squads
23 and fire departments and encourage the people to consider that
24 because we are hurting in those rounds.

25 DELEGATE KILGORE: For volunteer, for volunteer

1 work, okay. That's a good point.

2 MS. KIM: It's specifically listed on the application this
3 year, too. So, that was brought up as a potential place to
4 volunteer.

5 MR. FEINMAN: A thing we certainly could do is offer,
6 bump up the award amount, you know, five percent or ten
7 percent, if the variety, the award still doesn't pay the whole loan,
8 in fact, try to avoid that, because they re-up again for another
9 two years. So, we want to make sure that we keep them in the
10 Region. We could offer to be more generous for folks who are
11 doing volunteer fire and rescue.

12 DELEGATE KILGORE: That might be something that –

13 DELEGATE WRIGHT: This is Tommy Wright, I have a
14 question to ask, please.

15 DELEGATE KILGORE: Okay, Tommy.

16 DELEGATE WRIGHT: I'm not sure if you all have this
17 information available yet. But if you do not, I wish you would
18 send it to us. I'm just curious as to the number of people that
19 have accepted this program and the percentage, and I heard
20 them mention a percentage of 20 percent didn't graduate from
21 high school in this area, I think. But the percentage from the
22 Footprint and then the location in the Footprint and the counties
23 that are being served are where these people are going to, I'd be
24 very interested to know that. That would be some information
25 that we may want to get out in the areas that we live in to let

1 people know that this is something that's going on and they can
2 have someone that they can speak with about it right here
3 locally.

4 MS. KIM: They actually provided that on the first
5 round, because most of the recipients were already living and
6 working in the region. When we change the program to be more
7 forward-looking, many of these people have not graduated yet,
8 so they have not decided where to take jobs and where to live.
9 So, we will definitely on the back end, you know, before we
10 disburse money, they have to prove residency and that they're
11 working in the region and volunteering in the region. So, at that
12 point, we will know what county they're in, you know, who
13 they're working for and what they're doing volunteering. So, we
14 will definitely report that on the back end.

15 MR. FEINMAN: We'll share that out --

16 DELEGATE WRIGHT: -- Important information to
17 have, and I think that would prove to me the success of the
18 program as the number of people that are using it from the
19 Footprint and what jobs they're filling. I'll second what Frank
20 said a while ago, the fire and rescue is one area that's really
21 hurting. Some of our fine rescues are -- that's all I have to say
22 about it.

23 MR. FEINMAN: Thank you, Delegate Wright, and we'll
24 get you all that information as soon as we get it. The real hope
25 this year is that we award folks while they were still in their final

1 semester of school, so that we could change where they were
2 applying for jobs and so where they were planning to go right
3 when they came out. So, we needed to get them that
4 information, you know, the information that they were accepted
5 prior to their having their interviewing and getting their diplomas
6 so we could make sure they started their professional lives in the
7 Footprint. Because we know we can get somebody for the first
8 two or four years right out of college, very likely they'd be able to
9 hold on to them.

10 DELEGATE WRIGHT: Yeah, I think that's --

11 MS. KIM: -- Several students who have been
12 interviewing for jobs like in Roanoke and then in the Tobacco
13 Region or in Richmond and the Tobacco Region and they are
14 weighing that loan repayment from us as a decision point in
15 taking the job in our region versus outside of our region.

16 DELEGATE WRIGHT: I think the higher percentage
17 that we can get of people from the Footprint that are taking
18 advantage of this opportunity, the better it is, that's my
19 viewpoint on it.

20 DELEGATE KILGORE: All right. Any other comment
21 on that, on the Talent Attraction Program? If not, we're going to
22 move on to Evan and the Foreign Direct Investment Contract
23 discussion. Evan.

24 MR. FEINMAN: Yes, sir, Mr. Chairman. As you all will
25 recall, you had, we've long had a relationship with Joe Anwyl and

1 Joe Anwyl Consulting. He's our Foreign Direct Investment
2 contractor who has been bringing us a number of different United
3 Kingdom business opportunities, whether it was KYOCERA or
4 UNISON or, I'm trying to make sure I'm talking about projects
5 that have been announced and not projects that are still secret.
6 But a number of different automotive companies, particularly in
7 the Danville, Pittsylvania region, so we're very happy with the
8 results he has been generating, and we have a couple of pretty
9 big fish on the line that we're hoping will land here in the near
10 future. But, unfortunately, he is also bounced around a lot.

11 He had one period where his employment with, his
12 continued employment was uncertain for almost seven months
13 because he was caught up in some concerns that the Commission
14 had with CCAM, but CCAM, in addition to being a recipient of our
15 grant monies, had also, was administering his contract for us, he
16 bounced over to Mid-Atlantic Broadband and then he's been with
17 Mid-Atlantic Broadband for a couple of years. But NBC has taken
18 a look at their staff time and determined that to maintain their
19 partnership with Microsoft they needed to devote a lot of more
20 attention to that project. You know, at the end of the day, Joe
21 gets his expenses approved, you know, when he needs a flight or
22 something else through me, he does his bi-weekly reports to me,
23 it makes more sense to formalize his relationship with us directly.

24 So, you know, we've been working with Liz, and this is
25 a concept that you all approved in the September meeting, but

1 what we'd like to do is move him to just a direct contract with
2 the Commission and, you know, in a similar fashion to what we
3 do with Southwest Virginia where, you know, we, we pay directly
4 in. There is still a grant agreement, this would just be an
5 employment contract. You know, he'd be a 1099, he covers his
6 own benefits, we pay a lump sum, and then, you know, all his
7 expenses and benefits and everything else comes out of his
8 pocket. And what we would be able to do is give him some
9 certainty, as well. The thing we've always got to remember is
10 he's got a long list of clients who would go with him if he went
11 somewhere else.

12 So what I'm hoping you all will do is authorize me to
13 enter into an annual renewing contract with Joe Anwyl for the
14 same amount that he has been receiving in prior years, but it's
15 just directly with the Commission. And we're good on that from
16 a procurement standpoint. Liz and I and Andy have been looking
17 at it and Stephanie and we're confident that we were in a good
18 position to sole source this so we don't have to put it out for bid.

19 He is uniquely positioned to maintain that program.
20 And obviously he's had his feet in every single county in the
21 Footprint, he knows the community, he knows the territory, and
22 he's already got his prospects. And so that's what I'm hoping
23 you will authorize me to do. If you've got any questions, I'll be
24 happy to answer them.

25 DELEGATE KILGORE: All right, questions from

1 members?

2 MR. OWENS: What is the budget on that?

3 MR. FEINMAN: It is, let me see, Stephanie, you
4 worked out the annual costs, right? I can do some quick math.

5 MS. KIM: We budgeted \$284,200 for the year.

6 DELEGATE KILGORE: Does that include travel?

7 MR. FEINMAN: That's everything, that's all in, so
8 that's all of his plane tickets and the prospect plane tickets, that's
9 moving around through the Commonwealth, that's hotels, meals,
10 that's everything.

11 MS. KIM: Part of that is for bonuses that may or may
12 not happen, depending on performance.

13 MR. FEINMAN: Yes, his bonuses we moved, he used
14 to get a bonus for announced projects. He now only gets
15 bonuses when they fulfil their commitments.

16 DELEGATE KILGORE: Any other questions?

17 DELEGATE WRIGHT: Yes, what are some examples of
18 the projects that have come into the Footprint as a direct result
19 of his work?

20 MR. FEINMAN: Sure. The easy ones are SGS
21 KYOCERA. We've also got Boller Motorsports, UNISON 2,
22 Overfinch, Danville, so we've got a number of them. I can
23 certainly pull up another list or, Delegate, I can send you actually
24 the list of announced and forthcoming projects as long as you
25 keep that secret.

1 DELEGATE WRIGHT: Thank you very much.

2 DELEGATE KILGORE: I think there was one in your
3 packet, some of the job creation companies that he's involved
4 with and things of that nature, so I think it was in your packet.

5 DELEGATE WRIGHT: If you can get that list, I'd
6 appreciate it.

7 MR. FEINMAN: I pulled it up. We've also got
8 Detectamet, Hardeyed, Harlow, the Harlow Group, and as I said,
9 SGS KYOCERA, UNISON, Overfinch, Boller Motorsports, and then
10 we've got a number more on the way, and so including one that
11 would qualify as a megaproject, what we've got the Governor
12 and Stephen Moray (sp.) calling into him, if we could land that, it
13 would really be good.

14 DELEGATE WRIGHT: I'd appreciate that. I'm kind of
15 interested in anything that is being considered for my area. I
16 don't recall anything that's been in my district or this area, but I
17 could be mistaken, but I'd like to have as much information as I
18 could get.

19 MR. FEINMAN: We'll send you the list and we'll make
20 sure we show you who's landed where and who's looking.

21 DELEGATE WRIGHT: Thank you.

22 DELEGATE KILGORE: Any other, any other questions,
23 and any other questions from any Committee members?

24 I'll tell you, Evan, that's a good point you made, if we
25 land a megaproject, you know, this more than pays for itself

1 tenfold.

2 MR. FEINMAN: Yes, absolutely.

3 MS. RASNICK: Mr. Chair, this is Cass Rasnick. I just
4 wanted to pipe in and second Evan's remarks. We've had a
5 really positive working relationship with Joe and he's been super
6 professional across the board and the whole kind of Economic
7 Development team really appreciate having his relationship. So,
8 looking forward to continuing that contract.

9 DELEGATE KILGORE: Thank you.

10 MR. FEINMAN: All right, well, Mr. Chairman, I'll need
11 a motion to enter into that contract, along with the general terms
12 I described to the Committee. Do I have a motion?

13 DELEGATE MARSHALL: Mr. Chairman, this is Danny,
14 I'd make that motion.

15 DELEGATE KILGORE: Danny Marshall made the
16 motion. Do I have a second?

17 SENATOR RUFF: Second.

18 DELEGATE KILGORE: Frank seconds. Any more
19 discussion or any other comments? All those in favor, say aye.
20 (Ayes). Opposed? (No response). That motion carries.

21 Next, Evan, we go to the Grants Program Director
22 Hiring.

23 MR. FEINMAN: Yes, sir, Mr. Chairman. I'm looking
24 forward to introducing him to the Full Commission when we meet
25 in May, so this is advisory for you all. But, you know,

1 unfortunately the Constitution does not permit us to act like the
2 military and require that folks stay in service whether they want
3 to or not. And Tim has decided to retire. That will be a huge
4 blow to the Commission, there's no way around that. We've had
5 a file system, we've had a couple of different file systems, we've
6 had a couple of different databases, it remains true that the
7 single best database of the Commission's work and agreements
8 remain squarely lodged between Tim Pfohl's ears. But, you
9 know, he'll be terribly missed, but we are excited about the
10 gentleman that we're bringing onboard.

11 I encourage you all to look him up, he's a Deputy
12 County Attorney in Henrico County right now. He previously was
13 County Attorney for Sussex County. He previously before that,
14 worked at VEDP, and his name is Mike Kessner, really a great
15 guy. We're, we're excited about him joining the team. So, I look
16 forward to introducing him and getting his position approved by
17 you all at the Full Commission meeting.

18 DELEGATE KILGORE: Great, all right.

19 MR. FEINMAN: We had a lot of interviews with him
20 and a number of other candidates and we really enjoyed getting
21 to work with him.

22 DELEGATE KILGORE: Once he gets onboard, Evan, I
23 hope you encourage him to get out when he can and visit when
24 he can some of the, you know, some of the areas in the
25 Footprint.

1 MR. FEINMAN: He will absolutely do that. And that
2 was valuable for me and turned out to be valuable for him, as
3 well.

4 DELEGATE KILGORE: All right. Next, I think we go to
5 the New Strategic Plan, Evan.

6 MR. FEINMAN: Absolutely, Mr. Chairman. First, I
7 want to on this side, I want to really thank both the members of
8 the Staff and the members of the Strategic Planning Committee.
9 This is, any strategic plan is always a bear, and, you know, when
10 we do it every other year, we've had to make some big changes
11 each time, and I really appreciate the input that we got from
12 everybody.

13 We put together a working staff outline first among
14 the leadership team on the staff, and then we do a monthly all-
15 staff meeting, and, you know, we've got wound up being about a
16 three, three-and-a-half-hour meeting, where we went through all
17 the outlying points with the entire staff. Folks were very excited
18 about it and where we wound up landing.

19 Then we've been working with the Strategic Planning
20 Committee, and they have also put their stamp on it. You were
21 sent the draft of the Strategic Plan now. The Strategic Planning
22 Committee is continuing to work on that, but we want you to see
23 where things stand at the moment. And I'll give you a couple of
24 the highlights.

25 First and most significantly, we have long identified an

1 issue related to a lack, the difficulty of capital in the Footprint,
2 and that has been a problem for businesses really across Virginia
3 and in particular in our part of the world, and at the same time,
4 I've been talking to you all now for years about our fiscal
5 sustainability challenges.

6 So, we have hit upon an opportunity to stall both of
7 those problems in one go. We have the ability to withdraw a
8 significant amount of our money from the treasury. And you
9 recall we did a relatively poor rate of return.

10 Our plan as of last year was to find partner groups
11 who would invest that alongside their foundations or
12 endowments. That has proven more challenging than we initially
13 imagined it would be. The investment of Public Funds Act has
14 turned out to be pretty darn well drafted. And our attempt to
15 find a way or a vehicle by which to invest our funds has been
16 stymied in most cases, we still believe we'll be able to make
17 some investments with our partners at VCC, Virginia Community
18 Capital. But what we can do instead, which we're already
19 authorized to do, is to make loans out of that pot of money.
20 And, in fact, in many ways, a loan either secured by a significant
21 amount of collateral guaranteed by a locality or both for a fixed
22 interest rate is a better and safer investment than we might see
23 otherwise.

24 So, what we're proposing in this new strategic plan is
25 to really take that big pot of money in excess of \$20 million a

1 year that we're able to pull out of our endowment and lend that
2 out for the purposes of community and business lending. Guys,
3 this is an opportunity to really build something that can provide a
4 ton of value to our part of the world forever.

5 One of the things that I'm really excited about
6 building here is if we build up a large lending portfolio, that will
7 start to generate new income above what we're getting with our
8 investment income. We can then use that to do the second piece
9 of what's described in our strategic plan, which is to create a
10 nonprofit outside of the Commission itself, similar to what the
11 Foundation for Healthy Youth did, similar to what our colleges
12 and universities have done.

13 That nonprofit will be able to receive both grant
14 awards from our earnings from the loan portfolio, as well as go
15 and seek its own grants and its own donations. By creating this
16 lending portfolio that then serves our mainline work, as well as
17 makes grants to that nonprofit, we can create essentially a
18 development bank that funds rural, that provides capital for rural
19 development, as well as supports a foundation that can take over
20 some or all our education spending work. And that will be
21 something that we can leave that a hundred years from now
22 ought to still be in operation and still supporting students and
23 workforce in the Footprint and still supporting business
24 development in the footprint.

25 I think this is an opportunity to really expand the

1 ability of the Commission to do good work while also putting us
2 on a track to be able to support our part of the world hopefully
3 indefinitely. So, I'm really excited about that.

4 A set of other changes in the plan that are proposed
5 including some elevation of the role of our field office directors,
6 and I'm actually going to be proposing a bylaws change to you all
7 in our May meeting, but just so you know, you know, Sarah
8 Capps and Sara Williams are, I think everybody agrees,
9 tremendous assets to the organization and to the Footprint.

10 First, I think we need to change the bylaws to allow
11 their elevation to what they really are, which are regional
12 directors. Right now, the way the bylaws are written, I can't, I'm
13 only allowed to hire and fire, without your blessing, people who
14 won't have the word director in their title, that was originally
15 designed, which I think is perfectly smart to make sure that you
16 all had a say in Stephanie and Andy and Kim's role. I think we
17 do need to maintain that well status for our grant office directors,
18 not that I needed in the plan, but we want to just change the
19 bylaws to make them more specific and then allow us to
20 recognize Sarah and Sara from a title standpoint, and we
21 increase their compensation somewhat. And they certainly
22 deserve every penny of that, as well.

23 Other items in the strategic plan are kind of, I sent
24 you guys the plan itself.

25 One other big item we should mention is we are in a

1 period of reduced resources. The reason I get crabby with you
2 guys in the meeting sometimes is because you spend more than
3 the Staff thinks you really ought to, and, you know, we are in a
4 period where we're not bringing as many dollars in as we'd like
5 to. And I think that's certainly going to be the case for the next
6 couple of years.

7 In recognition of that fact, one of the things we're
8 looking at doing is changing the Committee structure and
9 reducing the number of committees so that we don't have to
10 divide the pot too many different ways. And really just having
11 for grant-making committees and an Education Committee and
12 then two regional committees, a Southside and a Southwest
13 Committee. That would not mean that we would stop doing the
14 work that the R&D Committee, the Special Projects Committee,
15 and Agribusiness Committee do, rather I think it would allow us
16 to take on large projects in that space and allow us to do some
17 really important and good comparative work.

18 One of the challenges that we have right now is
19 committees here, comparisons between grants that are of the
20 same tweak. So, you might see four Agribusiness value added
21 processors competing against each other in an Agribusiness
22 round. And then we come over to Southwest or Southside and
23 you've got, you know, some bike trails competing against some
24 shell buildings, competing against something else. And we might
25 wind up only funding two of those Agribusiness projects, but also

1 funding two of the bike trails. Now, I'd rather do a value-added
2 processor over a bike trail every day of the week. But because of
3 the structure of our consideration process, those two are not
4 seen as being in competition.

5 By pushing multiple different areas back into the same
6 committees, and we can still have subcommittees with expertise
7 to review these specific areas. I would certainly foresee the
8 Agribusiness Subcommittee, et cetera. We can get, we can
9 certainly make the comparison, so we can start to say, look,
10 what do we prioritize more, this theater renovation or that
11 barley-toasting operation, this shell building, or this, you know,
12 who knows what comes before, but, you know, this street paving
13 improvement in Halifax, not to take on one that I didn't care for
14 in the last round. But, you know, that is a, that, I think, will be a
15 really good thing.

16 What we can do over the course of the next four years
17 is we will slowly reduce the amount of corpus invasion we're
18 doing, four percent this year, and three percent next year, and
19 two percent the year after that, and one percent the year after
20 that.

21 Then the year after that, we should be more than
22 entirely off of our loan and donation earnings, as well as our
23 interest earnings. And I think we'll be in a much more fiscally
24 sustainable spot, and we'll be able to be wiser with our dollars.

25 So, those are the highlights, and there's a lot more

1 text there. We also updated our grant funding policies, and you
2 can see all that, and it's a pretty long document.

3 DELEGATE KILGORE: Are you all still working on it,
4 Evan?

5 MR. FEINMAN: Yes, sir, Mr. Chairman. What we sent
6 to you all is a draft. The Strategic Planning Committee is making
7 edits, and we'll have a final to everybody, a couple of weeks in
8 advance of the May meeting for input and edits from the Full
9 Commission, as well as comments from our stakeholders and
10 partner groups. And then we'll get a final draft to you all one
11 week before the Full Commission meeting, so you guys can, you
12 know, have time to assess it and approve it and decide what
13 changes or whether or not you want to approve it.

14 DELEGATE KILGORE: Any other questions,
15 comments? So, Evan, are we going to approve that next, we're
16 going to approve that at the May meeting, or whenever we meet,
17 right?

18 MR. FEINMAN: At the May meeting, Mr. Chairman,
19 yes, but you will have to make some budget decisions now
20 relevant to that, so we've got a couple of different budget
21 scenarios when we turn our attention to the budget.

22 DELEGATE WRIGHT: I do have a comment or two to
23 make, and I hate to be the only one talking, it won't take but a
24 second. This is Tommy Wright again.

25 I heard mention, but I know what's on everybody's

1 mind. These small towns and localities in Southside and
2 Southwest are going to be devastated by what's going on with
3 this coronavirus pandemic, and we know that. And I think we
4 need to keep that in mind. I mean we're going to see businesses
5 closing, small businesses, our towns are going to be under stress
6 and so forth. So, let's be sure to keep that in mind because the
7 aid that we're going to be called upon to give to the smaller
8 communities is going to be greater than ever before, not less, I
9 just wanted to make that point.

10 MR. FEINMAN: Absolutely, Delegate Wright. And, in
11 fact, after our budget conversation, I have a couple of proposals
12 for you all, and we can't do them all, some of these go in
13 different directions, but a few different ideas for ways that we
14 can support our Footprint during this COVID crisis. You know, we
15 have to be cautious, unlike the Federal Government, we don't
16 seem to have a bottomless checking account, and so we want to
17 make sure that what we do is something that's keeping an eye
18 on our priorities and also on the way in which we can have the
19 most impact. And we'll talk about that in a moment, that's after
20 our budget on our agenda.

21 DELEGATE KILGORE: I think Tommy and others,
22 there are some opportunities that may be coming down from the
23 Federal Government in broadband and some things like that and
24 also that could really, really compliment what we've been doing
25 on the Tobacco Commission and also take some pressure off of

1 our funds.

2 DELEGATE WRIGHT: Let me just say that this
3 connects, is doing work in Lunenburg right now, and the, is going
4 right by in the country, a piece of property I own, I've got a
5 house there, and I could hook up to broadband off of that, that
6 was done by a grant from the Tobacco Commission, which is an
7 excellent idea and kind of goes on with what you're saying.

8 DELEGATE KILGORE: Somebody else.

9 DELEGATE MOREFIELD: Mr. Chairman, this is Will.
10 I've got a question for Evan.

11 MR. FEINMAN: Yes, sir, Delegate Morefield.

12 DELEGATE MOREFIELD: Evan, going back on the
13 nonprofit entity, I'm assuming that would be a separate legal
14 entity. Are you proposing that all those monies would still be
15 subject to approval from the Full Commission, or would that
16 entity make that decision itself?

17 MR. FEINMAN: Good question. So, what I'm
18 proposing is that we continue to make the loans through the Full
19 Commission. We would both make loans in support of projects
20 that went before the Committee, but we would also set up
21 something that looked a lot like TROF where the Commission
22 would lay out guidelines, and then the Staff could do it on a
23 rolling basis for the business community, because their needs are
24 going to come at different times than just when we meet
25 annually or tri-annually.

1 The nonprofit entity, we're thinking really trying to
2 serve two purposes. One is to insure that we've got something
3 that can last forever that will continue to support our work, but
4 the second, and I think this is really important, is that a lot of
5 what we do is the kind of thing that other grant makers and
6 other charitably-minded people would love to support, things like
7 the Talent Attraction Program, Community College Scholarships.

8 Under these programs are things that, we could get a
9 request from somebody who decided that, you know, man, I
10 really loved what the community college did for me and I want to
11 support other folks getting in there and doing it and they want to
12 support workforce financial aid, but nobody is going to give
13 money to the government. That's just not the way people think
14 about it. You know, there's nobody out there fundraising, hey,
15 give the Commonwealth more dollars. They particularly won't,
16 because they don't know what the General Assembly is going to
17 do with our quotas, right?

18 So, by creating this outside entity, we can go seek
19 grants and loans to support our grants and gifts, to support our
20 work in addition to what we're able to earn with our loans. So, I
21 think about it like we play defense by being cautious with the
22 way we spend, but we play offense by bringing more dollars in.

23 DELEGATE MOREFIELD: I think one of the issues or
24 concerns that I have, and you see this in the higher education
25 world all the time, you have, you end up having often competing

1 boards like, for example, you may have a college board of
2 trustees, and then you have a separate nonprofit entity with a
3 separate governing body. So, would this entity have a separate
4 board of trustees or would the nonprofit still follow under the
5 governance of the Full Commission?

6 MR. FEINMAN: What we have proposed to do, and
7 you'll be able to see what we're looking at in the strategic plan,
8 final draft, we would propose that this outside entity be managed
9 by a board composed of current and former members of the
10 Commission, as well as Commission staff. So, the idea there is
11 the Commission's executive director is also the director of the
12 nonprofit, and the Executive Committee appoints the
13 membership of the board of the nonprofit, which will serve for a
14 relatively short term with the opportunity for multiple
15 reappointments.

16 So, the idea there is this Committee right here would
17 appoint the board of the nonprofit, and those terms would only
18 last, you know, would probably be two-year terms, and have
19 folks get re-upped by you all, so that there could never, we want
20 to make sure it was always hand-in-glove, you know, the
21 executive director of the Commission, the executive director of
22 the nonprofit, and that the Executive Committee of the
23 Commission appoints the board of the nonprofit, so they couldn't
24 get too far away, but that is, I agree, particularly, the recent
25 conflict between the New College and the New College

1 Foundation greatly informed our thinking about that issue.

2 DELEGATE MOREFIELD: Mr. Chairman, I just have
3 one comment, and I'm done. I agree, I just think ultimately we
4 have to be careful and make certain that the Full Commission
5 does have the final say. Because we can all start off with good
6 intentions, you see it all the time, when separate entities are
7 created, even there are certain members affiliated with similar
8 boards. You know, I just don't think we want to get ourselves in
9 a situation where the Commission is distributing a lot of money
10 to separate entities and then we're at a point where, you know,
11 each board, the nonprofit board and the Commission are
12 conflicted in how that money should be spent. So, I just think
13 we need to be careful when setting that up.

14 MR. FEINMAN: Delegate Morefield, I completely agree
15 that's something we want to keep a really close eye on the whole
16 time. You know, it's really my hope honestly that the flow of
17 money kind of goes the other way, frankly. I believe it's entirely
18 possible that we could see future years where gifts and grants
19 into the foundation takes so much pressure off of the
20 Commission's work that, you know, we can say, well, the
21 Foundational Fund will take care of education this year or the
22 Foundation will take care of agribusiness this year. And, you
23 know, we can focus on different areas that are funded by our
24 corpus and by our loan proceeds. Then if we wind up rolling in
25 dough, we can go the other way and push money over to the

1 Foundation or just continue to operate as we have. I see that
2 primarily as a vehicle to bring in more money from the outside as
3 opposed to a place for us to put a bunch of all our current
4 money.

5 DELEGATE MOREFIELD: I agree. Again, I think it's
6 more than just keeping a close eye. We need to make certain in
7 the rules that we adopt that legally we can, you know, clawback
8 on those funds if the Commission deems necessary. Thank you.

9 MR. FEINMAN: I think it's a great idea, Delegate
10 Morefield.

11 DELEGATE KILGORE: Any other comments on the
12 Strategic Plan, which we'll be adopting and talking more about at
13 the Full Commission meeting hopefully anyway?

14 All right. Now, I think next on my agenda is
15 Stephanie is going to walk us through the budget.

16 MS. KIM: Okay, I'm going to share my screen. This
17 is also up on the website, PowerPoint presentation on the '21
18 budget. I just want to give you an overview just to give you an
19 idea of the grant awards we've awarded over the past five or six
20 years, you can see that it's gone down dramatically from FY14.
21 But there was a little spike in FY18 when we awarded a lot of the
22 broadband.

23 In cash disbursements, these are the funds, even
24 though we make the award, they don't always go out the door
25 immediately. Just to show you what is going out the door, it is

1 dramatically less because we do have fewer grants now. And to
2 give you an idea of our total assets, which are endowments on
3 funds receivable, you know, I think everybody knows that our
4 assets are going down, so we are trying to change the way we do
5 things.

6 We do also have some loans at VRA, about three
7 million that they are servicing, they're not our books, they're on
8 their books.

9 So, the investment earnings from, we counted from
10 March, 2019 through February, 2020. At that point, we take that
11 annual amount and transfer it from the endowment to the fund,
12 and the treasury does that in June. And that is what helps funds
13 our next year's budget.

14 We also earn interest on the general account, and so
15 we've only gone through a half of a year, and we have about
16 \$62,000 from that.

17 Just so you're up to date on the endowment, we
18 currently have a balance of \$198.8 million. As we mentioned,
19 we are recommending the full corpus invasion of 15 percent, but
20 only using 3.7 percent of that on our program budget and
21 administration and using the carry-forward and interest earnings
22 also for the budget. Then the remaining twenty-two and a half
23 million to be set aside, you know, to be invested or loaned out,
24 or basically set aside for nongrant-funding programs. Then if we
25 do a 15 percent corpus invasion, that would leave the

1 endowment with \$169 million.

2 For the proposed budget, which you should have from
3 the website, there's sources of funding of about \$44 million,
4 nearly \$30 million of that is from the corpus invasion, and then
5 the uses in funds would be \$19 million for our Economic
6 Revitalization Programs, two-and-a-half million for
7 administration, and twenty-two-and-a-half million for --

8 For Administration, we're looking at an eight percent
9 increase, but a lot of that is increased costs with the FDI contract
10 coming in-house rather than going through a grantee. We are
11 having to pay for NSA enforcement. There are some agency
12 service charges for central service agency costs, and then, of
13 course, most of the, also, meeting costs, which I don't know,
14 might be down this year, I don't know, about a little bit.

15 MR. FEINMAN: Sorry to interrupt, Stephanie, we're
16 still budgeted as if we're going to have three in-person meetings
17 and receptions and travel this year. I have a strong feeling that
18 we're going to wind up doing a heck of lot less travel and a heck
19 of a lot less meeting costs, but in the interest of being
20 responsible, we're just going to budget it as if we're going to
21 have those full expenses.

22 DELEGATE KILGORE: That's fine.

23 MS. KIM: There are two different scenarios,
24 depending on whether you adopt the recommendations of the
25 Strategic Plan about consolidating committees, so this is, I guess,

1 Version A.

2 DELEGATE KILGORE: Stephanie, which one would be,
3 if we adopted the Strategic Plan, which one would it be?

4 MS. KIM: It would be this one where we consolidated
5 the committees to Southern and Southwest Virginia committees
6 and then we had money for financial aid and TROF. So, you can
7 see in the middle column, the FY21 proposed budget, the
8 allocations, you know, are just going in a few directions. And
9 then you can see the carryforward balances, as well.

10 This is Version B, where we have money allocated to
11 each of the current committees. You'd be spending money in
12 more directions, and each committee would have their little pot
13 of money, which is dwindling. Every committee would have a
14 little bit, and, you know, and it wouldn't be, being compared to
15 the overall priorities of the Commission.

16 DELEGATE KILGORE: Stephanie, could you go back
17 to, I don't know where that number comes from, is it Southern
18 Virginia where they have that carry, that Southside, where they
19 have that carryforward, is that like setting up a county, what is
20 that like, just so I know?

21 MS. KIM: It's distributed throughout the formula.
22 These are balances that are county by county that have not used
23 their funds yet.

24 DELEGATE KILGORE: All right. I thought that's what
25 it was. I just wanted to make sure.

1 Any questions on A or B?

2 MR. FEINMAN: For the purposes of this meeting, I
3 don't think, because you're not making the formal vote on the
4 Strategic Plan at this point, Mr. Chairman, I think what we'd like
5 to do is approve both budgets conditionally. Approve a version
6 of Budget B in case the Strategic Plan changes through the
7 Committees don't wind up getting approved and approve Budget
8 A in case they do, a conditional motion.

9 DELEGATE KILGORE: That's fine. Stephanie, you've
10 done an outstanding job on here getting this all together and
11 keeping us on the right track. I know speaking for other
12 Commissioners, we appreciate the hard work which you do, so
13 thank you.

14 MS. KIM: You're welcome. So, in order to approve
15 the FDI contract, you're talking about the Grants Director.

16 DELEGATE KILGORE: You hired the Grants Director,
17 didn't you?

18 MS. KIM: I think that technically goes to the Full
19 Commission.

20 MR. FEINMAN: I'd be very happy to have you all
21 make a recommendation to the Full Commission, and I'm also
22 happy to just do it at the Full Commission.

23 DELEGATE KILGORE: We'll just do it at the Full
24 Commission, that way we'll have the name and everything, we'll
25 have all the information there, that's fine.

1 MS. KIM: And then you would need to recommend to
2 the Full Commission the corpus invasion of 15 percent, which will
3 take a super majority of the Full Commission. And then
4 recommending the FY21 budget. I guess A and B conditionally
5 upon which strategic, what happens with the Strategic Plan.

6 DELEGATE KILGORE: So, do I have any comments or
7 motions as it relates to that? The first motion would be to
8 approve a 15 percent corpus invasion for FY20 to fund the FY21
9 budget. Do I have that motion?

10 SENATOR RUFF: This is Frank, I would move that.

11 DELEGATE KILGORE: Do I have a second?

12 MR. OWENS: Second.

13 DELEGATE KILGORE: Any discussion? All right, all
14 those in favor of approving this, making this our recommendation
15 to the Full Committee which they'll, we have to approve, say aye.
16 (Ayes). Opposed? (No response). That motion carries.

17 Now, we would need a motion to adopt the FY21
18 budget, Versions A and B, depending on the adoption of the
19 Strategic Plan.

20 DELEGATE MARSHALL: So moved.

21 DELEGATE KILGORE: I have a motion and a second.
22 Any more discussion on that? This is a recommendation to the
23 Full Commission. All those in favor, say aye. (Ayes). Opposed?

24 DELEGATE WRIGHT: No, this is Tommy Wright. I'm
25 voting no, and I need more time to look it over, and that's from

1 the same objections I've had in the past.

2 DELEGATE KILGORE: All right. Thank you, Tommy.

3 DELEGATE WRIGHT: Thank you.

4 DELEGATE KILGORE: Stephanie, does that complete
5 your budget presentation?

6 MS. KIM: It does.

7 DELEGATE KILGORE: All right, thank you.

8 And now we're going back to Evan for Potential COVID
9 19 Response for Meetings.

10 MR. FEINMAN: The four meetings there is an artifact,
11 I apologize for that. What I was hoping to talk to you all about
12 was, rather what the Commission might be able to do to respond
13 to the coming economic --

14 DELEGATE KILGORE: Okay, either way, and I would
15 also like to address how we're going to handle meetings, too, so
16 however you want to do that.

17 MR. FEINMAN: Yes, sir, Mr. Chairman. I figured we
18 needed to, I wanted to see how you all felt about this strategy
19 and, you know, we can explore some others after this. But I
20 think everybody knows that the COVID-19 crisis has been a
21 public health emergency, but is swiftly becoming an economic
22 emergency. When you look at what the big actors are talking
23 about, you look at what the IMF says, you look at what the Fed
24 says, we're talking about a recession at least as significant as
25 2008, and I think, you know, it certainly could wind up being far

1 worse.

2 There is hope that there'll be a swift recovery, but
3 that's not certain, and we also don't yet know the full extent of
4 the damage. We know that it's looking like the first quarter,
5 something like a four or four-and-a-half percent national GDP
6 decline, and I think the second quarter will be worse, not better.
7 That, by the way, meets the official academic definition of a
8 recession. But the reality is a boatload of folks are out of work,
9 that's a recession in anybody's book.

10 The Commission has a lot of different options that we
11 can pursue to try to support our communities, but I also want to
12 emphasize that we are also ourselves in a somewhat precarious
13 financial position, so our ability to inject tons of money without
14 seeing any return on that is very limited and would really and
15 dramatically affect our ability to continue our work in the future.
16 That said, there are a set of options that I'd like to talk about, I'll
17 run through those that I have sort of cooked up in conjunction
18 with Staff, and then I'm happy to hear ideas from you all that we
19 can work on between this meeting and the full Commission.

20 The reason we have this Executive Committee
21 meeting well in advance of the Full Commission meeting in May
22 is so that we can get you all's feedback and take it into account
23 with a lot of lead time rather than simply, you know, kind of the
24 night before and the next day.

25 My general approach to this has been of the view that

1 what people need right now are grants to keep things afloat, you
2 know the way people characterize it is, you know, we're putting
3 the economy into an induced coma and we're just hoping to wake
4 it up in a bit and that the folks who have, you know, effectively
5 unlimited money, which is to say the Federal Government, the
6 right primary funder of this phase of dealing with this economic
7 crisis.

8 But we also know that when we get going again,
9 there's going to be a real need for particularly businesses, but
10 also communities, to take on getting the economy cooking again,
11 and that's going to require capital. That's going to mean I've got
12 to rebuy inventory, I've got to rehire workers, and nobody is
13 getting paid. Essentially, because we've had this pause in
14 economic activity, everybody is a startup by late summer or early
15 fall. You're going to need capital in your business again, and
16 you're not going to have payments coming in. And so that's
17 been kind of the theory.

18 There's a couple of different options I've looked at.
19 My formal recommendation is to do what we're proposing in the
20 Strategic Plan, which is to make as much of our capital available
21 as possible for business and community lending and offer those
22 loans, you know, begin offering those loans in the late summer
23 or early fall when we know that things will be up and running
24 again and we'll have seen which folks were willing enough to
25 make it through this and which weren't. I think it would be a

1 very expensive prospect to try to keep everybody alive and then
2 find out how many folks didn't make it.

3 That's my recommendation, but to talk about some
4 others, we could certainly put the pedal to the metal and try to
5 imitate our colleagues in North Carolina at the Golden Leaf
6 Foundation and begin making those business loans much faster.
7 It'll still take the Staff some time to set up that program, but we
8 can try to do it with great rapidity and we can push money out
9 earlier.

10 Moving in the other direction, we could decide that we
11 don't know exactly what the needs of the Region are going to be
12 and we could say that we're going to hold off on our May grants
13 decisions until our September meeting, recognizing that these
14 communities might want to apply for different sorts of grants,
15 knowing what they know now or knowing what they'll know over
16 the summer relative to where we were when these grants were
17 getting worked up in January and February and nobody had ever
18 heard of a coronavirus.

19 Another opportunity or another option would be to
20 offer zero interest loans to our communities, and I would
21 recommend that we offer these zero interest loans specifically for
22 the purpose of maintaining their economic development efforts.
23 I have some real concern that those will be, those folks and
24 those, that work will be early on the chopping block for a lot of
25 our communities. That makes sense, they've got to maintain

1 core services. I don't think they consider their economic
2 development departments or services often. But if we see our
3 economic developers falling off the map, man, that's going to
4 hurt us. That just doesn't hurt us when they're not working, that
5 hurts us for however much pipeline we lose looking backward
6 and however much we don't have looking forward. So, I have
7 some concerns about that, and I think that would be a good way
8 to go.

9 We could certainly budget an additional half a million
10 dollars into TROF, which we could then distribute directly to our
11 regional group partners. We already have fortunately a program
12 going that offers some material financial support to our regional
13 economic development groups. This would just be plussing that
14 up to recognize that they're going to see reduced support from
15 their localities.

16 And then the last thing we could do that is an
17 interesting idea is a lot of federal money has been pledged, but
18 only comes in on the back end. And a thing that we could do is
19 offer to basically loan people. You see sometimes when people
20 get like a structured settlement or something on TV, they're
21 supposed to come out and they basically want to buy your
22 settlement from you for cash up front. We could do something
23 similar with our localities and say, okay, you've got a federal
24 grant that's coming in, in a year for a million bucks, we'll give
25 you 975 right now, and you give us that million when it comes in

1 next year. We have the ability to be patient in a way that a lot of
2 our localities aren't.

3 So, those are the options I think make the most
4 sense to me. I don't recommend we do all of them. Some of
5 them are in conflict. I don't think, frankly, we have the
6 resources to do all of them. My recommendation is that we
7 move aggressively and stand up our loan programs, but wait
8 until we see an economic recovery before we start pushing those
9 loans out into the world. It really needs to be in my view and my
10 recommendation is that it needs to be the Commission's view
11 that this period of just throwing money into the fire to keep the
12 engine moving, even when there's no commerce, can't be
13 something that we're, we don't have enough money to do it,
14 frankly, and do it effectively. But once things get going, I think
15 we can absolutely provide the spark to help people rebuild their
16 businesses once the economy rebounds.

17 So, my recommendation is that we stand up the loan
18 program quickly, and when the recovery begins, then we'll have
19 capital available to our folks.

20 DELEGATE KILGORE: All right. Any comments?

21 DELEGATE MOREFIELD: Mr. Chairman, yes, this is
22 Will. Evan, I really like all of your ideas and those are very valid
23 points. Going back on the, I guess you could call it like a bridge
24 loan program or a settlement buyout type program for the
25 locality. Most of the calls that we are receiving from small

1 businesses, they're having issues with the SBA loans that they've
2 applied for. We're not really seeing a lot of calls about the
3 paycheck protection program, and most people have had success
4 with that. But, you know, there are companies or small
5 businesses that have applied for the SBA loans weeks ago, and,
6 in fact, and I think some of the calls that we received, they
7 applied for them on the first day they were available, and they
8 still have not received funding.

9 One of the issues that I have, like you, is that I think
10 a lot of these companies, you know, traditionally, if they went to
11 apply for a loan they probably wouldn't have the credit or the,
12 you know, the assets to or collateral, I'm sorry, to be approved
13 for a loan. So, I think one of the unique opportunities with the
14 SBA Program is that they don't require collateral. And, you
15 know, I could see maybe a situation, if we set up a loan program.
16 Yes, we do need to get localities' money, but I think ultimately
17 the real impact is going to come from within the businesses
18 themselves, and we need to get cash in their hands.

19 Legally, you know, could we set up like a loan
20 program where those that applied for the SBA loans, and I'm
21 sure the SBA would probably have information on who is
22 approved and who's not approved, I don't know legally how you
23 could go about that, but I would think that would be a safe bet
24 for the Commission. If we created a bridge loan program and we
25 were able to get some cash in the hands of small businesses, and

1 then once the SBA funds are cleared for those businesses, they
2 just repay those loans back to the Commission.

3 MR. FEINMAN: Yeah, I think that's, Delegate
4 Morefield, that's certainly something we could do, you know, and
5 we need to carefully craft those documents to be clear that, you
6 know, when the SBA funds arrive, they needed to use those
7 funds to pay us back and not just be doubly indebted. We also,
8 and I am a huge proponent of dramatically increasing the
9 Commission's lending activity, but I don't ever want us way out
10 on a limb. A lot of these folks, not through any bad intentions,
11 but just because entrepreneurship is hard all the time, it's
12 especially hard in these kind of economic times, and some of
13 these folks aren't going to make it. So, I want to make sure we
14 always have security when we make these loans.

15 And so, we wouldn't pursue either both guarantees or
16 personal guarantees that the person really has a lot of assets or
17 collateral. I'd rather see us get, you know, 150 or 200 percent
18 collateral. At the end of this, if we're very aggressive, we might
19 wind up owning a bunch of property across the Footprint, and we
20 want to be careful about that, too, because that has its own costs
21 and concerns.

22 But I think that idea of merging the loan approach and
23 the bridge loan approach is a good one and one that we can
24 certainly take a look at.

25 DELEGATE MOREFIELD: Thank you.

1 DELEGATE KILGORE: Any other comments?

2 DELEGATE WRIGHT: Evan, this is Tommy Wright with
3 one final comment and I don't mean this the wrong way, and
4 we've had a lot of good conversation here today, a lot of talk
5 about plans for the future for the Commission and so forth, but I
6 think that we should also keep in the back of our minds as our
7 main objective be not the long-term survivability of the Tobacco
8 Commission, but this economy in Southside and Southwest is
9 going to be in the position of having, it's going to need some
10 tremendous amount of help in order for it to survive. We've
11 discussed a lot of good points, but I do think we need to keep
12 that in mind. We need to do whatever it takes without being
13 reckless at this time.

14 Southside, this is a very tough time coming back, and
15 I know you all have a tough job, we want to work with and help
16 you.

17 MR. FEINMAN: Absolutely, Delegate Wright. And my
18 view on the question of the Commission's sustainability has
19 always been that we need to be sustainable for however long it
20 takes for us to accomplish our mission. And, unfortunately, I
21 just don't think we're going to see a place where Southside and
22 Southwest are economically performing at the same rate as the
23 Commonwealth. So, that's where, you know, that's where I
24 really think we, to me, that would be success, right? If we were,
25 whatever the Commonwealth's average growth rate, if our

1 communities were doing as well or better, then I would say the
2 Commission's mission is complete, then we can kind of, we can
3 pull up stakes.

4 We're not there, so I think it's incumbent upon us to
5 make sure that we continue to be able to support the region until
6 we can accomplish that goal. So, that's my approach to
7 sustainability, and that's how I think about it. And I hope that
8 I've been able to persuade you all of that, as well.

9 DELEGATE WRIGHT: Thank you.

10 DELEGATE MARSHALL: Mr. Chairman. This is Danny.
11 I'd like to make a motion to get something on the table to talk
12 about, and I think one of the first things we maybe want to think
13 about is what Evan brought up. My motion is that we postpone
14 all grant proposals into the different committees until the fall
15 meeting.

16 DELEGATE KILGORE: Okay. Do I have a second to
17 that motion? I have a second. Any discussion? I guess the
18 question is --

19 DELEGATE MARSHALL: The discussion is I think just
20 following up on what Evan said. I think that we don't know what
21 we don't know right now. And I think that we ought to just let
22 this set for a few months and the requests could be 180 degrees
23 different than what the requests are this May. So, I just think we
24 ought to be prudent, I want to follow it up what Tommy said is
25 that I just think it would be the right thing to do at this time to

1 protect the small amount of money that we have. We don't have
2 that printing press like the Feds.

3 MR. FEINMAN: If somebody does, let me know.

4 DELEGATE KILGORE: Also, there's going to be some
5 new programs, some infrastructure programs and others that
6 looks like it's coming in from the Fed within the next 30 days,
7 and we need to have the ability to work with those programs, I
8 think. So, we may, you know, we may be investing in other
9 totally different areas that we would consider investing in right
10 now, is my thought.

11 SENATOR RUFF: Mr. Chairman.

12 DELEGATE KILGORE: Yes.

13 SENATOR RUFF: This is Frank. I don't, I understand
14 the thought process here, but I think that we need to maybe use
15 the term slow down.

16 DELEGATE KILGORE: Yes.

17 SENATOR RUFF: Rather than stop, because there
18 may be some opportunities that we don't want to turn our back
19 on.

20 DELEGATE KILGORE: I agree with that, Frank. And I
21 think Evan agrees with that, too.

22 MR. FEINMAN: If I could offer a friendly amendment
23 to the motion. If you wanted to instruct the Staff to evaluate all
24 grant proposals, and, you know, we can afford maintaining
25 flexibility, figure out which ones probably still, in our view still

1 needed to make sense versus which ones we would table, so I
2 think you'd see in the committees, you'd see a lot of, right, but
3 there may be a couple, and in particular, I think about things like
4 workforce financial aid through the community colleges where,
5 you know, they need to know for their budget what things are
6 going to look like before they start putting out admission
7 decisions, right, and their class offerings.

8 So, that kind of stuff, I think we wouldn't want to
9 necessarily pause on, but other things we absolutely could,
10 whether that's competitive ed. or whether that's, if the
11 institutions are closed, they can wait a little while, whether
12 that's, the end processing, I think there may wind up being a lot
13 of changes in that market, though there may be a boatload of
14 more people taking CBD oil now just to deal with whatever is
15 with their families, I guess.

16 DELEGATE KILGORE: Just stay at home.

17 MR. FEINMAN: We'll find out, that would be a friendly
18 amendment I would offer.

19 DELEGATE KILGORE: That makes sense. And any
20 other discussion?

21 Danny, would you accept that friendly amendment?

22 DELEGATE MARSHALL: Absolutely.

23 SENATOR CHAFIN: Mr. Chairman, this is Ben. The
24 comment I'd like to add would be, it seems to me that it would
25 be smart for us to move very cautiously about our decisions

1 because the situation that we're in seems to change on a daily or
2 even a weekly basis, and in the course of three weeks, before we
3 have our meetings, we may find ourselves in a slightly different
4 situation.

5 DELEGATE KILGORE: Right, we may be, but I think
6 that if events change, Ben, we can address that at our May
7 meeting wherever that is, or however, whatever avenue we use
8 to meet. But I would agree with you.

9 MR. FEINMAN: Well, Mr. Chairman, you've got a
10 motion.

11 DELEGATE KILGORE: A motion and a second. Any
12 more discussion? All those in favor of the amended motion, say
13 aye. (Ayes). Opposed?

14 DELEGATE WRIGHT: No. Mr. Chairman, let me just
15 say my concern is that I don't think we're going to be in a
16 position of cutting back on aid for localities at a time when they
17 need it the worst. I understand that we need to be selective and
18 cautious, but I think we could make those decisions in
19 committees and as we vote as a Full Commission rather than
20 doing that now.

21 As Ben said, three weeks from now it may be entirely
22 a different situation. So, that's the reason I voted no on this.

23 DELEGATE KILGORE: Thank you. All right, now,
24 Evan, we need to get to the situation on the meetings and how
25 we propose going forward. I know the Governor's last order is

1 effective through the 17th or 18th, I think it's something like that.

2 MR. FEINMAN: Yes.

3 DELEGATE KILGORE: And that is right up against our
4 meeting.

5 MR. FEINMAN: It is. Well, first, this is the first time
6 we, we were initially planning to use Zoom, but then there were
7 a lot of security concerns with Zoom, so we switched to Webex,
8 you know, I think this works pretty well. I probably don't like it
9 as well as Zoom, but, in general, what we can do is we can
10 continue to use this video option, which I think is useful for
11 things like Stephanie walking through the budget and other, you
12 know, sharing of documents, but, you know, a lot of folks are on
13 the phone and you all are able to download it and pull it up and
14 follow along yourselves. So, one thing we could do is go to a
15 pure call-in approach rather than the video calls.

16 Another thing we could do is you all could tell us, you
17 know, we don't really like this particular program, find us
18 something better, or you could even tell us to use Zoom, even
19 though the, has some security concerns about it, you know, I'm
20 not sure I do, but, you know, I want to open the floor --

21 DELEGATE KILGORE: Why don't we leave that --

22 MR. FEINMAN: -- Unless I hear from you all, we'll do
23 this again.

24 DELEGATE KILGORE: This seems to work okay, but
25 why don't we just leave it to you, Evan, to make that call, you

1 and the Staff to determine what you think works best and what
2 you think allows the most, most of us to participate, you know, in
3 a fair and equitable way. I think that's where we need to go, but
4 not being up to date on all this technology, I would leave that to
5 you, you folks, to make that decision. I think most of the
6 members would agree with me. If you all can find us a way and
7 we'll work with you to meet, to make it happen. So, that's my
8 thoughts. Anybody else have any thoughts? Frank or Danny or
9 any of the rest of you? Ed?

10 MR. OWENS: How do you do closed session, how do
11 you do a closed session?

12 DELEGATE KILGORE: That is a problem. Evan, we
13 talked about that the other day.

14 MR. FEINMAN: There are options within these
15 programs to do what you call breakout rooms. But, frankly, that
16 adds a layer of complexity, and I'm not sure is wise given the
17 public and grantee and Commissioner and Staff ability to use all
18 these programs. Our plan for an executive session would be to
19 have an open meeting like this, you know this is recorded, this
20 link was shared, folks who are not members of the Commission
21 can certainly join this video call.

22 What we would have folks do is we would mute this
23 meeting, we would distribute privately a conference call line, and
24 we'd go into a conference call completely from this meeting. And
25 then when we left the conference call, we'd restart. That isn't

1 great, you know. To be honest, one of the reasons we handled
2 the TROF Committee the way we did today was specifically to
3 avoid the need to go into executive session because it's so
4 challenging.

5 So, you know, that's where we, but that would be our
6 approach would be to say you all are here, you know, we're
7 going to get on the phone for executive session.

8 DELEGATE BYRON: Hey, Evan, this is Kathy, do you
9 want to hear a little more complexity? So, Webex doesn't let you
10 have two at one time, but what you could consider doing is doing
11 a Webex and you could do an executive session under Zoom or
12 vice versa, and then they have meeting IDs, that thing would be
13 with your meeting IDs. So, that's another option rather than a
14 conference call.

15 MR. FEINMAN: We could absolutely do that and you
16 can have them open in different windows on your computer.

17 DELEGATE BYRON: Something to consider.

18 DELEGATE KILGORE: Why don't, Evan, you and your
19 great team just try to look at how we're going to do the next
20 meeting and what you all think is the most efficient and makes
21 the most sense and leave that up to you all. And we'll just move
22 forward that way.

23 MR. FEINMAN: Will do.

24 DELEGATE MARSHALL: Terry, this is Danny. May I
25 ask a question?

1 DELEGATE KILGORE: Yes.

2 DELEGATE MARSHALL: Last Wednesday, we had 100
3 members in the House and 40 members in the Senate
4 thereabouts. We used social distancing in mass, et cetera. Is an
5 in-person meeting out of the question?

6 MR. FEINMAN: Delegate Marshall, the challenge we
7 have is the public, frankly. It wouldn't be impossible for us to
8 get a gymnasium or auditorium somewhere and set you all up
9 distant enough from each other to make it work. The problem is
10 that we often have an audience of, you know, a hundred-plus
11 people, and I don't know how we get them, you know, I suppose
12 we could try to have them come in digitally. You all like to hear
13 from grantees, you like to hear from other organizations, who
14 like to do presentations often about ongoing Commission
15 projects. And so, it's the, it's not such much the Commissioners
16 or the Staff, it's the rest of the grantees and applicants that are
17 posing a challenge for doing an in-person.

18 DELEGATE MARSHALL: But, Evan, if we have a
19 meeting like we're having right now, how are we going to get this
20 feedback from the public now? At the House meeting, it was
21 said, and I don't know if it actually happened, that if someone
22 wanted to comment, they could simply watch us on Livestream
23 or either we could set up something like a text message that
24 would text in questions or comments. I just think that a face-to-
25 face meeting gets a lot more done. This is still clunky to me.

1 MR. FEINMAN: I agree, Delegate Marshall, this is
2 nobody's ideal. The way we've been treating public comment
3 now and the way we are about to in a moment, is that the
4 members of the public have access to this meeting ID, and they
5 are welcome when invited to, you know, we've got the ability to
6 mute and unmute people administratively, but right now, we got,
7 I mean I can see looks like 23, 24 folks called in, those folks are
8 muting or unmuting themselves, and they've just been respectful
9 and polite, but are, you know, able to comment when it comes
10 time for public comments. So, that's the way we've been
11 approaching it so far.

12 I agree with you though, if we can find a way, I'm
13 happy to take that as direction. If we can figure out a way to do
14 an in-person meeting, we'll do that. I just think it's, when I look
15 across at what everybody else is doing in government, when I
16 think about how VDH would feel, with me asking all of you all
17 and the grantees to come and be in one place, I think they would
18 tell us, please don't do that. But things may be different in a
19 month, so, you know, we'll see where we are.

20 DELEGATE MARSHALL: All right, thank you.

21 DELEGATE KILGORE: Any other comments on that
22 issue?

23 MR. FEINMAN: Public comment, Mr. Chairman.

24 DELEGATE KILGORE: Any public comment?

25 MS. COLEMAN: I'm Becky Coleman. I have a

1 question. Delegate Marshall filed a motion of this meeting as
2 amended by Evan, can somebody read that motion?

3 MR. FEINMAN: The version of the motion that I have
4 down is instruct Staff to review the request and propose tabling
5 non-time-sensitive requests. So, the committees would still hear
6 and take action on every application. We'll just propose tabling
7 any that aren't, that don't have a pressing need to be approved
8 now versus later.

9 MS. COLEMAN: Thank you.

10 DELEGATE KILGORE: Does that answer your
11 question, Becky?

12 MS. COLEMAN: Yes, thank you.

13 DELEGATE KILGORE: Okay, thank you.

14 Anyone else? All right. I really appreciate all of you
15 all getting on and trying this new technology. I really appreciate
16 the Staff and its hard work in getting this meeting together.

17 Do I have a motion that we adjourn?

18 DELEGATE WRIGHT: So moved.

19 DELEGATE KILGORE: I have a motion we adjourn. All
20 those in favor, say aye. (Ayes).

21 You all have a safe day.

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PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission, Executive Committee Meeting**, when held on Wednesday, April 29, 2020, at 10:00 o'clock a.m., (By Conference Call).

I further certify this is a true and accurate transcript, to the best of my ability to hear and understand the proceedings.

Given under my hand this 6th day of May, 2020.

Medford W. Howard
CCR