

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Full Commission Meeting**

10 Monday, June 22, 2020

11 11:00 A.M.

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(By Conference Call)

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- 1 **APPEARANCES:**
- 2 The Honorable Terry G. Kilgore, Chairman
- 3 The Honorable Lashrecse D. Aird
- 4 Ms. Gayle F. Barts
- 5 Mr. Ed Blevins
- 6 The Honorable A. Benton Chafin, Jr.
- 7 Ms. Becky Coleman
- 8 Ms. Gretchen Clark
- 9 The Honorable James E. Edmunds, II
- 10 The Honorable John S. Edwards
- 11 Dr. Alexis I. Ehrhardt
- 12 The Honorable Franklin D. Harris
- 13 Ms. Julie Hensley
- 14 The Honorable Aubrey L. Layne, Jr.
- 15 Mr. Robert Mills, Jr.
- 16 The Honorable Joseph D. Morrissey
- 17 The Honorable Edward Owens
- 18 The Honorable Sam Rasoul
- 19 Ms. Sandy Ratliff
- 20 The Honorable Bettina Ring
- 21 Mr. Cecil E. Shell
- 22 Mr. Buddy Shelton
- 23 Mr. Robert Spiers
- 24
- 25

1 **APPEARANCES: (cont'd)**

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Andy Sorrell – Deputy Director

5 Mr. Mike Kaestner – Grants Director

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Sarah K. Capps – Southern Regional Director

8 Ms. Sara Williams – Southwest Regional Director

9 Ms. Joyce Knight – Meeting Coordinator

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11 **COUNSEL FOR THE COMMISSION:**

12 Ms. Elizabeth Myers, Assistant Attorney General

13 Richmond, Virginia.

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1 June 22, 2020

2 MR. FEINMAN: Yes, sir. Delegate
3 Kilgore?

4 DELEGATE KILGORE: Here.

5 MR. FEINMAN: Delegate Aird?

6 DELEGATE AIRD: Here.

7 MR. FEINMAN: Mr. Ball? Ms. Barts?

8 MS. BARTS: Here.

9 MR. FEINMAN: Senator Chafin?

10 SENATOR CHAFIN: Here.

11 MR. FEINMAN: Ms. Clark?

12 MS. CLARK: Here.

13 MR. FEINMAN: Ms. Coleman?

14 DELEGATE KILGORE: I saw Becky on
15 there just a while ago.

16 MR. FEINMAN: I saw Gayle, too. I think
17 some folks may need to unmute their microphone.

18 DELEGATE KILGORE: Unmute while
19 we're calling the roll here.

20 MR. FEINMAN: Ms. Coleman?

21 MS. COLEMAN: Ms. Coleman's here.

22 MR. FEINMAN: Mr. Cunningham?
23 Delegate Edmunds?

24 DELEGATE EDMUNDS: Here.

25 MR. FEINMAN: Senator Edwards?

1 SENATOR EDWARDS: Here.

2 MR. FEINMAN: Dr. Ehrhardt?

3 DR. EHRHARDT: Here.

4 MR. FEINMAN: Mr. Harris? Ms.

5 Hensley? Delegate Hurst?

6 MR. HARRIS: Here.

7 MR. FEINMAN: Secretary Layne? Senator

8 Lucas? Great turnout today. Mr. Mills?

9 MR. MILLS: Here.

10 MR. FEINMAN: Senator Morrissey?

11 SENATOR MORRISSEY: Here.

12 MR. FEINMAN: Mr. Owens?

13 MR. OWENS: Here.

14 MR. FEINMAN: Delegate Rasoul?

15 DELEGATE RASOUL: Here.

16 MR. FEINMAN: Ms. Ratliff?

17 MS. RATLIFF: Here.

18 MR. FEINMAN: Secretary Ring?

19 SECRETARY RING: Here.

20 MR. FEINMAN: Senator or rather Mr.

21 Shell?

22 MR. SHELL: Here.

23 MR. FEINMAN: Mr. Shelton?

24 MR. SHELTON: Here.

25 MR. FEINMAN: Mr. Spiers?

1 MR. SPIERS: Here.

2 MR. FEINMAN: Mr. Sutherland?

3 MR. SUTHERLAND: Here.

4 MR. FEINMAN: Delegate Tyler? You
5 have a quorum, Mr. Chairman.

6 DELEGATE KILGORE: Thank you. And
7 first of all before we approve the minutes, let me welcome our
8 new members. Senator Edwards, Senator Morrissey, and
9 Senator Lucas. Welcome on board the Tobacco Commission.

10 UNIDENTIFIED: Thank you.

11 DELEGATE KILGORE: And at this time,
12 we have the 5/18/20 minutes, which was published, which
13 are published on your website. Could I have a motion to
14 approve those minutes?

15 UNIDENTIFIED: So moved.

16 UNIDENTIFIED: So moved.

17 DELEGATE KILGORE: I have a motion
18 and a second to approve those minutes. Any discussion on
19 those minutes? All those in favor say aye. (Ayes.) Any
20 opposed? (No response.) That motion carries.

21 MR. FEINMAN: Mr. Chairman?

22 DELEGATE KILGORE: Yes.

23 MR. FEINMAN: If I could have just as
24 some housekeeping, if you could recognize the Deputy Director
25 just to lay out some digital ground rules that may speed the

1 meeting along.

2 DELEGATE KILGORE: That would be
3 great.

4 MR. SORRELL: Thank you, Mr.
5 Chairman. Good morning everyone. I am Andy Sorrell,
6 Deputy Director of the Commission. And I just wanted to lay
7 out a few of our meeting ground rules since we are doing this
8 electronically. This meeting is being recorded and will be
9 transcribed. The meeting recording will be up on our website
10 as soon as it's available. So that we can, so folks can listen
11 and see what the meeting was, what occurred during the
12 meeting. All participants are unmuted at the beginning of the
13 meeting. Then folks will be returned to mute if there is a lot of
14 background noise or any disruptions or things like that. If it
15 occurs repeatedly, then we might need to remove the people or
16 person from the meeting, but they can join back in if need be.

17 Public comments will be provided at the
18 end of the Commission meeting. If a member of the public
19 desires to address the Commission on any of the agenda items
20 or anything not on the agenda, please reserve your questions
21 until this portion of the meeting. The meeting moderator will
22 ask for comments from the public at this time. And you can
23 either use the raise your hand feature on WebX or put a
24 comment in the comment box or just speak up. At the end,
25 we'll make sure to address you. When it is time for public

1 comment, please state your name and your location and the
2 organization you represent and try to keep your comments to
3 about two minutes so that everybody has a chance. That's all
4 I have.

5 DELEGATE KILGORE: Thank you, Andy.
6 And now moving forward to the agenda. Evan, did you have
7 another housekeeping matter before we moved on to Southside
8 Economic Development Committee?

9 MR. FEINMAN: No, Mr. Chairman. I
10 think the Commission is ready to hear Mr. Owens' report.

11 DELEGATE KILGORE: All right. We'll
12 turn it over to Chairman Owens of the Southside Economic
13 Development Committee. I understand you all had a meeting
14 this morning, is that correct?

15 MR. OWENS: Yes, sir. Southside
16 Economic Development Committee met this morning at 10:30.
17 We have two issues to go over for review. The Tobacco
18 Heritage Trail Halifax County extension to phase one project,
19 project number 3148 in Halifax County. And I move that the
20 Commission extend project number 3148 Tobacco Heritage
21 Trail project Halifax County for a six month extension until
22 November 24th, 2020.

23 DELEGATE KILGORE: Did you all have
24 discussion on that issue in your meeting?

25 MR. OWENS: Yes.

1 DELEGATE KILGORE: Any questions
2 from any members, or any members who are not necessarily
3 on that Committee? All right, do we have a motion, he made
4 the motion that we approve the six month extension on that
5 particular grant number. Do I have a second?

6 MR. MILLS: Second.

7 UNIDENTIFIED: Second.

8 DELEGATE KILGORE: All right, if you
9 can, when you second say who.

10 MR. MILLS: Robert Mills.

11 DELEGATE KILGORE: Robert Mills had
12 a second?

13 MR. MILLS: Yes, sir.

14 DELEGATE KILGORE: Robert Mills, all
15 right. Any more discussion? All those in favor of that
16 extension say aye. (Ayes.) Any opposed? (No response.) That
17 motion carries. Back to Chairman Owens.

18 MR. OWENS: Thank you. We had a
19 second project that we reviewed. Not a lot of discussion but a
20 lot of information given on it. It's Tobacco Heritage Trail
21 project number 3148, Town of Alberta. I'd move that the
22 Commission extend project number 3149, Tobacco Heritage
23 Trail project Town of Alberta until September 30th, 2020 for
24 reconsideration at the September Commission meeting when
25 new bid pricing is known and to allow time for the Town to

1 provide a proposed plan for accomplishing the Tobacco TRRC
2 approved objectives. Additionally, I move that the Town be
3 permitted to seek reimbursement for costs associated with
4 rebidding construction of the .6 mile section of the trail. So
5 moved.

6 UNIDENTIFIED: Second.

7 DELEGATE KILGORE: That was number
8 3149, is that correct?

9 MR. OWENS: That's correct.

10 DELEGATE KILGORE: Does someone
11 have a question on that?

12 MR. HARRIS: Mr. Chairman?

13 DELEGATE KILGORE: Yes.

14 MR. HARRIS: This is Frank Harris. I just
15 joined the meeting.

16 DELEGATE KILGORE: Okay, Frank.

17 MR. HARRIS: Okay.

18 DELEGATE KILGORE: Okay, any, do I
19 have a second on that motion?

20 MR. SHELL: Yes, Cecil.

21 DELEGATE KILGORE: All right. A
22 second on that. Any more discussion? All those in favor say
23 aye. (Ayes.) Any opposed? (No response.) All right. That
24 motion carries. Chairman Owens?

25 MR. OWENS: That's the end of my

1 report, Mr. Chairman.

2 DELEGATE KILGORE: That's a good
3 report Ed, thank you. Now we're going to Dr. Ehrhardt for the
4 Strategic Planning Committee and I think you all should have
5 had access, Evan sent out access to the strategic plan a
6 couple of weeks ago and again on Friday. So you should have
7 access to the strategic plan. At this time, I'll turn it over to Dr.
8 Ehrhardt.

9 DR. EHRHARDT: Thank you, Mr.
10 Chairman. Just a couple of words and I know there may be
11 some questions or discussion about the plan. First, I just
12 want to thank the Committee Secretary Ball, Ed Blevins,
13 Delegates Byron and Marshall, and particularly Evan and his
14 team. They did a lot of work in a relatively short period of time
15 to get this moving along. We were pleased to hold off on voting
16 to allow our new members to really spend some time with the
17 plan. It does represent a significant, I think very positive shift
18 for the Commission, not only in terms of the philosophy of
19 where this Commission is going but in terms of practice. And
20 I think this Committee would argue this is going to allow us
21 really to increase our impact across the footprint now and in
22 the future.

23 So just a couple of highlights before we
24 jump into any questions. I'm sure you've seen that there is a
25 real shift from grants to more lending. And you'll see that

1 there are funding priorities listed on pages five to seven. I
2 think it's important to note that those are listed in no
3 particular order. They are all important and remain important
4 to the Commission. A couple of other changes, the
5 supermajority vote on Committees and with the Commission.
6 The streamlining of Committees as you will see on page eight
7 that really allow for impact. The establishment of a
8 Commission foundation described on page eleven, really to
9 fund through grants our education and talent attraction
10 initiatives. And then finally, really taking advantage of the
11 immense talent that we have at this organization and
12 increasing the scope of work, particularly in our field offices.
13 So just some highlights to note and things that we really
14 wanted to bring to everyone's attention and I'm certain that
15 Evan will have something to add and certainly want to
16 welcome people's questions and comments, too. Evan?

17 DELEGATE KILGORE: Evan, I'll turn it
18 over to you, for your comments.

19 MR. FEINMAN: Mr. Chair, Madam
20 Chairwoman, no I think that was an excellent summary. The
21 fundamental theory behind the plan is one, whereby we
22 achieve real fiscal sustainability through a transition to more
23 lending and the ability to seek outside funding sources as a
24 result of the foundation. But the ability to do that while still
25 meeting a really critical goal of the communities that we serve,

1 which is increasing access to capital both for our constituent
2 communities and for businesses in the footprint. It's going to
3 be a really high impact change for us and one that I am
4 frankly really excited to see happen. So, you know, it's very
5 rare to be in an organization like this will get to do more while
6 also spending less. And so this is a way in which we can do
7 that and do it sustainably. So I think that's really important.
8 I really appreciate the work of the staff who really helped me
9 tremendously on this as well as with the Committee, Dr.
10 Ehrhardt, your leadership was really key in moving this thing
11 forward. And so we're happy to entertain any questions. And
12 I know that there are a number of the members of the public
13 who've dialed in to share their thoughts. This has, I've had a
14 number of phone calls and email exchanges with people who
15 are very curious about what we were doing and why. And so,
16 you know, I think a number of them are here today to share
17 those views and so maybe after we finish the Commissioner
18 conversation about it, we can open up to some comment about
19 it.

20 DELEGATE KILGORE: Evan, for the sake
21 of me and maybe some of the newer members, where is the
22 supermajority, what page is that on? I had it earlier but now I
23 can't find it.

24 MR. FEINMAN: I will pull the plan up.

25 MR. OWENS: Page seven.

1 DELEGATE KILGORE: Page seven?
2 Okay. All right, thank you Ed. All right, now go ahead, who
3 has questions, I just wanted to read that but who has
4 questions?

5 SENATOR MORRISSEY: Mr. Chairman?

6 DELEGATE KILGORE: Yes.

7 SENATOR MORRISSEY: This is Joe, I've
8 got a couple of questions.

9 DELEGATE KILGORE: Okay.

10 SENATOR MORRISSEY: Maybe Evan can
11 explain it. Evan, on page eight you talk about the new
12 committees and the third one is the Education Committee that
13 talks about the Commissions talent attraction program, TAP.
14 Can you explain that in a little bit more detail? Is that
15 available, who is this for, I mean who are we trying to attract?

16 MR. FEINMAN: Absolutely, Senator
17 Morrissey. So, the talent attraction program was established a
18 little over a year ago as a reconfiguration of the Commission's
19 work to try to ensure that the region has a higher talent pool
20 in its workforce. And while the Commission had spent many
21 years sort of providing funding one way or another in
22 forgivable loans and grants and scholarships at the front end
23 of the four year pipeline, ultimately when we got down to it
24 and we started working with members of the Education
25 Committee and the staff, we realized well what we want is to

1 buy more talented workers for the region, let's just do that.
2 Let's not try to control the pipeline that we're at the other end
3 of. So starting last year, a little over a year ago, we created a
4 talent attraction program. So we first worked with Chris
5 Chmura, working with Chmura Economics to identify the in
6 demand careers in the footprint that we were not able to fill.
7 So she did a survey across the whole region which jobs were
8 staying open for the longest. And what we found was that that
9 wound up being a set of healthcare professions, a set of IT
10 professions, a couple of different sorts of engineering, and in
11 particular mechanical and civil, as well as a set of education
12 positions, in particular STEM and special education, a few
13 other jobs, you know, occupational therapy and a few other
14 things.

15 So what we did is we created this
16 program and said if you are willing to live, work and be
17 civically engaged and we're fairly broad in our interpretation of
18 civic engagement but it can be coach little league, it can be
19 ladle soup at the soup kitchen, it can be run for county board,
20 it can be join the rotary or what have you. But you've got to
21 do all three of those things and if you do those three things,
22 then you are eligible for as much as \$12,000 a year in student
23 loan repayment.

24 We have already gotten a couple hundred
25 folks interested in the program and we're really excited about

1 what that's going to do for the workforce moving forward.
2 Both to fill the jobs but also to help support and create the
3 next generation of leadership throughout the footprint. And so
4 that's the very short version of the talent attraction program.

5 MR. MORRISSEY: Evan, a real quick
6 follow-up.

7 MS. KIM: Also, a healthcare component
8 to that.

9 DELEGATE KILGORE: Also, Stephanie
10 Kim, our Finance Director also said there is a healthcare
11 component, a healthcare area of that. We fund healthcare
12 seventy. Do you want to explain that one?

13 MS. KIM: We partner with the Virginia
14 Department of Health for a program they already have. It's
15 attracting basically primary care physicians and nurses and
16 mental health workers to the region and that's also a loan
17 repayment program as well but it is something that partners
18 with federal and state funding.

19 DELEGATE KILGORE: Senator
20 Morrissey, does that answer your question?

21 SENATOR MORRISSEY: A real quick
22 follow-up. A student is from Southwest Virginia that's
23 attending say VSU or VCU, is that person who is desirous of
24 returning to Southwest Virginia and becoming engaged like
25 you just described, Evan, is that person, can that person avail

1 themselves of this grant or loan of twelve thousand dollars?

2 MR. FEINMAN: Senator, any person is
3 eligible, regardless of where they are from or where they went
4 to school, who wants to come, live and work in the region now.
5 We do have a preference for who are returning home but we're
6 just as happy, you know, if you're from, you know Bangkok
7 and then you went to school in London and now you want to
8 live in Lee County, I think that's great. Come join us.

9 SENATOR MORRISSEY: I see, all right,
10 thank you.

11 DELEGATE KILGORE: Thank you. Any
12 other Commissioners questions on the strategic plan and then
13 I'll get to the public?

14 SECRETARY RING: This is Bettina. I
15 have a few comments.

16 DELEGATE KILGORE: Yes.

17 SECRETARY RING: So, first I'd like to
18 commend your effort. I know that sometimes strategic
19 planning can be quite the challenge, especially to get people
20 excited about it. And so I appreciate everyone that
21 participated and for your leadership in pulling this together. I
22 think there are some things that we really, you know, I think
23 will make a difference in the future as it relates to governance,
24 as the way we're going to hold meetings moving forward,
25 looking at how we can make sure that we're financially

1 sustainable, the programs that we have as well as the
2 Commission. So I applaud your efforts there.

3 I do have just some questions around
4 some of the streamlining recommendations that you made and
5 also understand we have limited resources and need to make
6 the most of the staff that we have. I do think it's really
7 important that we, you know, that we never forget who
8 brought us to the dance, if you will. We always remember our
9 roots and that we build on sort of the past, knowing where we
10 are right now and where we want to be in the future. And so I
11 think we do have a bright future as long as we put the right
12 processes in place, the right policies and we have strong
13 leadership on the Commission.

14 But I know in looking at condensing some
15 of the Committees that we've had, I do have a little concern.
16 So I just want to have some dialogue around the fact that we
17 are looking at streamlining and condensing into the two
18 regions, so we have that and that certainly makes sense on a
19 number of levels. But I know that agriculture being our
20 number one industry has always been an important part of
21 the Tobacco Commission, trying to find alternative sources for
22 our farmers, for the industries, we make a shift away from
23 Tobacco throughout the state. We still certainly do have some
24 tobacco but making shifts there. And that we're looking
25 across the board at many different types of economic

1 development.

2 Thinking about how different our Ag
3 projects are and I see this all the time with our AFID grant
4 program. For those of you that may not be familiar with that,
5 it was established back in 2012 and I do want to give a shout
6 out to Secretary Haymore that really saw where projects were
7 falling through the cracks with some of our other economic
8 development tools at VEDP and in the state. And so putting
9 this program in place has allowed us to fund a number of
10 projects across the state and a number of those have actually
11 been, we've been able to leverage money with the Tobacco
12 Commission to make a huge difference. You just saw the blue
13 ribbon extraction project announced in Halifax County for
14 more markets for farmers for hemp and so we're really excited
15 about that project. And we were leveraging AFID dollars as
16 well as Tobacco Commission dollars.

17 Last week I was at a ribbon cutting for
18 Richlands Creamery, also a really important project that I
19 could go on and on about. But just retaining that farmland,
20 keeping it in the family, changing the business model for that
21 dairy farm and what they've been able to do with that new
22 creamery. So they were celebrating their one year anniversary
23 and grand opening, and that wouldn't have been possible
24 without funding with the Tobacco Commission leveraging that
25 with AFID funding.

1 And so as we move forward, if we do
2 consolidate and move in this direction, I am worried a little bit
3 about Ag projects being able to compete or being apples and
4 oranges. And if we move forward and agree to do this, how do
5 we make sure that we're all on level playing, you know, it's a
6 level playing field and we don't lose the great projects we've
7 been able to fund in the past. It doesn't mean that we don't
8 move away from research and some of the other concerns that
9 have been brought forward that you've addressed in the
10 strategic plan. But if we no longer have that Agribusiness
11 Committee in place, how do we ensure that agriculture is able
12 to compete with all the other important needs that we have.

13 MR. FEINMAN: Certainly. Well, thank
14 you Secretary Ring and I think we've had some good Ag
15 secretaries in the past, we've got a great one right now but I
16 don't want to take the eye off of that ball. In my tenure here,
17 I've only ever increased the budget in my proposed budgets for
18 the Agribusiness Committee when it existed. I think while you
19 are right that there is a potential danger by rolling the
20 Agribusiness projects into the Southern or Southwest
21 Committee's purview, frankly I think this will be to the benefit
22 of the projects.

23 One of the reasons that we want to
24 streamline is not merely a recognition of dividing the pie up
25 into smaller slices is not always satisfactory but also

1 recognizing that dividing the budgets in that way presupposed
2 that we would be able to determine ahead of time where the
3 stronger, where the larger volume of strong projects would be.
4 And so many is the year we would put a million and a half or
5 two million dollars in the Agribusiness budget and have to say
6 no to a number of excellent agribusiness proposals.
7 Meanwhile, somewhat weaker proposals would find their way
8 through other committees when those budgets would have
9 been better applied to those agribusiness projects.

10 And so I think in the level playing field
11 that is the regional committees, my strong suspicion is that
12 the agribusiness projects will rise to the top because their
13 economic impact tends to be larger. They have the ability to
14 leverage significant improvements both in terms of, well you
15 know all the benefits of an Ag project. But the increased
16 producer income plus the increased tax benefits plus the
17 potential for systemic improvements in our largest industry
18 should see those projects rise to the top in their evaluations in
19 the Southwest and Southern Virginia Committees. And so I'm
20 happy to assure you at the staff level that we will continue to
21 focus on developing and bringing forward really strong Ag
22 projects for those committees.

23 And if you would get more deeply
24 involved, I would commend your pursuit of the chairmanship
25 or vice-chairmanship of one or the other committees and you

1 can work with us to ensure that that's the case or certainly,
2 you know, your designee Brad or whomever else. We welcome
3 deeper engagement all the time.

4 DELEGATE KILGORE: I would say that I
5 think a lot of us share your concern about the agriculture. I
6 know that I received a bunch of calls on it myself. So I think
7 we share your concerns and I think that, I'm glad that you
8 brought it up.

9 SECRETARY RING: So perhaps there is a
10 way, you know, if we do decide to move forward and moving in
11 this direction that we evaluate after a year or so that we have a
12 way to look at making, wanting to make sure that we are
13 providing the outreach and everyone knows they are eligible
14 for all these grants. So that no one slips through by not
15 applying in the first place. Also, I know a number of these
16 have been grants versus loans. And as we move more in the
17 direction of loans to be more self-sustaining, we need to think
18 about that, too, to make sure that we can provide the match
19 where needed; that we are able to have applicants that can
20 repay those loans. So I think there are a number of factors
21 that we want to just make sure that we are thoughtful about
22 and intentional about as we move.

23 DELEGATE EDMUNDS: Mr. Chairman,
24 Delegate Edmunds.

25 MR. FEINMAN: We welcome, sorry, who

1 was that?

2 DELEGATE EDMUNDS: James
3 Edmunds.

4 DELEGATE KILGORE: Hey James.

5 DELEGATE EDMUNDS: Hey. Just one
6 comment to kind of echo Bettina's comments. Can you hear
7 me okay?

8 DELEGATE KILGORE: Speak up just a
9 little bit louder.

10 DELEGATE EDMUNDS: I just want to
11 echo Bettina's comments, Secretary Ring's comments. And,
12 you know, the loans versus the grants, I think you will see a
13 lot less entrepreneurship and venture, I would say you know,
14 projects that are only going to be through loans, you know,
15 farmers, individuals just don't have, always have, don't want
16 to take the risk that would be often rewarding for agriculture
17 industry if it's in the form of a loan. So I just personally I hate
18 to see the Commission become nothing more than a bank.

19 DELEGATE KILGORE: I think Evan you
20 can, I think I had a conversation with the Executive Director.
21 I think that it's not necessarily that we're going to all loans. I
22 think that we are going to be doing some grants in certain
23 areas because, you know, some of those are going to require
24 grants to either land the prospect or get the investment we
25 need, am I right on that Evan?

1 MR. FEINMAN: Yes, sir, Mr. Chairman.
2 And Delegate Edmunds, I agree. I would not want to see the
3 Commission become only a lender. And in fact, we're not
4 talking about taking resources that we would have applied to
5 grants and making loans with them instead. Rather, what
6 we're talking about is taking the significant amount of assets
7 that we already have that are currently in the treasury and
8 getting us, you know, a fair to mediocre return, you know,
9 some years below one percent and replacing them with
10 secured debt at a higher interest rate. And so we have those
11 resources right now that are frankly not doing much for us or
12 the region. And so that's why I said it's one of those rare areas
13 where we get to do more without spending more. We're going
14 to continue to make grants at the rate we are able to with our
15 earnings the way we would have anyway. The difference is
16 we're going to take the corpus and we'll be able to access that
17 for lending to businesses and communities as well. So to my
18 mind, this is one of those very rare win-win where we get to
19 lend something out at three to five percent instead of the one
20 percent we're getting in the treasury with money that would
21 otherwise have just been sitting in the bank getting us that
22 one percent.

23 And so, that is the real advantage of this
24 approach. And long term, it's our hope that in fact we will be
25 able to grant more dollars on a per year basis as a result of

1 this direction because we'll actually be starting to get some
2 earnings in the door and we'll have more resources to give out
3 in the form of grants.

4 DELEGATE KILGORE: Do other folks
5 have comments from the Commission?

6 MR. MILLS: Mr. Chairman, this is Robert
7 Mills.

8 DELEGATE KILGORE: Robert.

9 MR. MILLS: And I share a lot of the
10 concerns of some of the colleagues especially in the Southside
11 and Southwest areas when it comes to agricultural projects.
12 But my question is, in the past you've had counties that have
13 had basically allocations that were theirs that if their grant
14 met an approval, they could get the money. Is that allocation
15 per county still in place now on the new strategic plan? I can't
16 figure it out.

17 MR. FEINMAN: Yes and no. So the really
18 short answer is folks who've built up an allocation balance will
19 continue to be able to rely on that balance for those
20 communities. But moving forward, the Southern Virginia
21 Committee because it's taken on the work of so many other
22 committees, you know Special Projects, R&D and
23 Agribusiness, will have a single pot from which it makes
24 grants to the full southern Virginia region.

25 MR. MILLS: All right and so that makes

1 me, that does actually make me feel a little bit better about the
2 Agribusiness side because I know a lot of the counties and
3 their boards of supervisors look at that as their money. And a
4 good agricultural project for a county, it would make a good
5 economic impact, the counties in certain areas were not
6 sharing of that money to those economic development
7 interests. And so the only option they had was Agribusiness
8 because they couldn't get those Southside Economic dollars
9 and possibly some in the Southwest as well. So that does
10 make me feel a little bit better because that was the only home
11 that a lot of the agricultural opportunities had was through
12 Agribusiness and not through Southside or Southwest
13 Economic Development. So that does answer one of my
14 questions. But believe me, people are watching, especially the
15 agricultural community as to see what our Commission is
16 going to do moving forward when it comes to agricultural
17 grants. So we just need to be mindful of that.

18 MR. FEINMAN: Mr. Chairman, I'm happy
19 to invite Mr. Mills and Secretary Ring and any other person
20 who is an observer, I strongly suspect you will see in the
21 coming year between the Southern and the Southwest
22 Committees, a larger investment in agriculture than you saw
23 the last year from us. I really think the strength of those
24 projects is such that they will prosper in the new environment.
25 And, you know, I have little concern about that but hold me

1 and my team accountable. We will bring forward and we'll
2 make sure there is enough projects there that we keep our
3 level of support for the agriculture community strong.

4 MR. MILLS: Thank you, Evan, I
5 appreciate it and I hope that is the case.

6 SENATOR MORRISSEY: Mr. Chairman,
7 this is Joe again. Can I ask a question?

8 DELEGATE KILGORE: Yes, Senator
9 Morrissey, yes.

10 SENATOR MORRISSEY: Listen, I'm
11 brand new but I'm trying to learn and I read and I appreciate
12 that TRRC document that was sent to us. Can you, the
13 previous speaker used the words money in the treasury and
14 corpus, was that person talking about the original endowment
15 of \$430 million when he used those words? That's my first
16 question.

17 MR. FEINMAN: Yes, Mr. Chairman. So,
18 Senator Morrissey, our funds by statute when they are not
19 deployed in some fashion are kept in the treasury and invested
20 by the treasury board. And, you know, they take a very, very
21 conservative approach and in instances of downturns that has
22 been somewhat to the Commission's benefit. But over the
23 lifetime of the Commission, the earnings have been very low.
24 And when you've got a fund with the balance that we have,
25 that's really leaving millions of dollars on the table. So our

1 theory is to utilize our ability to access our funds to deploy
2 more of them in revenue positive ways but that also meet
3 significant business needs. And so I can tell you, we at the
4 staff level field inquiries from businesses and communities
5 that need often relatively short-term loans and would be
6 willing to pay us an interest rate, you know, if we offer it as we
7 plan to offer loans at an interest rate that's below market but
8 still not significantly below market, we find that we can meet a
9 really significant need, whether it's for an inventory loan for a
10 business or it's for a water school loan for a locality that
11 simply doesn't rise to the dollar amount that it would make
12 sense for them to issue bonds. In either instance, we can help
13 them while helping ourselves. And that's the core idea.

14 SENATOR MORRISSEY: A follow-up
15 question, Mr. Chairman. How much of that \$430 million is
16 being utilized right now in helping agribusiness or any entity
17 and how much of that is being managed by, I guess,
18 professional money managers similar to, I guess, what VRS
19 does? I'm trying to wrap my head around this number.

20 MR. FEINMAN: Sure. Mr. Senator, I
21 don't know that I can speak really deeply to the internal
22 operations of the treasury. I know June Jennings the Deputy
23 Secretary of Finance has joined us as Secretary Layne's
24 designee. But so June please correct me if I'm saying
25 anything wrong here. But the treasury board assigns staff,

1 many of whom are themselves expert money managers to
2 invest all of the funds that the treasury has in any given year.
3 Of the four hundred and some million that you are describing,
4 that's our total assets. Some of that is obligated, some of that
5 is not, but all of that is in the treasury if it's still in our
6 accounts at all. And so the idea here is to take some of that,
7 and when it's sitting in the treasury, it is merely sitting in the
8 treasury. It is not, you know, until it leaves our balance sheet
9 as a grant or a loan, it's doing nothing to support any
10 industry. And that's part of the idea is to leverage that asset
11 that we have in a given year. So we make a budget every May
12 for our forthcoming fiscal year and that budget includes an
13 amount that we're going to be able to make in grants. And
14 then the remainder of our corpus, which is split up a couple of
15 different ways, but all of our principal otherwise sits in the
16 bank and earns, in the treasury and earns us a certain
17 amount of money.

18 MS. KIM: We do, this is Stephanie, we do
19 quarterly drawdowns from investments to the General Account
20 so that we can disburse. So as we make disbursements, we
21 pull down money from investments to have the cash flow to
22 make the disbursements. But our grants often take three to
23 four years to actually be disbursed. So once we make the
24 grant, the money may not go out immediately.

25 SENATOR MORRISSEY: So last question,

1 what was the return last year on the endowment, which is
2 somewhere in the neighborhood of \$430 million, and the
3 return including the money that was left in the bank or
4 treasury and earned interest, the money that was invested by
5 professional managers and the return on, the interest that was
6 paid on loans? What dollar amount did the, was returned last
7 year of that \$430 million endowment?

8 MR. FEINMAN: Stephanie, so Senator,
9 the woman who was just speaking to you was Stephanie Kim,
10 our Director of Finance and as I see her seem to be typing, she
11 may be getting that specific figure for you now. I can tell you,
12 I've been now with the Commission, Governor McAuliffe asked
13 me to come over in 2015 and we have never earned more than
14 about 2.2%, was I think the high water mark from a
15 percentage standpoint. And so the earnings have never
16 exceeded inflation.

17 MS. KIM: Right. I don't have the exact
18 percentage return but I can tell you when we transfer the
19 annual earnings from treasury, it's from March through
20 February of each year, so that we can fund the following year's
21 budget and we transferred about twelve million for this coming
22 fiscal year's budget. So quick back of the napkin math.

23 SENATOR MORRISSEY: Okay, all right.

24 MR. FEINMAN: About 430.

25 SENATOR MORRISSEY: So that's about

1 two and a quarter percent. All right, thank you. Terry, I
2 apologize if my questions are naïve. I'm a new member and
3 I'm trying to figure out things as I go along. So thanks for –

4 DELEGATE KILGORE: You're just doing
5 your job. I appreciate it, no problem. Okay. Other questions
6 from Commissioners? Chairman Owens?

7 MR. OWENS: --- drawing down fifteen
8 percent and using four percent of it for operations,
9 administration fees and then the other eleven percent for
10 loans, is that what I'm reading here?

11 MR. FEINMAN: Yes, sir, Mr. Owens. So
12 the idea now is what we have been doing for the last several
13 years has been only taking that four percent, which was able
14 to, which significantly reduced our unsustainable spending.
15 And so that's been the way in which we budgeted the last
16 couple of years. What we're doing instead though rather than
17 leave that other eleven percent in the bank, now we'll be
18 setting that aside for the purpose of making loans. So year
19 over year over year, we'll be taking between ten and eleven
20 percent of our corpus out of the bank and deploying it in
21 higher earning loans. And again, you know, we're working
22 right now to develop the specific guidelines for that. But our
23 plan for that lending component is for it to be very, very, very
24 low risk; either loans that have the moral obligation of one of
25 our communities behind them, or loans that are immediately

1 collateralized with a multiple of the amount sought. So and
2 these are back of the envelope because we have yet to fully
3 develop the guidelines, but you could imagine a company that
4 needed a million dollars for an inventory loan, you know, we'd
5 put a lien on say three million dollars or three and a half
6 million dollars of equipment to secure that million dollar loan,
7 even though it would be for a relatively short time.

8 MR. OWENS: Follow-up, Mr. Chairman.

9 DELEGATE KILGORE: Yes.

10 MR. OWENS: On another note here,
11 what is the implementation for this, I mean what is the date, if
12 we pass it today, when do we start actually living by those
13 rules?

14 MR. FEINMAN: Well, Mr. Chairman,
15 you've adopted a budget for the upcoming fiscal year, so that I
16 think will, that was in keeping with the guidelines I identified
17 here. But you know, I would say it's operative from the moment
18 you and I'm looking at Liz here as counsel, I believe the moment
19 you adopt the strategic plan, it's your strategic plan and so
20 you're obliged to follow it. I see Liz nodding. And, you know, in
21 terms of getting the lending program set up, my hope is to do
22 that as quickly as possible. And so, you know, being optimistic,
23 I'd like by the end of the summer to have all of those guidelines
24 ready for everybody and be able to start making some loans. I
25 know that as we are slowly emerging from this pandemic, I

1 would hate not to be able to support our economy getting
2 started again. I think the loans are going to be a big part,
3 particularly for those businesses that are going to need to get
4 their inventory back and rehire some folks and maybe bring in
5 some new equipment to meet demand. Access to capital that
6 we can offer can be really, really, really important for getting
7 everybody going again. So I hope by the fall to have disbursed
8 an awful lot of these loans.

9 MR. OWENS: One of the last things I'm
10 going to ask at this point, what does the term supermajority
11 mean?

12 MR. FEINMAN: So we describe that in
13 detail in the proposed bylaws revision. But so it is not
14 specifically defined in the plan but in the bylaws what we say is
15 a two-thirds vote of the quorum.

16 MR. OWENS: Okay.

17 DELEGATE KILGORE: So it's a two-
18 thirds, not a three-fourths on a supermajority, right?

19 MR. FEINMAN: Yes.

20 DELEGATE KILGORE: Okay.

21 MS. MYERS: Statutorily, three-fourths of
22 the vote of a committee –

23 DELEGATE KILGORE: Liz, you went out
24 on me there.

25 MS. MYERS: Sorry, I muted and then

1 unmuted immediately. Statutorily, three-fourths vote of the
2 Full Commission is required for that fifteen percent corpus
3 invasion. That's not necessary for the adoption of a strategic
4 plan. That's the actual budget. I just want to make sure that
5 was clear.

6 DELEGATE KILGORE: So we're at two-
7 thirds and I know that corpus invasion that's set by something
8 else, that's three-fourths.

9 MR. FEINMAN: That's in the Code.

10 DELEGATE KILGORE: That's in the
11 Code, right.

12 MS. MYERS: Correct.

13 DELEGATE KILGORE: Thank you, Liz.

14 MR. OWENS: Thank you.

15 DELEGATE KILGORE: All right, other
16 questions from Committee members?

17 DELEGATE RASOUL: Mr. Chairman?

18 DELEGATE KILGORE: Yes.

19 DELEGATE RASOUL: This is Sam
20 Rasoul.

21 DELEGATE KILGORE: Hey, Sam.

22 DELEGATE RASOUL: Just a question,
23 Mr. Chairman.

24 DELEGATE KILGORE: Sure.

25 DELEGATE RASOUL: Mr. Chairman and

1 maybe this question for Evan but I imagine for us newer
2 members who are trying to learn how staff goes through and
3 makes recommendations and brings in a variety of information
4 with which to evaluate a project, I'm not sure if there is a
5 scoring matrix that is used internally. I would imagine so as
6 the staff seems to do a great job of evaluating these projects.
7 So my question is, how does this evaluation process,
8 specifically with regards to the weighting and scoring of
9 certain projects and the pieces, how is that altered now
10 during, with the adoption of the strategic plan? And
11 specifically to Secretary Ring's point, is there any component
12 of the scoring that actually brings in those strategic priorities,
13 which include agribusiness?

14 MR. FEINMAN: Yes, Mr. Chairman,
15 Delegate Rasoul. First I want to say for all of our new
16 members, I apologize that this is the way you're having your
17 first meeting. Under normal circumstances, we would have
18 had an onboarding session in person for all of you all ahead of
19 these meetings happening. It would have been the day before,
20 the morning of and so a lot of this stuff just in a normal
21 circumstance would have happened a different way. But, you
22 know, we will continue to try to be as responsive to you all as
23 possible as we can. So that's just sort of a general table
24 setting piece I wanted to note.

25 But then in specific, yes, so the way in

1 which projects are evaluated, there are a number of different
2 metrics that we gather from applicants. And those metrics
3 widely vary depending on the project. So, you know, you can
4 imagine the sorts of metrics that we might look at for a hotel
5 project differ pretty significantly from the sorts of metrics we
6 might look at for a hemp processing facility or, you know, or
7 an industrial site renovation or acquisition. And so relevant to
8 each of those project categories, we have a set of metrics that
9 we take in. And then the grants team will start first, the
10 regional field office director will evaluate a grant, then the
11 grants program manager will evaluate a grant. They will come
12 together and synthesize their views. Then the grants program
13 manager will come to me. I will make my evaluation of the
14 grants. I will then take into account and synthesize the
15 grant's teams' views of the grants with mine. We'll talk it
16 through and then we bring the relevant committee chairperson
17 in and do the same with them before we issue written staff
18 recommendations and guidelines.

19 At that point, the staff recommendations
20 go out to the public and so all the members of the Committee
21 as well as all the members of the Commission and the public
22 see those, usually at least a week before the Committee meets.
23 And then the Committee makes their decisions. And the
24 Commission and its constituent subcommittees can hopefully
25 do the opposite of what the staff recommends, it can do

1 exactly what the staff recommends or anything in between.
2 But one of the things that we are hoping to do in this plan is
3 to recognize that, you know, often in particular our field staff
4 will have spent literal dozens and dozens and dozens of hours
5 on an individual grant, working with the grantee and so we do
6 want to elevate, when the Commission decides to deviate from
7 the recommendation of the professionals on our team that you
8 guys are doing that fully cognizant of the fact of that deviation
9 and that more than a bare majority need to be there to sort of
10 set aside the professionalized approach. That's not to say we
11 always get it right. We certainly don't and we welcome, you
12 know, the burden of ultimate decision falls on the
13 commissioners. But, you know, when we look at other grant
14 programs around the Commonwealth, they tend to rely very
15 heavily on professional staff. We wanted to make sure that we
16 were at least operating in a similar vein.

17 DELEGATE KILGORE: And sometimes
18 Delegate Rasoul, something might come up between the time
19 that staff looked at it, some new information that the full
20 Commission may have knowledge of and may be brought to
21 staff's attention that may change what staff would or what
22 they recommend and so sometimes that comes up. Any other
23 questions from the Commission members before I go to the
24 public?

25 MS. COLEMAN: Mr. Chairman, this is

1 Becky.

2 DELEGATE KILGORE: Hi, Becky.

3 MS. COLEMAN: Hi. So I see this year we
4 will maintain a four percent budgetary corpus invasion from
5 which grants will be made, is that correct? Right, the grants
6 will come from that. That amount declines over the next three
7 years to one percent from which grants will be made. And I
8 see that in 2024, we expect to have a string generated from
9 our loan portfolio, from which we can make grants again. So
10 do we actually have to go down to one percent before we can
11 start filtering in the return from our loan portfolio and make
12 grants?

13 MR. FEINMAN: Mr. Chairman, Ms.
14 Coleman, I don't ever anticipate, as soon as we get money in
15 the door, we put it back in the general account and it can be
16 budgeted back out. So we wouldn't be setting it aside until
17 then. I also note the Committee was careful to add that that is
18 a target. So we're not at this point, you know, that target
19 relies on the assumption that this is going to go well and we're
20 going to generate a lot of new revenue. If, however, that isn't
21 the case by using that language to say we're setting a target of
22 declining, four percent, three percent, two percent, one
23 percent, and then truly sustainable grant making moving
24 forward, the Commission will have some wiggle room in there
25 under the existing language. And, of course, we redo our

1 strategic plan every two years. So we will have the opportunity
2 to rewrite this in two years if our predictions of the future turn
3 out to be inaccurate.

4 MS. COLEMAN: Okay, thank you.

5 MR. OWENS: Mr. Chairman?

6 DELEGATE KILGORE: Yes.

7 MR. OWENS: What is the administrative
8 cost now? Is it a half a percent of the –

9 DELEGATE KILGORE: Administrative,
10 Evan?

11 MR. OWENS: Yes, what's our
12 administrative?

13 MR. FEINMAN: To clarify, just the cost of
14 carrying the staff?

15 MR. OWENS: Yes.

16 MR. FEINMAN: And our offices and all
17 that? Stephanie, what was our admin cost for the prior year?
18 The annual piece of it?

19 MS. KIM: It's over two million, I'm trying
20 to pull up the budget.

21 MR. FEINMAN: Staff salaries, office,
22 travel, et cetera.

23 MS. KIM: Commission meetings are kind
24 of the biggest expense.

25 DELEGATE KILGORE: We've not been

1 having those.

2 MR. FEINMAN: No, it's way less
3 expensive to do it this way, than to get all of you all together
4 and reimburse you for your time and mileage.

5 MR. OWENS: You mean I'm not getting
6 reimbursed for my time? Come on, no I'm just kidding.

7 MS. KIM: The approved administrative
8 budget was \$2.46 million.

9 MR. OWENS: What percentage of the
10 drawdown is that?

11 MR. FEINMAN: Of our total assets, that's
12 about half a percent.

13 MR. OWENS: I mean the drawdown
14 every year.

15 MS. KIM: If we're withdrawing fifteen
16 percent corpus, so that was \$29.8 million.

17 MR. OWENS: Okay. If we ever get to one
18 percent, that's going to make a decision on whether we have
19 administration or grants, is that correct?

20 MR. FEINMAN: Well, no.

21 MS. KIM: We will also have revenue.

22 MR. FEINMAN: Yes, so to be clear, when
23 we talk about reducing the amount we're drawing down, that's
24 not inclusive of our new earnings. And so the hope is that by,
25 you know, I think of this as playing offense, by heading out

1 there and making these loans aggressively as well as and I
2 don't think that this should be overlooked, as well as creating
3 the outside foundation and bringing on development staff to
4 bring in gifts, bequeathments and other grants, my hope is
5 that you all's grants budget is going to go up, not down. And
6 so the reason we're declining the amount over the next four
7 years that we'd be pulling in of our principal is that our
8 earnings should go up and we should never, you know, in the
9 long term, my hope is that five years from now that principal
10 number only goes up and that you all's earnings on your
11 principal is sufficient that you are able to grow the amount
12 you are granting every year while growing your principal.

13 MR. OWENS: What is VRA costing us
14 now for the loan?

15 MR. FEINMAN: We pay hourly for VRA
16 staff to administer the loans. And with an MOA, which it's a
17 pretty good deal. Stephanie, do you recall exactly what we are
18 paying VRA per hour? You are muted, Stephanie.

19 MS. KIM: Okay, sorry, it's a very
20 complicated formula where they allocate our share out of the
21 multiple loan programs. So when they send us invoices, it is
22 person by person. So there's not like a specific hourly rate
23 and I can look up how much we've paid them to date but it is,
24 yeah, it's not a straight out hourly rate.

25 MR. FEINMAN: I will report that it's been

1 a pleasant surprise. We expected to wind up paying more but
2 our colleagues in state government over at VRA have been very
3 accommodating of our needs and are excited about this
4 deepening of our relationship.

5 MR. OWENS: I'll try to make this my last
6 question here so we'll move on, if it's okay, Mr. Chairman?

7 DELEGATE KILGORE: Oh, go ahead.

8 MR. OWENS: In some small
9 communities that don't have economic development offices or,
10 is there anything that we've done to make sure that they are
11 able to play on the same field as some of these larger
12 communities?

13 MR. FEINMAN: Two things, Mr.
14 Chairman. The first is we recognizing that that level of
15 capacity varied really significantly between our different local
16 governments, we directed annual funding support to our
17 regional economic development organizations, which has given
18 them an awful lot of breathing room. We also, as a matter of
19 course, will make use of Commission resources if they need,
20 you know, as we have in the past, if a prospect needs, has a
21 shorter period of time to visit, we will secure the state plane for
22 that CEO or whomever provided, you know, if they are offering
23 a big enough project.

24 The second thing that we do is in this
25 plan we specifically call out the fact that there is no real

1 analogue for the level of expertise that exists in our regional
2 offices. And by making explicit that a portion of each officer
3 director's time shall be devoted toward project development
4 and project support. That's previously been something they
5 were doing but it was not an explicit job duty. Now, by saying
6 to Sarah Capps and Sara Williams and their teams, look we
7 want you all to spend a double digit percent of your time out
8 in support of developing these projects, particularly for
9 communities that may not have the staff to do it themselves.
10 That should also help to support our smaller staffed
11 communities.

12 MR. OWENS: Thank you.

13 DELEGATE KILGORE: Now to public,
14 anybody from the public have a comment?

15 MR. SORRELL: Mr. Chairman, this is
16 Andy. I just wanted to note that Commissioner Barts had a
17 question that she couldn't, her mike wasn't working. But she
18 wanted to know how does the strategic plan impact future
19 investments for the megasite program.

20 MR. FEINMAN: As with anything else,
21 you know, each megasite project will need to come before the
22 relevant committee. And so it will be evaluated on its merits
23 depending on what the specifics of the project are. I will say,
24 you know, we've gotten a number of the megasites that we
25 previously identified to work on into pretty good shape. So,

1 you know, you think about places like Maymac or Berry Hill,
2 you know, they are almost ready --- but you know, similarly I
3 think we've got a very strong set of metrics around site
4 improvements and there's a lot of really good scholarship
5 coming out of VEDP, coming out of the private sector. So
6 when those improvements come before us, if it's a well-
7 designed site improvement that will score well.

8 DELEGATE KILGORE: All right. Now, to
9 the public. Any public comment on the strategic plan?

10 MR. MANLEY: Mr. Chairman, this is
11 David Manley. I've got a comment if it's an appropriate time.

12 DELEGATE KILGORE: Sure, go ahead.

13 MR. MANLEY: Thank you. Good
14 afternoon, Mr. Chairman, members of the Commission.
15 Thank you for an opportunity to comment. As I mentioned,
16 I'm David Manley, I'm Executive Director of the Joint IDA in
17 Wythe County and I'm in Wytheville today. I'll preface my
18 comments by saying that strategic planning is a heavy lift, no
19 matter the organization. So I applaud your efforts in
20 undertaking this important task.

21 I do have three areas of concern I'd like to
22 bring to your attention, however, after reviewing the plan.
23 First I would align myself with the comments of Secretary
24 Ring, the elimination of Agribusiness as a standalone
25 committee, I think, may serve just to kneecap the efforts that

1 and in any way reduce the amount of grant funding the
2 Commission will be laying out. The direction that the
3 Commission is discussing is about grants and leaving funds in
4 the treasury to earn us one percent or grants and lending
5 money out of the treasury to earn us a greater amount. The
6 volume of grant work that the Commission would do does not
7 decline relative to what it would have been doing anyway
8 under this plan. It is more about leveraging the tools that
9 we've got in the form of funds sitting in the treasury rather
10 than continuing to have them, you know, frankly languish
11 there. I think we've had a lot of conversation about the
12 agribusiness proposals. I continue to believe that by rolling
13 agribusiness work into the two regional committees, the
14 agribusiness project will have access to a larger pool of capital
15 from which to compete. Agribusiness is a standalone
16 committee has only gotten between one and two million dollars
17 a year for the last couple of years. I think we could see more
18 funding for agribusiness projects by giving them access to
19 these larger, better funded committees.

20 And then finally TROF will continue to be
21 TROF. The TROF grants will continue to move out. There is
22 no proposed change to the TROF program here other than to
23 add alongside it the opportunity for folks to pursue loans.

24 DELEGATE KILGORE: And Evan, would
25 you still have an opportunity to, if a big project came to pull

1 the Commission together and finding necessary resources to
2 fund a big project?

3 MR. FEINMAN: Yes, Mr. Chairman. If a
4 whale is spotted, we've still got plenty of harpoons.

5 DELEGATE KILGORE: Anyone else from
6 the public that would like to be heard on the strategic plan?

7 MR. KILGORE: This is John Kilgore with
8 Scott County Economic Development. I've been working with
9 the Commission and I appreciate your work on strategic
10 planning. I've been working with the Commission since 2002,
11 I think that was the first grant that I started working on. And
12 I appreciate what you're doing and what you've done for the
13 region. I tend to agree with David on what he outlined. I have
14 learned since we're an agriculture county that you can
15 compete with other like businesses. I think the Commission
16 was brag money and I think if we go away from that, then
17 we're not really highlighting those Ag businesses. Even
18 though we say we will in the Southwest, we're not putting a
19 title on it out there saying agriculture. So that's all I say and I
20 tend to agree with David on the other issues as well. Thank
21 you.

22 DELEGATE KILGORE: Thank you.
23 Anyone else from the public? All right, hearing none, going
24 back to the Commission discussion. Dr. Ehrhardt, did you
25 make, I don't think you made a motion to approve this?

1 DR. EHRHARDT: I didn't, but I'm happy
2 to do that if you're ready for it.

3 DELEGATE KILGORE: I mean yeah, if
4 that's your, yeah, go ahead and do that. And then we can
5 have some discussion if necessary.

6 DR. EHRHARDT: That sounds great.
7 The motion is that the Commission accept the Strategic
8 Planning Committee's recommendation. That the Commission
9 approve the TRRC Strategic Plan for fiscal year 2020 through
10 2022 dated May 2020.

11 DELEGATE KILGORE: Okay, is there a
12 second?

13 DELEGATE HARRIS: I'll second it.

14 DELEGATE KILGORE: Who was that, so
15 we get the record right?

16 DELEGATE HARRIS: Frank Harris to get
17 it on the board, to get it on for discussion.

18 DELEGATE KILGORE: Okay, thank you.
19 Thank you, Frank. I'm having trouble hearing here on my
20 computer.

21 DELEGATE HARRIS: Okay.

22 DELEGATE KILGORE: Thank you,
23 Frank. All right, we have a motion and a second, discussion?

24 MR. OWENS: Mr. Chairman, is there any
25 way, this is Ed Owens, is there any way you can actually, it

1 sounds like there's really some concern about putting
2 agribusiness in with the rest of the economic development.
3 So, what's the cost impact of just pulling it out and giving it its
4 own budget? I mean I'm not asking you, I'm asking –

5 DELEGATE KILGORE: Okay, I don't
6 know personally. We would have to, the Commission would
7 have to agree, in my opinion, the Commission would just have
8 to set a certain amount aside in the budget process in May for
9 Agribusiness, would that be correct, Evan?

10 MR. FEINMAN: Yes, Mr. Chairman. I
11 mean what we've done in the past has been to budget, you
12 know, between one and I think the largest we ever had was
13 \$2.5 for Agribusiness. And you know, I'll continue to say, I
14 understand the visibility concern between having an
15 Agribusiness Committee and not having an Agribusiness
16 Committee. But I think we'll be able to fund a lot more
17 Agribusiness projects and put more money in the agribusiness
18 sector under the direction the strategic plan describes, more
19 grant money in addition to the potential of loan money in the
20 direction the strategic plan describes than in pulling out and
21 having a specific Agribusiness Committee. An option that
22 could perhaps solve this problem, although I don't want to get
23 back into the business of recreating the committee structure
24 that we just streamlined, but certainly Mr. Chairman, you
25 could ask for the creation of an Agribusiness Committee that

1 made recommendations to the two region committees.

2 DELEGATE KILGORE: That might be a
3 good way to address it but I'd like to rely on Secretary Ring
4 and others in the agricultural area that hear those concerns
5 and you know would ask that Secretary Ring really stay in
6 close contact with staff should the strategic plan pass because
7 and that way the Secretary Ring and others, I know Ed,
8 Chairman Owens and Robert Mills and I know Ed Blevins in
9 Southwest have all spoken about the importance of
10 agriculture. So maybe some of those folks can continue to
11 work with staff to make sure that agriculture is addressed and
12 that there is room for agriculture as we move down the road.

13 SECRETARY RING: Certainly, this is
14 Bettina Ring, we would be happy to do that and will help
15 coordinate that. And this may be, as I mentioned earlier, and
16 hearing everyone else's concerns or discussion around this, it
17 may be helpful and I also hear Evan what you're saying that
18 there is potential for greater funding and not only grants but
19 loans for agriculture. So we may want to look at having a
20 mechanism where we evaluate this at year end or whatever
21 that appropriate time period is. It never hurts to have an
22 evaluation process associated with your strategic plan. I mean
23 we all should be seeing if we're implementing it, how it's going,
24 where we need to make adjustments and I'm sure you all have
25 had discussions around that as you were putting the plan

1 together to bring forward to the Commission. But perhaps we
2 build in a mechanism specific to Agribusiness just to ensure
3 that we're getting a diversity of grants being submitted,
4 applications and that we're really good about those selections.

5 DELEGATE KILGORE: One thing,
6 Secretary Ring, that I would ask that you and some of you
7 folks that have more contact with the agriculture communities
8 that you let it be known that these that when it's time to apply
9 for these grants or loans that they are available. I think we
10 need to get that news more readily accessible by the
11 agriculture community.

12 SECRETARY RING: And one thing we've
13 been working on that I believe is going well is that VEDP is
14 working closely with the Department of Agriculture and
15 Consumer Services staff and those that oversee the AFID
16 program and good coordination with the Tobacco Commission.
17 So we want to make sure that we're doing that and we're
18 seeing those projects that are being submitted and looking at
19 ways we can better leverage. So we'll make sure we try to be
20 intentional about that moving forward.

21 DELEGATE KILGORE: Thank you,
22 Secretary Ring.

23 DELEGATE EDMUNDS: Mr. Chairman,
24 Delegate Edmunds here.

25 DELEGATE KILGORE: Yes.

1 DELEGATE EDMUNDS: I would like to
2 echo, again, Secretary Ring. I don't want to be a, I don't want
3 to vote no against the plan for the sake of voting no. But I do
4 think that we need to evaluate, maybe six months, maybe a
5 year, whether, how our agriculture applications are going
6 compared to how they have been in the past and if they are
7 more successful. My vote would be, I would personally, I know
8 you haven't called for it yet, but I would vote for the plan with
9 the caveat that we reevaluate how the agriculture spending is
10 going, you know, in a relatively short time period so we can
11 make sure that the original cause this entire Commission to
12 be set up is actually being fulfilled and agriculture being
13 represented.

14 DELEGATE KILGORE: Delegate
15 Edmunds, I would say that you always have that opportunity
16 as a member, as a Commissioner of the Tobacco Commission
17 to ask those questions and to ask for that information and to
18 hold, and I don't think staff would mind, just hold the staff
19 accountable for agriculture and those particulars. I don't
20 think they would mind at all.

21 MR. FEINMAN: Mr. Chairman, I'll repeat
22 what I said before. I welcome the agriculture community
23 holding us accountable. I believe staff has over the years
24 demonstrated that that's an area of work that we think is
25 really high impact for the Commission and we believe that this

1 will be a direction that will be to the benefit of the agriculture
2 industry not to the reduction of the Commission support for
3 the agriculture industry.

4 DELEGATE KILGORE: All right. Any
5 other discussion?

6 SENATOR CHAFIN: Mr. Chairman?

7 DELEGATE KILGORE: Senator Chafin,
8 who is that? You are muted, Senator Chafin, you are talking
9 but you're muted. I see you on the, unmute yourself. Okay,
10 there you are.

11 SENATOR CHAFIN: Okay, all right, good.
12 Let's see if you can still read sign language. Mr. Chairman, I
13 appreciate the opportunity to comment and I have withheld
14 my comments to hear the other Commissioners and the other
15 members of the public that were interested in this debate.
16 And I so wish that we were in a position to have a more public
17 meeting when we consider the strategic plan, which presents
18 itself as rather a sea change, at least in my time on the
19 Commission. This presents a sea change of the way that we
20 do business. I question how competitive that we can be in the
21 agricultural lending market because we have a lot of
22 organizations out there, financial institutions. It's pretty well
23 banked, you know, when you consider agricultural lending.
24 And you have a lot of expertise, specific expertise out there
25 with financial institutions that are both privately owned and

1 government sponsored. And so, you know, they do a great job
2 in agricultural lending, filling that industry. And I just wonder
3 how many Ag projects would really want to come this way and
4 deal with the date and the bureaucracy that is offered through
5 VRA and in through the Tobacco Commission. So I'm not sure
6 how that will work. But I just wonder if there were a way, I
7 think we're slowly moving in a process of getting back to where
8 we'll have public meetings. And I just wonder if there is a way
9 we could look at this important change in a way that we would
10 have an in person debate, have the public be able to attend
11 and hear more from the public as well as from the
12 commissioners.

13 MR. FEINMAN: Mr. Chairman?

14 DELEGATE KILGORE: Yes.

15 MR. FEINMAN: Senator Chafin, I just
16 wanted to emphasize this because it seems to be an item of
17 confusion. No grants, the Commission is going to be making
18 exactly as many grants under the strategic plan as it would
19 have before. No grants are going to be replaced with any loans
20 under any circumstances. What the Commission is doing is
21 making exactly as many grants as it was going to make before.
22 And then rather than leaving the rest of our money just sitting
23 in the treasury earning us one percent, we're going to try to
24 lend that out, that would not have been granted under other
25 circumstances. We're going to lend that out because anything

1 we get over one percent –

2 DELEGATE KILGORE: Is better.

3 MR. FEINMAN: - is an improvement,
4 means more money to support more grants in the future. And
5 so while we will be doing a lot of lending because we've got a
6 lot of money in the bank, that lending will not replace the
7 grant making work that we do. Instead, it will support it. It
8 will mean that we've got more money coming into the bank so
9 we can make more grants the following year. That's my
10 concern is that if we don't start getting better performance
11 from our assets in the bank, you all are not going to be able to
12 make grants in a couple of years. So this is really about
13 supporting the grant making work, not sidelining the grant
14 making.

15 SENATOR CHAFIN: Mr. Chairman, may I
16 be recognized again?

17 DELEGATE KILGORE: Yes, yes.

18 SENATOR CHAFIN: So, I appreciate the
19 confidence of Evan and I know we need to have some income
20 created in order to sustain the good work. I wonder, having
21 heard that then, would we be in a position to not talk about
22 reducing the invasion then of the corpus and perhaps remove
23 that language from the strategic plan. That seems to target
24 that that's what we're going to do. We're going to reduce
25 grants potentially by reducing what we take as an invasion of

1 the corpus.

2 MR. FEINMAN: We certainly can. You
3 know, we tried when we made it clear in the plan to say that
4 that's a target and the reason we want to avoid invading the
5 corpus in the future will be because we're bringing in enough
6 money that we don't need to. And that way that we can
7 eventually get to the point where the corpus is growing every
8 year and, you know, we can get back to lending or to making
9 grants in fifty, seventy million dollars a year, which we haven't
10 been able to do for many, many years. The only way to do that
11 is to grow the corpus. And so, what we talk about now is first
12 getting to a zero percent corpus invasion, which would mean
13 that we are sustainable. That's the day that we know that this
14 Commission will be able to last into perpetuity. And then the
15 second change would be to, you know, then make better use of
16 the corpus. But, you know, that's a target and so it's called
17 out as a target. Given that, it doesn't have any operative
18 function and I think the will of the Commission were to say
19 we'll just excise that from the draft, I don't think it would hurt
20 anything.

21 DELEGATE KILGORE: Is that your
22 motion Senator Chafin?

23 SENATOR CHAFIN: I think I would make
24 that motion to take that part of the draft out.

25 MR. OWENS: Second.

1 DELEGATE KILGORE: That was
2 Chairman Owens, Ed Owens that made the second there?

3 MR. OWENS: Yes, sir.

4 DELEGATE KILGORE: All right. Any
5 discussion of that? I don't think that harms the strategic plan
6 and it keeps us –

7 MR. FEINMAN: All right, just so I've got
8 the motion down for you all. Under the sustainability portion
9 on page nine there is a single sentence that says as operations
10 transition to this strategy, the Commission will have a target
11 and actually there's a typo there, too, so it's good that we're
12 talking about this, will shall have as a target a four percent
13 budgetary corpus invasion this year, declining to three percent
14 in '21, two percent in '22, and one percent with a goal of true
15 sustainability in 2024. We could just simply remove that one
16 sentence.

17 DELEGATE KILGORE: That's fine. I
18 think that's what Senator Chafin's motion was, is that correct?

19 SENATOR CHAFIN: Yes, yes, it is.

20 Thank you, Evan.

21 DELEGATE KILGORE: And Ed, is that
22 your second?

23 MR. OWENS: Yes, sir.

24 DELEGATE KILGORE: Any discussion
25 on that? And that was just a target anyway, is that correct

1 Evan? It says it right there.

2 MS. COLEMAN: Mr. Chairman?

3 DELEGATE KILGORE: Yes.

4 MS. COLEMAN: It was already a motion
5 you had seconded on the floor.

6 DELEGATE KILGORE: Right. Yes, this
7 would be an amendment to that motion, is that correct?

8 SENATOR CHAFIN: A substitute motion,
9 Mr. Chairman.

10 DELEGATE KILGORE: Oh, a substitute
11 motion that you take that out. That's your substitution
12 motion, okay.

13 DELEGATE HARRIS: On the substitute
14 motion.

15 DELEGATE KILGORE: Frank, what did
16 you say Frank?

17 DELEGATE HARRIS: I said, you are
18 correct, you vote on the substitute motion first.

19 DELEGATE KILGORE: Right, I'm going
20 on the substitute motion, yes. Any discussion on the
21 substitute motion?

22 MR. OWENS: Just one quick statement.
23 And I think part of the confusion comes from on page five it
24 says ultimately the Commission will transition to a business
25 and community lending institution. It doesn't say anything

1 about continue to develop, you know, grants and it says it's
2 just going to be a business and community lending institution.
3 And I think that's what kind of caused some concern to me.

4 DELEGATE HARRIS: Yes, that's right.

5 DELEGATE KILGORE: Yeah, okay, we've
6 got the substitute motion on the floor and that's on page seven
7 or page nine to take out the one sentence there. Any more
8 discussion on taking out that sentence? All those in favor say
9 aye. (Ayes.) Opposed? (No response.) That motion carries.

10 Now we're back to Dr. Ehrhardt's original
11 motion with that one substitute. Are the members ready to
12 vote on the strategic plan as amended?

13 UNIDENTIFIED: Yes.

14 SECRETARY RING: Mr. Chairman?

15 DELEGATE KILGORE: Sure, who is
16 that?

17 SECRETARY RING: Secretary Ring.

18 DELEGATE KILGORE: Oh, Secretary
19 Ring, okay.

20 SECRETARY RING: And I will defer to
21 some of the experts, Roberts Rules experts on the
22 Commission. But I would like to also propose an amendment.

23 DELEGATE KILGORE: Okay.

24 SECRETARY RING: When the time is
25 appropriate.

1 DELEGATE KILGORE: Now would be the
2 time.

3 SECRETARY RING: Okay. I would like to
4 propose an amendment that we evaluate the shift, the changes
5 in the committee structure for the Commission one year from
6 now just to ensure that we're accomplishing what we had
7 hoped to with those changes.

8 UNIDENTIFIED: Second.

9 SECRETARY RING: And so looking at it
10 broadly around our discussion related to agriculture but also
11 the diversity of projects that we're getting in and that by
12 consolidating, we're streamlining but we're also having our
13 impact.

14 MR. MILLS: I second the motion, Robert
15 Mills.

16 DELEGATE KILGORE: Did you hear that
17 Evan? And I think that's a good, I think that's what we were
18 talking about earlier anyway. I think that is what we were
19 talking about.

20 MR. FEINMAN: So as I, to clarify because
21 I've got to get all this down, so as Secretary Ring, as I
22 understand your motion, you would like to amend Dr.
23 Ehrhardt's motion that we approve the plan, which plan was
24 amended to remove the specific sentence referenced on page
25 nine to approve the plan contingent on evaluation to be

1 conducted in one year. And if I might suggest if we were to
2 amend that to say at our May meeting, which is slightly less
3 than a year from now, but we'll have gone through a full grant
4 cycle at that point of the plan. Is that an accurate reflection of
5 your amendment, Madam Secretary?

6 SECRETARY RING: Yes, related to
7 committee structure.

8 DELEGATE KILGORE: Yes, that's good.

9 MS. MYERS: Mr. Chairman?

10 DELEGATE KILGORE: Yes.

11 MS. MYERS: Evan, I think we need to
12 not use that word contingent.

13 DELEGATE KILGORE: No, don't use, I
14 was thinking the same thing. Don't use the word contingent.

15 MS. MYERS: In there, that means the
16 plan isn't approved until that evaluation, which would kind of,
17 I think the evaluation would be pointless.

18 MR. FEINMAN: I have changed to
19 require.

20 MS. MYERS: Yes.

21 DELEGATE KILGORE: That's it. That's
22 good. All right, we have a motion and a second on that. And I
23 think that's a good way to move forward anyway personally
24 because I think it allows staff some operating room and the
25 strategic plan some time to work and then we come back and

1 look at it. Any more discussion? All those in favor of that
2 Secretary Ring motion, say aye. (Ayes.) Any opposed? (No
3 response.) That motion carries.

4 Now we're back to Dr. Ehrhardt's original
5 motion, which has been amended twice. And all right, are the
6 members ready to vote?

7 UNIDENTIFIED: Yes.

8 DELEGATE KILGORE: All those in favor
9 of the strategic plan as amended, say aye. (Ayes.) Opposed?
10 (Nay.)

11 MR. FEINMAN: I heard one nay, Mr.
12 Chairman.

13 DELEGATE KILGORE: Who was the nay?

14 MR. FEINMAN: I won't be able to record
15 that nay unless somebody speaks up.

16 MS. MYERS: Might I suggest a roll call
17 vote?

18 DELEGATE KILGORE: Yes, that might be
19 a good idea.

20 MS. MYERS: Just to make sure every
21 commissioner.

22 DELEGATE KILGORE: All right, Evan,
23 just call the roll so we can make sure we get everybody.

24 MR. FEINMAN: Sure. One moment. All
25 right. Delegate Aird? Mr. Ball? Ms. Barts?

1 MS. BARTS: Yes.

2 MR. FEINMAN: Mr. Blevins?

3 MR. BLEVINS: Yes.

4 MR. FEINMAN: Senator Chafin?

5 SENATOR CHAFIN: Yes.

6 MR. FEINMAN: Ms. Clark?

7 MS. CLARK: Yes.

8 MR. FEINMAN: Ms. Coleman?

9 MS. COLEMAN: Yes.

10 MR. FEINMAN: Mr. Cunningham?

11 Delegate Edmunds?

12 DELEGATE EDMUNDS: Yes.

13 MR. FEINMAN: Senator Edwards?

14 SENATOR EDWARDS: Yes.

15 MR. FEINMAN: Dr. Ehrhardt?

16 DR. EHRHARDT: Yes.

17 MR. FEINMAN: Mr. Harris?

18 MR. HARRIS: Yes.

19 MR. FEINMAN: Ms. Hensley?

20 MS. HENSLEY: Yes.

21 MR. FEINMAN: Delegate Hurst?

22 Secretary Layne or Ms. Jennings:

23 SECRETARY LAYNE OR MS. JENNINGS:

24 Yes.

25 MR. FEINMAN: Senator Lucas? Mr.

1 Mills?

2 MR. MILLS: Yes.

3 MR. FEINMAN: Senator Morrissey?

4 SENATOR MORRISSEY: Yes.

5 MR. FEINMAN: Mr. Owens?

6 MR. OWENS: Yes.

7 MR. FEINMAN: Delegate Rasoul?

8 DELEGATE RASOUL: Aye.

9 MR. FEINMAN: Ms. Ratliff?

10 MS. RATLIFF: Yes.

11 MR. FEINMAN: Secretary Ring?

12 SECRETARY RING: Yes.

13 MR. FEINMAN: Mr. Shell?

14 MR. SHELL: Yes.

15 MR. FEINMAN: Mr. Shelton?

16 MR. SHELTON: Yes.

17 MR. FEINMAN: Mr. Spiers?

18 MR. SPIERS: With what I heard that

19 agriculture will be given a fair shake, I'll vote yes.

20 MR. FEINMAN: Mr. Sutherland?

21 Delegate Tyler? Motion carries, Mr. Chairman.

22 DELEGATE KILGORE: And I'll vote yes.

23 MR. FEINMAN: Sorry.

24 DELEGATE KILGORE: All right, now we
25 are moving on to the amendment by the Commission.

1 DELEGATE AIRD: Mr. Chairman?

2 DELEGATE KILGORE: Yes.

3 DELEGATE AIRD: Sorry if I missed my
4 name. This is Delegate Aird and I vote yes.

5 DELEGATE KILGORE: Okay, thank you,
6 Delegate Aird. Now we are moving on to the amendment to the
7 Commission bylaws.

8 MR. FEINMAN: Yes, sir, Mr. Chairman.
9 These amendments, just to walk through them really quickly.
10 I do want to note for members of the Commission that we have
11 also found some areas where we would like to clean up the
12 bylaws. But to keep things separate, we will bring before you
13 in your September meeting a streamlining, typo, error-type
14 review of the bylaws. But we wanted to just stick to some of
15 the operative work here.

16 So, the changes to your bylaws in section
17 1.1 name and purpose. As the Commission's code sections
18 have bene expanded, we wanted to make sure that the bylaws
19 continued to take heed to all the sections of the Code that we
20 were actually in. That's number one.

21 The second change is to, is not a
22 reduction or an increase in my authority as Executive Director
23 but rather the bylaws previously stated that I needed to come
24 before the Commission for hiring and firing of all employees
25 whose official job title includes the word director. That was a

1 decision that the Commission made to ensure that each of our
2 three department heads, there was board oversight over hiring
3 and firing decisions. What we do with this revision is
4 specifically call out those three positions and so now we say
5 regarding employees whose official job title is Deputy Director,
6 Grants Program Director or Director of Finance. The
7 Executive Director is authorized to take appropriate
8 performance and disciplinary actions only with the prior
9 approval by the Commission.

10 The reason for that change is because I
11 noted a number of times we have tremendous expertise and
12 talent in our two field offices. I would like to be able to give
13 Sarah Capps and Sara Williams's titles that reflect their actual
14 work, which is to say that they are the Regional Directors for
15 the Commission. But we can't do that if, not that I have any
16 plans to hire and fire them but we can't be adding more folks
17 to the list of people that I need to come to you all before we
18 can do HR work on them. So we simply made that sidestep
19 change to make it clear who is and isn't subject to board
20 approval. The COVID crisis highlighted the need for better
21 statements about continuity and so we add a section to say
22 when the Executive Director is absent or otherwise
23 unavailable, the Deputy Director may discharge the duties of
24 the Executive Director. Once again, reference the proper Code
25 sections in a change. And then we make change to the

1 MR. FEINMAN: And so, you know, we
2 can't through our bylaws change what the Code says. There
3 are days when we'd like to, I'm sure. But the bylaws do not,
4 don't speak to that because the Code does.

5 DELEGATE KILGORE: All right. I think
6 that answers that one. Any other questions on the bylaws? I
7 don't have a motion to adopt the bylaw changes yet.

8 SENATOR CHAFIN: Mr. Chairman?

9 DELEGATE KILGORE: Yes.

10 SENATOR CHAFIN: Mr. Chairman, may I
11 ask a question? I guess I'm focusing on the requirement that
12 if the commissioners disagree with the recommendation of
13 staff, why would we need a two-thirds vote and I'd like for
14 Evan to answer that, why do we need that supermajority when
15 we are, when according to the statutory scheme we are
16 pledged or entrusted with the obligation of carrying out this
17 mission and making these decisions?

18 MR. FEINMAN: So, Mr. Chairman,
19 Senator Chafin, you certainly don't need it. One of the things
20 that we got into when we started the strategic planning and
21 when we had conversations with stakeholders and among the
22 Strategic Planning Committee was a recognition that given
23 that many commissioners are elected officials, they are
24 sometimes obliged by considerations that might not
25 specifically reside in their duties as a commissioner to support

1 projects that might not otherwise be wise for the Commission
2 to pursue. And by making this change, this gives
3 commissioners the ability to when they feel like they need to
4 support a project even if it's maybe not the strongest project to
5 voice support for that project without danger that the project
6 is then approved given that in this scenario that's a somewhat
7 weaker project. It's also in recognition of the fact that, you
8 know, by the time a staff recommendation comes to you all, it
9 really is the result of many, many hours of staff work as well
10 as input from no fewer than three members of the staff and
11 sometimes as many as five or six. And so we really, a great
12 deal of time and effort goes into the staff recommendation and
13 so we wanted to kind of raise the bar on when there was going
14 to be a deviation from staff recommendations. So that's the
15 theory.

16 SENATOR CHAFIN: Mr. Chairman?

17 DELEGATE KILGORE: Yes.

18 SENATOR CHAFIN: I would say I
19 appreciate that explanation from Evan. I think that, you
20 know, the commissioners typically in my experience at least,
21 in the ninety percentiles, up in the ninety percent do follow the
22 staff recommendations. But it's in those rare occasions where
23 there are members on the board that are living out in the
24 different communities and living out in those areas that
25 recognize the strength of the quest, the strength of the needs

1 of that community for a particular project that things do
2 occur. And I really hate for us to get away from the ability to
3 persuade the Commission, the overall Commission that
4 certain projects are good and that staff is just missing that
5 rare opportunity or that rare look that is there in those
6 communities.

7 UNIDENTIFIED: I agree.

8 MR. MILLS: Mr. Mills agrees with those
9 comments from Senator Chafin.

10 MR. OWENS: So do I.

11 MR. SHELL: Mr. Shell, I'm with him, too.

12 DELEGATE KILGORE: Who Becky, was
13 that –

14 MS. COLEMAN: Yes, so as a citizen
15 member –

16 DELEGATE KILGORE: I can hear you
17 because you are closer to me.

18 MS. COLEMAN: I guess that's why. As a
19 citizen member, who has seen and participated in instances
20 where enthusiasm for a project outpaced approval. And this
21 does not eliminate the ability to be persuasive. It just requires
22 that you be more persuasive since you are acting against staff
23 recommendations. And I ---.

24 DR. EHRHARDT: Mr. Chairman, may I
25 make a comment?

1 DELEGATE KILGORE: Sure.

2 DR. EHRHARDT: I want to echo Becky's
3 sentiments but also supported this in the strategic plan and
4 support it now. Again, this isn't about, it's not always about
5 the content of a project but process. And frankly, we have not
6 always abided by our process. I would go so far as to say we
7 have abused our process. And I think that we need to honor
8 the work of staff and I think this is a way that allows people to
9 support projects but still make the best recommendations on
10 behalf of the entire Commission and be the best stewards of
11 these funds that we can be.

12 DELEGATE KILGORE: All right. More
13 comments?

14 MR. OWENS: Mr. Chairman, I agree
15 with, while I understand Ms. Coleman and Ms. Ehrhardt, I
16 must agree with Mr. Chafin. Sometimes it's just a matter of
17 what the majority, not the super majority sees is right for that
18 project. And I thought that when we were appointed
19 commissioners, our duty was to make sure that it was done
20 what was proper for that project and if the majority says no,
21 that's no. And if the majority says yes, it goes yes. But it's not
22 so that, to give weight to either side. I understand the staff is
23 the professional group that makes these recommendations.
24 Sometimes they miss it.

25 DELEGATE RASOUL: Mr. Chairman?

1 DELEGATE KILGORE: Delegate Rasoul?

2 DELEGATE RASOUL: A point of
3 clarification, Delegate Rasoul, yes, sir, Mr. Chairman. A point
4 of clarification. I noticed that I believe in some instances it
5 required a certain percentage or supermajority of the members
6 to do things like amending the bylaws.

7 DELEGATE KILGORE: Right.

8 DELEGATE RASOUL: But in this
9 instance, the way I read it Mr. Chairman, is it correct that it's
10 two-thirds of those present in the quorum and it's not
11 necessarily two-thirds of the, all of the members at that point,
12 is that correct Mr. Chairman?

13 DELEGATE KILGORE: That's correct.
14 That's correct.

15 DELEGATE RASOUL: Thank you.

16 UNIDENTIFIED: Two-thirds of the
17 quorum.

18 DELEGATE KILGORE: Those are there
19 that particular vote.

20 DELEGATE RASOUL: At that particular,
21 I got you. Thank you.

22 DELEGATE KILGORE: At that particular
23 time. All right, any more discussion? Did I have, somebody
24 made a motion, didn't they? Did they, Andy? Did someone
25 make a motion to approve the bylaws?

1 MR. SORRELL: Not yet.

2 DELEGATE KILGORE: Okay.

3 DELEGATE RASOUL: Mr. Chairman,
4 this is Sam Rasoul. I make a motion to approve the bylaws.

5 DELEGATE KILGORE: The bylaw
6 changes.

7 DELEGATE RASOUL: Amendments.

8 DELEGATE KILGORE: All right, thank
9 you.

10 DELEGATE RASOUL: The bylaw
11 changes.

12 DELEGATE KILGORE: Do I have a
13 second?

14 MR. OWENS: Second.

15 MR. MILLS: Mr. Chairman, this is Robert
16 Mills. If I wanted to make an amendment that we pull out the
17 two-thirds on voting on projects, how would that wording
18 look?

19 DELEGATE KILGORE: You would have
20 to make a substitute motion to remove that. You would have
21 to make a substitute motion to remove that from the proposed
22 bylaw change.

23 MR. MILLS: I would make that motion.

24 UNIDENTIFIED: Second.

25 UNIDENTIFIED: I second that motion.

1 UNIDENTIFIED: Second.

2 DELEGATE KILGORE: I have a motion
3 and a second on that, any discussion? This is one that's going
4 to have to be a roll call vote because I don't have any way of
5 knowing who is saying yes or no on this one. Don't you agree,
6 Evan?

7 MR. FEINMAN: Yes, Mr. Chairman. I
8 certainly don't have the ability to filter it out from the voices.
9 So if we, if discussion is finished on that substitute motion, I
10 think we will need a roll call.

11 MS. COLEMAN: I have a question, Mr.
12 Chairman, before we move forward. My question is if we make
13 this to remove this provision from the proposed bylaws, what
14 is the effect on the strategic plan that was just adopted that
15 required a two-thirds majority to overcome.

16 DELEGATE KILGORE: We've already
17 voted on that so I'm not, that's a good question. But I'm
18 looking at my attorney right now.

19 MS. MYERS: And the effect would be, the
20 strategic plan would still contain the language that a two-
21 thirds majority vote would be required, of the individuals
22 present would be required to overturn staff recommendations.
23 And you all are statutorily obligated to follow your strategic
24 plan. So if your bylaws are silent on that, I can't hypothesize
25 what any legal advice I would give should it come down to a

1 vote or two in a particular vote. I hope I'm insinuating well
2 enough that the strategic plan would still govern.

3 MS. OWENS: What can you, Mr.
4 Chairman, if I would?

5 DELEGATE KILGORE: Sure.

6 MR. OWENS: At what point can you
7 reconsider the strategic plan then?

8 DELEGATE KILGORE: Reconsider, you
9 can reconsider the strategic plan this meeting or the next
10 meeting?

11 MR. FEINMAN: Side.

12 DELEGATE KILGORE: It has to be
13 within, it has to be the next full Commission. That would have
14 to be reconsidered. Am I right on that Evan?

15 MR. FEINMAN: Yes.

16 DELEGATE KILGORE: Okay.

17 MR. SORRELL: Mr. Chairman, this is
18 Andy. You do have in the strategic plan that it will be
19 reviewed May of next year as well since it also say if something
20 that remains an issue that could be part of the review in May
21 of 2021.

22 DELEGATE KILGORE: That's a good
23 point, Andy.

24 SENATOR CHAFIN: So we only have two
25 meetings that you actually have to worry about it.

1 DELEGATE KILGORE: All right, so you
2 could just, the strategic plan is going to be reviewed in a year
3 anyway, you could just say that this two-thirds vote quorum
4 that they required should be reviewed at that same time, you
5 could say that.

6 SENATOR CHAFIN: Mr. Chairman, I've
7 got another question for counsel.

8 DELEGATE KILGORE: Yes.

9 SENATOR CHAFIN: If there was a motion
10 to approve a bylaw change that or if the bylaws remain, either
11 a change to the bylaws or some effect to require only a simple
12 majority to override a staff recommendation, the bylaws are in
13 conflict with the strategic plan, would the actions of the
14 commissioners not be ultra vires if we did something contrary
15 to the bylaws?

16 MS. MYERS: I have the impression that
17 of course you know the answer is always going to be it
18 depends.

19 DELEGATE KILGORE: Yes.

20 MS. MYERS: Yes, the strongest
21 argument would be you cannot have bylaws that go against
22 your strategic plan.

23 DELEGATE KILGORE: And the way to do
24 this is just to move this along might be to look at this next
25 June when we look at, as Andy said when we look at the

1 strategic plan and when we review all that. I don't know, if
2 that's agreeable to everybody.

3 MR. FEINMAN: A full review, top to
4 bottom of every aspect of the Commission's operations under
5 the new plan relative to the old plan in a year. I'm confident,
6 all will be very happy with what you see there.

7 DELEGATE KILGORE: I think, does that
8 satisfy most everybody?

9 MR. MILLS: I mean the only thing that
10 I'm concerned with is we should have had this discussion
11 before we ever voted on a strategic plan. We should have
12 hashed all this stuff out. We're kind of, it seems like a good
13 portion of people feel the way that I do on the simple majority
14 versus the supermajority.

15 UNIDENTIFIED: I agree.

16 UNIDENTIFIED: I hear you.

17 MR. MILLS: I think there's probably a
18 pretty good potential that we may see some projects not get
19 funded between now and a year from now because of this. I
20 mean I know we've got to comply with the law and we've got to
21 do what we've got to do. It's just unfortunate that we didn't
22 have this discussion beforehand because we could have fixed
23 it a whole lot earlier than that.

24 DELEGATE EDWARDS: Delegate John
25 Edwards here. I have something I want to say about this. As

1 a matter of law in my opinion in particular trumps the general,
2 this strategic plan is general, this is particular. I think if you
3 vote against this bylaw amendment, you would need
4 something more than, the Commission could overturn the
5 staff's recommendation by a majority vote. And that's what I
6 think.

7 DELEGATE KILGORE: I'm not going to
8 question Senator Edwards's legal theory there. That sounded
9 pretty good to me. But anyway, what's the, how are we going
10 to move forward? Senator Chafin, were you the one that made
11 a motion?

12 SENATOR CHAFIN: Mr. Mills made it.

13 MR. MILLS: Robert Mills made the
14 motion.

15 DELEGATE KILGORE: Okay.

16 UNIDENTIFIED: What was the motion?

17 MR. FEINMAN: The motion that I have
18 before me is to remove this proposed change from the draft of
19 the bylaws to be adopted.

20 UNIDENTIFIED: Removing the two-thirds
21 and going with the simple majority?

22 DELEGATE KILGORE: Yes, yes.

23 UNIDENTIFIED: Okay.

24 MR. FEINMAN: Remain silent as to –

25 DELEGATE KILGORE: Remaining silent.

1 We're not putting anything in. It just won't be there.

2 UNIDENTIFIED: Oh, okay.

3 MS. MYERS: Just removing that
4 subsection four on page five that red line.

5 DELEGATE KILGORE: That's correct.

6 MR. FEINMAN: And just for the purposes
7 of staying consistent, and then also removing the renumbering
8 of item four below it.

9 DELEGATE KILGORE: Right.

10 SENATOR EDWARDS: So if you believe
11 that provision to be deleted, you vote no or vote yes?

12 DELEGATE KILGORE: The motion to,
13 you would vote yes on the motion, Senator Edwards if you
14 wanted to remove that provision.

15 SENATOR EDWARDS: Okay, thank you.

16 MR. OWENS: One more question, Mr.
17 Chairman. If we do that, can't we just in this same meeting
18 reconsider the, and amend the strategic plan?

19 DELEGATE KILGORE: We could but not
20 in this motion, you can't but you could.

21 MR. OWENS: No, I'm talking about -

22 DELEGATE KILGORE: Yes.

23 MR. OWENS: - go back and say in the
24 strategic plan, we change it back to simple majority.

25 DELEGATE KILGORE: You could.

1 MR. OWENS: Okay.

2 DELEGATE KILGORE: All right. The
3 motion is, a motion was made by Mr. Mills and seconded to
4 remove the subsection four on, little four on page five of the
5 bylaws and renumber number five to number four. Are the
6 members ready to vote? I would suggest a roll call vote.

7 MR. FEINMAN: All right, voting on the
8 motion to amend the bylaws to remove the two-thirds, the
9 projected two-thirds requirement and renumber the below
10 section or return the below section to number four. A roll call
11 vote. Delegate Aird?

12 DELEGATE AIRD: No.

13 MR. FEINMAN: Secretary Ball?

14 SECRETARY BALL: No.

15 MR. FEINMAN: Ms. Barts?

16 MR. SORRELL: She had to leave the
17 meeting early.

18 MR. FEINMAN: All right, Mr. Blevins? I
19 believe Ed was here. All right.

20 DELEGATE KILGORE: I know he was
21 having trouble unmuting a while ago.

22 MR. BLEVINS: Can you hear me now,
23 Evan?

24 MR. FEINMAN: I can, yes.

25 MR. BLEVINS: My vote is yes.

1 MR. FEINMAN: You vote yes.
2 DELEGATE KILGORE: Yes.
3 MR. FEINMAN: Senator Chafin, I
4 apologize?
5 SENATOR CHAFIN: Yes.
6 MR. FEINMAN: Ms. Clark?
7 MS. CLARK: Yes.
8 MR. FEINMAN: Ms. Coleman?
9 MS. COLEMAN: No.
10 MR. FEINMAN: Mr. Cunningham?
11 Delegate Edmunds?
12 DELEGATE EDMUNDS: Yes.
13 MR. FEINMAN: Senator Edwards?
14 SENATOR EDWARDS: Yes.
15 MR. FEINMAN: Dr. Ehrhardt?
16 DR. EHRHARDT: No.
17 MR. FEINMAN: Mr. Harris?
18 MR. HARRIS: Yes.
19 MR. FEINMAN: Ms. Hensley?
20 MS. HENSLEY: No.
21 MR. FEINMAN: Delegate Hurst? Ms.
22 Jennings?
23 MS. JENNINGS: No.
24 MR. FEINMAN: Mr. Mills?
25 MR. MILLS: Yes.

1 MR. FEINMAN: Senator Morrissey?
2 SENATOR MORRISSEY: Yes.
3 MR. FEINMAN: Mr. Owens?
4 MR. OWENS: Yes.
5 MR. FEINMAN: Delegate Rasoul?
6 DELEGATE RASOUL: No.
7 MR. FEINMAN: Ms. Ratliff?
8 MS. RATLIFF: Yes.
9 MR. FEINMAN: Secretary Ring?
10 SECRETARY RING: No.
11 MR. FEINMAN: Mr. Shell?
12 MR. SHELL: Yes.
13 MR. FEINMAN: Mr. Shelton?
14 MR. SHELTON: Yes.
15 MR. FEINMAN: Mr. Spiers?
16 MR. SPIERS: No.
17 MR. FEINMAN: Mr. Sutherland?
18 Delegate Tyler? Did I hear Delegate Tyler there? It isn't clear
19 but I don't think it's going to, Delegate Kilgore, you are the
20 remaining vote?
21 DELEGATE KILGORE: Aye.
22 MR. FEINMAN: The motion carries
23 thirteen to eight.
24 DELEGATE EDMUNDS: James
25 Edmunds here.

1 DELEGATE KILGORE: Yes.

2 DELEGATE EDMUNDS: Having voted on
3 the prevailing side by which we passed the strategic plan –

4 DELEGATE KILGORE: Wait a minute,
5 whoa, whoa, whoa. We've got to get, hold on. That would be
6 out of order because there was another motion on the table to
7 approve the bylaws. There was a motion to –

8 DELEGATE EDMUNDS: Okay, sorry. I
9 withdraw the motion.

10 DELEGATE KILGORE: - approve the
11 bylaws as amended. So there is still a motion on the floor to
12 approve the amendments to the bylaws. All those in favor of
13 those amendments to the bylaws say aye. (Ayes.) Opposed?

14 UNIDENTIFIED: No.

15 DELEGATE KILGORE: No, say your
16 name so we can get them.

17 MS. COLEMAN: Becky, no to the bylaws
18 no longer comport with the strategic plan, no.

19 DELEGATE KILGORE: Becky Coleman.

20 MR. FEINMAN: I got it.

21 MS. HENSLEY: I vote no as well.

22 DELEGATE KILGORE: Is this Julie
23 Hensley, is that you Julie?

24 MS. HENSLEY: Yes, it was Chairman.

25 DELEGATE KILGORE: Okay, thank you.

1 All right.

2 MR. FEINMAN: That motion carries.

3 DELEGATE KILGORE: Right. That
4 motion carries. So the bylaws are –

5 MR. FEINMAN: The changes are adopted.

6 DELEGATE KILGORE: Right, thank you.

7 Now, -

8 DELEGATE EDMUNDS: Having voted on
9 the --- to accept the strategic plan, having voted on the
10 prevailing side that would just ask about the strategic plan
11 vote to reconsider the motion to incorporate the new, a newly
12 amended changes to the bylaws.

13 MR. FEINMAN: If I might offer a friendly
14 suggestion.

15 DELEGATE KILGORE: Okay, that would
16 be great, Evan.

17 DELEGATE EDMUNDS: Sure.

18 MR. FEINMAN: A motion that would
19 accomplish the goal that I believe the Delegate is pursuing
20 would be to reconsider previously adopted, first you've got to
21 vote to reconsider, to move to reconsider it, am I correct? So
22 do that, then once you get there, I think I've got the right
23 motion for you.

24 DELEGATE KILGORE: Okay, I have a
25 motion to reconsider the vote by which we adopted the

1 strategic plan. All those in favor say aye. (Ayes.) All those
2 opposed say no.

3 DR. EHRHARDT: No, Alexis Ehrhardt.

4 DELEGATE KILGORE: All right. I
5 thought I heard another no or two. All right. The motion is
6 before us that the strategic plan is back before us. Evan?

7 MR. FEINMAN: Evan, to accomplish it
8 the supermajority section in the strategic plan is only
9 discussed in the section on page seven entitled
10 professionalization of the Commission's work. I think
11 adopting the draft strategic plan in its entirety with the
12 exception of the paragraph entitled professionalization of the
13 Commission's work on page seven would accomplish the goal
14 of removing that requirement from it.

15 DELEGATE KILGORE: And that's on
16 page seven, yeah, I see it now, okay. So that would take care
17 of that. So that would be the motion Delegate Edmunds, if
18 you are making that motion.

19 DELEGATE EDMUNDS: Yes, sir, Mr.
20 Chairman.

21 DELEGATE KILGORE: Is there a second
22 to that motion?

23 DELEGATE HARRIS: Second.

24 DELEGATE KILGORE: Who seconded?

25 MR. OWENS: Frank Harris.

1 DELEGATE KILGORE: Okay, Frank,
2 okay.

3 DELEGATE HARRIS: Yes, okay, I'm
4 sorry, yes I seconded.

5 DELEGATE KILGORE: Okay. All right,
6 the motion is seconded. Discussion? All those in favor say
7 aye. (Ayes.) Opposed?

8 DR. EHRHARDT: No.

9 MS. COLEMAN: No.

10 DELEGATE KILGORE: No would be?

11 DR. EHRHARDT: Alexis Ehrhardt.

12 DELEGATE KILGORE: Alexis Ehrhardt.

13 I heard Becky Coleman. Who else? There was another no, I
14 thought there was another no. That motion carries then. If
15 you did vote no and didn't record it, contact Andy or Evan and
16 they will record you as a no. All right, Evan, do we have any
17 other business?

18 MR. FEINMAN: You do not, Mr.

19 Chairman. I will call everyone's attention however to the most
20 recent update sent out to you on Friday. There are a couple of
21 things that are just housekeeping that should be of note.

22 First of all, legislative members, I am still,
23 we have not filled up the two slates that we need to fill up with
24 potential citizen nominees. So if you are a legislative member,
25 please do send me the name and home address of a potential

1 stung you Evan.

2 MR. FEINMAN: But that carried, Mr.
3 Interim Chairman. I believe the next item on the agenda is
4 public comment and then we adjourn.

5 SENATOR CHAFIN: With that limited
6 required performance, I'll ask if there are any members of the
7 public that would like to express comments. Could I hear
8 from you each one at a time, please, please announce your
9 name and where you are from? Do I have comments from the
10 public?

11 MR. FEINMAN: I don't think we have any
12 public comment, Mr. Chairman.

13 SENATOR CHAFIN: Hearing no
14 comments, I would ask for a motion to adjourn.

15 UNIDENTIFIED: So moved.

16 UNIDENTIFIED: Second.

17 UNIDENTIFIED: Second.

18 SENATOR CHAFIN: Moved and seconded
19 that we adjourn. All those in favor, please indicate by saying
20 aye. (Ayes.) Any opposed? (No response.)

21

22 PROCEEDINGS CONCLUDED.

23

24

25

1 CERTIFICATE OF THE COURT REPORTER

2
3 I, Medford W. Howard, Registered Professional
4 Reporter and Notary Public for the State of Virginia at large, do
5 hereby certify that I was the court reporter who took down and
6 transcribed the proceedings of the **Tobacco Region**
7 **Revitalization Commission Full Commission meeting**
8 **when held on Monday, June 22, 2019 at 11:00 a.m. by**
9 **conference call.**

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

13 Given under my hand this 30th day of June,
14 2020.

15
16 _____
17 Medford W. Howard
18 CCR #0313137
19