



1
2
3
4
5
6
7 EXECUTIVE COMMITTEE
8 Wednesday, April 23, 2003 - 6:30 p.m.
9 and
10 Thursday, April 24, 2003 – 2:15 p.m.
11 Berry Hill Conference Center
12 South Boston, Virginia
13
14

15 **APPEARANCES:**

16 Senator Charles R. Hawkins, Chairman
17 Delegate Terry G. Kilgore, Vice Chairman
18 Senator William C. Wampler, Jr.
19 Senator Phillip P. Puckett
20 Senator Frank M. Ruff
21 Delegate Joseph P. Johnson, Jr.
22 Delegate Allen W. Dudley
23 The Honorable Gary D. Walker
24

25 **COMMISSION STAFF:**

26 Carthan F. Currin, III, Executive Director
27 Mary Cabell Sherrod, Manager of Communications and
28 Committee Operations
29 Stephanie Wass, Director of Finance
30

31 **ATTORNEY GENERAL'S OFFICE:**

32 Frank Ferguson, Senior Assistant Attorney General
33 Anne Marie Cushmac, Senior Assistant Attorney General
34 Stephine Hamlet, Senior Assistant Attorney General
35
36

37 SENATOR HAWKINS: Thank you all for coming, we'll call the Executive Meeting
38 to order. Carthan, would you call the roll?

39 MR. CURRIN: Mr. Bryant?

40 MR. BRYANT: (No response.)

41 MR. CURRIN: Delegate Byron?

42 DELEGATE BYRON: (No response.)

43 MR. CURRIN: Delegate Dudley?

44 DELEGATE DUDLEY: Here.

45 MR. CURRIN: Delegate Johnson?

46 DELEGATE JOHNSON: Here.

47 MR. CURRIN: Senator Puckett?

48 SENATOR PUCKETT: Here.

1 MR. CURRIN: Senator Ruff?

2 SENATOR RUFF: Here.

3 MR. CURRIN: Secretary Schewel?

4 SECRETARY SCHEWEL: (No response.)

5 MR. CURRIN: Mr. Walker?

6 MR. WALKER: Here.

7 MR. CURRIN: Senator Wampler?

8 SENATOR WAMPLER: Here.

9 MR. CURRIN: Delegate Kilgore?

10 DELEGATE KILGORE: Here.

11 MR. CURRIN: Mr. Chairman?

12 SENATOR HAWKINS: Here.

13
14 SENATOR HAWKINS: This won't take but a few minutes, I think everybody is
15 pretty much up to speed with what we're talking about. The main thing we're going to deal with primarily
16 is the budget. What you have in your folder is the original budget with a more progressive budget
17 proposal based on the allocations that are normally received and a more conservative budget proposal,
18 which is based on the possibility that securitization would be in place. I do not think we have time in this
19 particular meeting to deal with the overall budget, but what we need to do is have an administrative
20 budget put in place so that we can meet the July 1 deadline for the budgetary considerations of the
21 Commission. On the educational part we need to go ahead and give the Educational Committee the
22 ability to work with the localities and develop the scholarships so there will not be any breaks in that
23 momentum. Other than that, I think the other people on the Commission have a need to and should have
24 a right to have an opportunity to go through this in a little bit more detail and would deal with it, in my
25 opinion, at the summer meeting at Longwood University. Any questions or comments?

26 SENATOR RUFF: Mr. Chairman, is the administrative budget adjusted as we talked
27 about?

28 SENATOR HAWKINS: The administrative budget does not reflect the new position
29 that we are having interviews with the sub-committee that Mr. Owen is chairing. The position was one
30 dealing with somebody who has a business background to be able to review applications based on an
31 understanding of the quality of the applications and to make recommendations to the full Commission. It
32 is a project that the Governor is very supportive of, but it was based on the assumption of securitization,
33 and I'm not real sure where we are at this point. We need to go ahead with Claude Owen's sub-committee
34 and do the basic structure to make sure we know where we're going and to make sure we know the
35 process, and it will be up to the Commission to make those considerations. So right now this budget does
36 not reflect that salary that we are talking about.

37 DELEGATE KILGORE: The salary we have here is what we have on board today?

38 SENATOR HAWKINS: This is what we have on board today plus the two new
39 positions we have. We have a new position in the Southwest and Southside, and those are the grant
40 applications people that will help the localities. These are the ones that we have agreed to earlier, so they
41 do reflect an increase in the size of the Commission staff, and it reflects the needs of our localities as
42 much as anything.

43 MR. CURRIN: Mr. Chairman, it's my understanding that the Executive Branch,
44 even though securitization is not taking place, it's my understanding that the Executive Branch will push
45 for a new position.

46 SENATOR HAWKINS: The new position is one we need to discuss, and I can

1 certainly understand the conversations dealing with establishing a position in the office to deal with grant
2 applications and make sure they meet certain standards and it's something we need to deal with. There
3 are other possibilities that we need to look at, one dealing with the possibility of having an individual that
4 will be on the Staff of the Commission, or there is another possibility that we need to look at and that is
5 contracting out with an individual that does this sort of work and use him on a contractual basis to be able
6 to review applications and give us opinions based on what we present to him and would be more
7 freelance, and we wouldn't have the expense of the overall package that would go with that employment,
8 and that may be something that we need to look at. I think there are individuals that we could talk to that
9 operate that sort of business that would give us the type of expertise we need without having to actually
10 have someone full-time. That might be something we may need to do as well. I think the main thing is
11 trying to bring to the table the type of expertise that we need to make sure that we make investments
12 based on a sound understanding of the market. I think we can do that several different ways, but you're
13 right, Carthan, we need to pursue that process and make sure that we touch all bases.

14 MR. CURRIN: I just felt that we needed to communicate that to the Governor.

15 SENATOR HAWKINS: I think we need to contact the Governor's Office and have
16 an opportunity to be able to discuss that proposal as well as a full-time proposal and see if one works as
17 well as the other. The idea or advantages of doing a contract type situation is that you have someone
18 outside the Commission who may be able to give a much more universal view than someone who is
19 employed by the Commission that that's their daily job. So we need to discuss that. Any other questions?

20 SENATOR RUFF: I assume you need a motion to ask the full Commission to
21 approve the administrative part of the budget?

22 SENATOR HAWKINS: And the education component and the scholarships.

23 DELEGATE DUDLEY: There's a couple of items in this administrative budget
24 having to do with furniture and equipment. Do we lease furniture, or what's going on?

25 MS. WASS: We obtained most of our furniture at a very low cost, when GET closed
26 down we purchased it, that's where most of our furniture came from. The only additional cost would be if
27 we had new personnel or additional office space if we had additional personnel. This cost for furniture
28 and equipment was replacement, maybe computers and that sort of thing.

29 SENATOR HAWKINS: Stephane, does this reflect the two satellite offices we
30 opened up, one in South Boston and one in Southwest Virginia?

31 MS. WASS: We may possibly need some there.

32 SENATOR HAWKINS: But we have opened two new offices, one in South Boston
33 and one in Southwest that the grant application people will be occupying?

34 MS. WASS: Yes.

35 SENATOR HAWKINS: Allen, does that answer your question?

36 DELEGATE DUDLEY: Yes.

37 SENATOR HAWKINS: Any other discussion on the budget as presented?

38 SENATOR WAMPLER: Mr. Chairman, that's for fiscal year '04?

39 SENATOR HAWKINS: Yes, sir. What we're dealing with is strictly the
40 administrative budget as well as an educational component to work with scholarships. The rest of the
41 budget will be carried over to the next meeting at Longwood, July 11th. Is everyone comfortable with
42 that?

43 DELEGATE JOHNSON: Mr. Chairman, whether or not later we adopt a
44 conservative budget or the maximum budget these figures would remain the same?

45 SENATOR HAWKINS: Yes, this doesn't change, this is strictly an administrative
46 budget.

1 SENATOR WAMPLER: Mr. Chairman, I'm trying to get a focus of where we're
2 heading. I was under the impression that we would have an indication of balances, actual balances and
3 projected balances at the end of this fiscal year. The one area that I'm concerned about is that if we
4 properly capitalize the Agribusiness Committee as they have a couple of projects. I'm not sure if that
5 conflicts with the motion that Senator Ruff made, but before I vote on that I want to get an understanding
6 of where we are.

7 SENATOR HAWKINS: My understanding, Senator, is that it does not conflict
8 because the budget presented at Longwood will reflect moneys for the Agribusiness Sub-Committee, and
9 that will be spelled out in the draft budget presented for us to look at.

10 SENATOR WAMPLER: I don't think it's an unfriendly question, but if we have
11 balances within the committees for '03 we ought to decide if we're going to transfer any of those balances
12 over to the Agribusiness with the Commission's approval tomorrow, they may or may not want to approve
13 it at that time. There's some projects that deserve some attention before the July meeting.

14 SENATOR HAWKINS: Is there anything pending that has not been funded that's
15 before any sub-committee? Joe, do you have anything pending that's not funded?

16 DELEGATE JOHNSON: Yes, sir.

17 SENATOR HAWKINS: It has to be dealt with prior to that time?

18 DELEGATE JOHNSON: Yes.

19 SENATOR WAMPLER: I'm not trying to stir anything up, but I think it's a
20 legitimate question, and we ought to capitalize Agribusiness if we have a chance to capture any balances.

21 SENATOR HAWKINS: Joe, how many projects do you have outstanding that you
22 may have applications for? Have you approved any?

23 DELEGATE JOHNSON: We have not.

24 SENATOR HAWKINS: None has been approved as of yet?

25 DELEGATE JOHNSON: Because we did not have the money.

26 SENATOR WAMPLER: I think what we need to do is adopt the administrative
27 budget. Senator Ruff made that motion, I'll second it.

28 SENATOR HAWKINS: It's been moved and seconded that the administrative
29 budget, which includes the educational component, be recommended to the full Commission. Any other
30 business?

31 SENATOR RUFF: That's just the scholarship part, and it's the same rate as last year,
32 and so we can get this ball rolling before the last minute.

33 SENATOR HAWKINS: Clarification, any further questions about that comment?
34 All in favor say aye? (Ayes.) No? (No response.) That's carried. The recommendation tomorrow, we'll
35 make a recommendation on that part. The other thing we need to deal with, Joe, if you'll come up with
36 some sort of figure between now and maybe tomorrow so we'll be able to find some money to fill the hole
37 that you've got so you can deal with it, because we can't let those things float if they need to be funded.

38 SENATOR WAMPLER: Mr. Chairman, I'd suggest that the Executive Committee
39 ought to make that recommendation tonight and take it to the full Commission rather than trying to let
40 thirty-three people decide it.

41 SENATOR HAWKINS: How much money do you need?

42 DELEGATE JOHNSON: Let's see, yesterday we had forty-eight thousand for one --

43 DELEGATE KILGORE: -- We had either four or six projects, and one of them was
44 seven million, I think.

45 SENATOR HAWKINS: Stephanie, what's our balance in Special Projects?

46 MS. WASS: Unobligated March 31 was 10.3 million.

1 DELEGATE KILGORE: We obligated some of that.
2 SENATOR HAWKINS: Do you have any idea what we obligated against the 10.3?
3 DELEGATE KILGORE: We obligated about five million.
4 SENATOR HAWKINS: Stephanie, what other source do we have to deal with?
5 MS. WASS: There's also the 2002 indemnification reserve, either unclaimed
6 indemnification, and that can be released June 14th.
7 SENATOR HAWKINS: How much money is that?
8 MS. WASS: 1.47 million.
9 SENATOR HAWKINS: I move we transfer those funds to the Agribusiness June
10 14th, which is 1.4 million dollars and money being carried without any particular place to place it. Does
11 anybody have a problem with that? 1.4 million, carry the balances that --
12 DELEGATE JOHNSON: -- That would take care of the forty-eight thousand.
13 SENATOR HAWKINS: Any discussion on the 1.4 million that are coming out of
14 funds that we carried over in indemnification that has not been claimed by any individuals?
15 MS. WASS: It's the balance left from 2002.
16 MR. FERGUSON: The only caveat is that there still may be claims against that that
17 would be relatively small amounts.
18 SENATOR HAWKINS: At least we can get some money into this fund. Any
19 discussion on that, Joe? Does that take care of your problem?
20 DELEGATE JOHNSON: No problem.
21 SENATOR HAWKINS: Any discussion? Is there a motion?
22 DELEGATE JOHNSON: So moved.
23 SENATOR HAWKINS: It's been moved and seconded that those funds be
24 transferred to the Agribusiness Committee. All in favor say aye? (Ayes.) Opposed? (No response.)
25 Anything else floating out there financially that we need to deal with before we get to the full Committee?
26 Okay, suggestion time. What I had planned to recommend to the Commission tomorrow is that we start
27 phasing out the Citizens' Committee on the e58 program and empower the Telecommunication Sub-
28 Committee to start some final operations as to how we would structure the telecommunications piece on
29 the e58 project. Also dealing with that component to determine a recommendation to the full Commission
30 probably by the next meeting, Clarke, and if possible what type of structure and how we will work out the
31 Southwest piece and the Southside piece and whether we need to take two different approaches or work in
32 tandem. That's up to your sub-committee to make a recommendation on that. We need to get this off the
33 dime, I think we need to move on this.
34 DELEGATE HOGAN: Mr. Chairman, I see you've got about four and a half million
35 that's still in the e-Corridors pot for a while. Do you anticipate adding that to the, this proposed budget
36 has about five and a half million, do you anticipate that at ten million?
37 SENATOR HAWKINS: Yes, and if we decide to go different ways you've got three
38 and seven, Southside and Southwest.
39 DELEGATE HOGAN: That's the total pot of money?
40 SENATOR HAWKINS: The only thing I ask you to do when you start looking at the
41 structure now is to make sure that all the questions that were brought be answered and also that when
42 we're talking about two different entities if we do that, make sure they're compatible, that they're
43 connected at some point to make sure they work in tandem with each other. We don't want to build two
44 separate entities that cannot work together, but other than that we need to get this thing moving. If that
45 works, I think we need to contact the Chairman and Co-Chair of that Committee and thank them for the
46 work they have done, because they have done yeoman's work. The report from Virginia Tech puts us in

1 the right direction, but it's our responsibility now, and this Commission needs to deal with it. Being in-
2 house we can count on a more responsive sort of look at this as we go along and also have someone to get
3 our hands on.

4 DELEGATE HOGAN: Mr. Chairman, one more question for my edification. Are
5 you looking for a course of action at the July meeting?

6 SENATOR HAWKINS: Yes.

7 DELEGATE HOGAN: In anticipation of some of the comments you have suggested
8 I'd like to think that we might be ready to submit a proposal before then, or to make this thing get rolling,
9 are you authorizing us to go ahead to a certain level?

10 SENATOR HAWKINS: Let me answer your question by saying you're the Chair of
11 this Committee to deal with it.

12 MR. CURRIN: Mr. Chairman, are you suggesting that Delegate Hogan, being the
13 Chair of the Sub-Committee, he would have the responsibility to spend money and allocate it?

14 SENATOR HAWKINS: No, he can go ahead and make plans and recommendations,
15 but they can't, that's a budgetary thing we'd have to deal with. We need a recommendation so we know
16 what we can do and when we can do it. We need a time frame and also the structure and a plan to govern
17 this and also the public/private part of it and what we can do within the Commonwealth to make sure that
18 we have the access we need and get this line down as quickly as possible. You may want to contact
19 Danville and Pittsylvania County and see how they have come along laying the line down 29, they could
20 give you some idea how that works. Is that agreeable with everyone, have we talked about this enough?
21 We need to move with it. Is there anything else we need to bring before the full Commission tomorrow
22 in the way of discussions that we have not brought up tonight?

23 SENATOR WAMPLER: Mr. Chairman, I don't know if we need to go into the
24 Executive Session or not but, who's prepared to give the report on the securitization update?

25 SENATOR HAWKINS: Well, Jody Wagner is going to be here tomorrow to give us
26 a report on securitization and an update and an understanding of where we are today.

27 SENATOR WAMPLER: With all due respect to Madam Treasurer, do we know
28 what she's going to say?

29 SENATOR HAWKINS: No. Do we need to go into Executive Session?

30 SENATOR WAMPLER: No, I just wanted to say that, and only speaking for
31 myself, that the Treasurer's opinion might not necessarily be that of the full Commission. It may or may
32 not be.

33 SENATOR HAWKINS: If it's not we'll have an opportunity to express our opinion
34 after she's finished her presentation.

35 SENATOR WAMPLER: My only concern about bringing it up before the Executive
36 Committee is so that I think the balance of the Commission will look to guidance from the Executive
37 Committee as to what direction we're moving in. You, Mr. Chairman, have to carry that ball.

38 SENATOR HAWKINS: The only thing I can tell the full Commission is the same
39 thing we talked about at the meeting in Richmond. We've talked to Counsel for some advising about what
40 we need to look at. Do we have a report back from Counsel yet?

41 MR. CURRIN: They'll be here tomorrow.

42 MR. FERGUSON: Mr. Chairman, I'm not sure what Senator Wampler's question is,
43 but if the question is a report on what the options are that we talked about at the last meeting back at the
44 Capitol and Counsel is here to tell you what they discovered in their work since they were retained.

45 SENATOR HAWKINS: We may go into Executive Session prior to the meeting.

46 MR. FERGUSON: I don't know what Ms. Wagner is going to say, but I think it's

1 unlikely she's going to come forward with any recommendations. I think she's likely to tell us how the
2 market has reacted since we last met and what's going on as far as Philip Morris being on bond and that
3 sort of thing and that lawsuit. I don't anticipate anything other than sort of a status report and the market
4 conditions in general.

5 SENATOR WAMPLER: Mr. Chairman, I suggest we hear from the Treasurer and
6 then you take us into Executive Session. I don't know what other problems we've brought out of the can.
7 The Executive Committee ought to receive the report from Counsel on what the options are rather than
8 the entire Commission.

9 SENATOR HAWKINS: We can call an Executive Committee meeting tomorrow
10 morning when Counsel arrives. We can receive the report and we can do that, but that's the only option
11 we have.

12 MR. FERGUSON: I'm not sure they're going to be here in the morning. It's
13 scheduled late in the day on the agenda, so I don't know how early they're going to be here. We have
14 notice of a separate Executive Committee meeting.

15 SENATOR WAMPLER: I have a lot of concern on outside Counsel briefing thirty-
16 three members.

17 SENATOR HAWKINS: William, the only thing we can do is that when Counsel
18 arrives we can take a break and go into the Executive Committee and receive the report from Counsel,
19 since we're the ones that initiated the conversation.

20 MR. FERGUSON: While there may be formal discussion I would suggest that as a
21 possibility rather than adjourning the Executive Committee meeting tonight, we recess until some point
22 tomorrow. If you don't have to meet again then go into it for purposes of adjourning. At least that way
23 the notice for the on-going meeting is given.

24 SENATOR HAWKINS: All right. Before we have any more motions I'd like to get
25 approval of the Minutes for the last meeting.

26 DELEGATE JOHNSON: So moved.

27 SENATOR WAMPLER: Seconded.

28 SENATOR HAWKINS: All those in favor of accepting the Minutes from the last
29 meeting say aye? (Ayes.) Opposed? (No response.)

30 SENATOR WAMPLER: Another matter of interest is a newspaper article
31 concerning an entity that the Commission invested money in that now may be contemplating a certain
32 legal procedure, and I'm speaking of Tobio.

33 SENATOR HAWKINS: We'll have an update on Tobio tomorrow morning.

34 SENATOR WAMPLER: That answers that question.

35 SENATOR HAWKINS: Also bringing everyone up to speed, Tobio has been in
36 conversation with selling their rights maybe, I don't know.

37 MR. FERGUSON: CropTech.

38 MR. CURRIN: The Attorney General's Office can brief the full Commission.

39 MR. FERGUSON: There's not a lot to brief.

40 SENATOR HAWKINS: Everyone is familiar with Tobio, so need discussing it.
41 They're in North Carolina, CropTech, or South Carolina, and obviously the funding that they were looking
42 for did not materialize, and they're facing bankruptcy. They're going to the market now selling the assets
43 to someone who's willing to buy. We have a position that we need to defend, so we're looking at that as
44 well. I think we have a hundred thousand shares of stock.

45 MR. FERGUSON: We have a hundred thousand shares of stock at space value, if
46 that's the right term. As I recall a million and a half dollars or 1.5 million, fifteen dollars a share was the

1 face value.

2 SENATOR HAWKINS: William, does that answer your question?

3 SENATOR WAMPLER: How many shares?

4 MR. FERGUSON: Tobio pled those shares as security for the loan that we made to
5 them.

6 SENATOR WAMPLER: We have a hundred thousand shares in some form.

7 MR. FERGUSON: We don't know how many shares there might be since it's not a
8 publicly traded company.

9 MR. WALKER: Mr. Chairman, was there some equipment involved that we have a
10 lien against?

11 SENATOR HAWKINS: I think it was leased.

12 MR. FERGUSON: The equipment that they were going to buy, and I don't believe
13 we have a lien on that, but Tobio as of now is in default.

14 SENATOR HAWKINS: Was the greenhouse in Giles County leased property?

15 MR. FERGUSON: I'm sure the property was leased. The building itself was erected
16 at their cost, I believe.

17 SENATOR HAWKINS: Any other comments on that subject? Anything else to
18 come before the Executive Committee?

19 SENATOR WAMPLER: I understand the Special Projects application was modified
20 for Henry County to request support for the Martinsville Speedway in a fashion that now would be
21 acceptable, and that's included in the report tomorrow, and that was a loose end.

22 SENATOR HAWKINS: If there's any question with that, I'd like to make a
23 suggestion. If you need to, and I'm not sure about the position you all are offering tomorrow, but
24 understand there's a railroad track problem up there and some VDOT questions about locations of the
25 road. It may be we need to postpone the decision if, in fact, it suits the sub-committee, and have a
26 meeting of your sub-committee in the Henry County Martinsville area and invite all the principals,
27 including VDOT and Norfolk Southern, to figure out some way to fix the entire problem. But, that's a
28 suggestion.

29 SENATOR WAMPLER: Mr. Chairman, I'd prefer to have the full Commission vote
30 on it to allocate dollars tomorrow, and if we need to have another meeting to encourage them, we can do
31 that.

32 SENATOR HAWKINS: It's your sub-committee, that's my suggestion. Okay,
33 anything else dealing with any particular matter?

34 MR. WALKER: There were quite a few questions or conflicts Monday when we
35 met. There was some information passed out about the estimated cost of securitization to this point. I'm
36 not sure how many people saw that, but --

37 MS. WASS: -- This was handed out at the February meeting.

38 SENATOR HAWKINS: These are projected costs, and I have no idea what they're
39 going to be, and I'm not sure of what obligations are, particular pieces of it. The fact that securitization
40 was stopped, that's a legal question, and I don't have an answer. We did assume some liabilities when we
41 opened up the negotiations with the traders, and I do know that. How much obligation we have, I do not
42 know. I understand, according to Stephanie, the figures you're seeing are projections based on those
43 assumptions, and it may be higher or lower. How much higher could they go?

44 MS. WASS: You might be better off asking the Treasurer. There's an hourly cost for
45 the financial advisors and for the transaction counsel.

46 SENATOR HAWKINS: These are questions we need to deal with tomorrow when

1 the finance people are here and they can give us some idea. We need to have that understanding, and if
2 we have to put some reserves aside to be able to deal with these matters, we need to do that. Carthan,
3 how much money do you plan to put aside as a reserve to take care of this situation, as well as any legal
4 costs?

5 MR. CURRIN: For the securitization?

6 MS. WASS: I think it's six hundred and fifty thousand.

7 SENATOR HAWKINS: Is that going to be sufficient?

8 MR. CURRIN: That's a projection or an educated guess.

9 SENATOR HAWKINS: We've got e58, we've got the educational piece, the
10 administrative budget, we've talked about Tobio, anything else we need to take up?

11 MR. CURRIN: Maybe having two meetings in the summer about economic --

12 SENATOR HAWKINS: -- I talked to Frank, and we all came to a conclusion that
13 some time during the summer, probably on our part in Southside, besides the meeting at Longwood, that
14 we have some economic summit in Southwest Virginia, have it in that region and bring together all the
15 economic development people, the county administration and city managers, and bring the partnership in
16 as well as other economic development people to go over what assets we have as communities, and
17 review where all our industrial parks are located and what we need to do to work across county and city
18 lines to be able to utilize property to the best advantage of everyone involved. Water and sewer lines,
19 where there are, what the Commission can do to take some areas to the next step, where they're
20 duplicating we need to stay away from, what type of planning we can do to make sure that we know
21 where we want to be ten or fifteen years out, and the partnership could help us do that. Is that something
22 that anyone has any comments about? I think by having the two components, Southside and Southwest, it
23 gives us a good opportunity to work with localities. What I'd also suggest doing, and I think it would be
24 good for the areas, my senatorial district is fairly compact, and I want to get Halifax into that discussion
25 as well and find out what those particular entities can do to improve their working relationship. I'd like to
26 be able to break out into smaller groups and have discussions and figure out how we can take something
27 like Charlotte County and help solve some problems they face, because like Prince Edward, Appomattox,
28 Lunenburg, and probably Buckingham, those areas that have some history together.

29 MR. CURRIN: An ongoing process for the long-range plan.

30 SENATOR HAWKINS: I think that's important enough that I think we need to deal
31 with that. Any other suggestions? Before we adjourn, then, just for a few minutes, we've got to offer
32 some sort of different thinking. I think we have offered some creative things, particularly with the e58
33 and Virginia Tech and the bioinformatics. I think the institute is one of those unique things that gives some
34 identity that we can show forward thinking and leadership. Our localities are doing what I normally
35 would expect, taking care of their home turf by coming to us and asking for water and sewer and
36 industrial parks, which is all well and good, and we're approving them. What we need to do is come up
37 with some sort of understanding and thinking that we can offer to our localities, some vision beyond what
38 they're doing right now. It's got to be an e58 concept that goes beyond normal thinking that we do. If the
39 localities are not doing it, it may fall upon us to make sure that we invest these moneys and start some
40 creative thinking among ourselves and come up with ideas we can offer our communities much like e58.
41 But if we don't, no one else will do it, and we'll continue doing what we're doing right now, which I'm not
42 sure gets us to where we need to go. The Franklin County piece is the one that I think has possibilities by
43 using the western part of Franklin County to do some things with, but we need to build on that.

44 DELEGATE DUDLEY: When you say that, Mr. Chairman, I think it's well and
45 good, but the real innovative ideas like that seem to be the ones that get turned down.

46 SENATOR HAWKINS: This is an ongoing process, and sometimes it's the way it's

1 passed. Things that may be turned down at one time we need to come back and put a different bow on it
2 and sell it again. I was in retail most of my life, and you can put something in a different package the
3 second time and get double the price for it.

4 SENATOR WAMPLER: Mr. Chairman, a very quick observation. Having
5 experienced Special Projects in the Southwest community yesterday, one thing we're going to try to re-
6 emphasize at home is that we should not be the applicants' first source of funding. I realize local matches
7 are hard sometimes under unique circumstances, but there are at least six other agencies that can develop
8 this infrastructure, and we should encourage all the applicants to do that to the largest extent possible. I
9 think these applications have not hit that mark.

10 SENATOR HAWKINS: Thank you for bringing that up, because I'm hoping you'll
11 make a recommendation to put some framework in place in Special Projects that requires some sort of
12 understanding of what we'll accept and we will not accept when it comes to Special Projects so everybody
13 will know the ground rules.

14 DELEGATE HOGAN: Mr. Chairman, as a personal favor, I would ask, William, to
15 have you make that comment to the full Commission tomorrow. Certainly it's an issue in Halifax County
16 where you are right now, a lot of people need to hear it, it would be real good for them to hear that from
17 you.

18 SENATOR WAMPLER: As long as the plane has fuel and the chariot is awaiting,
19 I'll be glad to say that.

20 SENATOR HAWKINS: Clarke, you haven't been here for the last, I guess four
21 years, but we have said this a number of times, and they just don't want to hear it. The problem now is
22 that we have become the committee of the easiest source of money. When you find the easy source, that's
23 were you go to first. We've got to be careful, and we need to put guidelines in place and adhere to the
24 guidelines. We've got to also understand something. I've heard some rumblings about formularies that
25 were used in Southside. Anyone that mentions formularies to you and the problems that formularies
26 entail, tell them we have addressed that by putting in place moneys off the top of Education, Special
27 Projects, Deal Closings, comes off the top of everything to try to balance off those imbalances within the
28 system and give everybody the ability so they'll have a job opportunity and be able to close on those for
29 monies rather than sticking to a strict allocation formulary. That strict allocation formulary would not
30 work today. We've got to make sure people understand we've gone the extra mile to try to make sure that
31 we are addressing those problems of our smaller counties. The problem with the smaller counties, and
32 Charlotte is a good example, we can't fund what we don't know, and there's no ideas coming up. It
33 bothers the hell out of me.

34 DELEGATE HOGAN: We're going to provide that for you, Mr. Chairman.

35 SENATOR HAWKINS: We've got counties out there that have not offered anything
36 other than normal allocations for signs going into communities or to build signs. We've got to do better
37 than this. I don't know what it's going to be, but we can't keep doing this.

38 SENATOR RUFF: Don't pick on Appomattox, only had thirty thousand dollars.

39 SENATOR HAWKINS: Cumberland that we're talking about, I think that was a
40 good day's work. Before we recess until tomorrow, let me remind you that Tucker Watkins' nephew was
41 declared dead in Iraq. He's the sixth Virginian killed in that war, and that was confirmed. So we need to
42 keep Tucker in our thoughts, and I'll mention that tonight when we get to the reception, but he has a wife
43 and a small child and another child on the way, and it's a real tragedy for that family. William Watkins
44 grew up in South Boston, he's a child of this community.

45 It's been moved and seconded to recess until tomorrow, all in favor say aye? (Ayes.) Opposed?
46 (No response.)

1
2 NOTE: At this point the Executive Committee recesses at 7:15 p.m. on
3 April 23, 2003.

4
5 Whereupon, the Executive Committee reconvenes on Thursday, April 24,
6 2003 at 2:15 p.m., viz:

7
8 SENATOR HAWKINS: I'm going to call the Executive Committee back in session.
9 Is there a motion that we go into executive session?

10 SENATOR RUFF: Mr. Chairman, I move that this meeting be recessed and that the
11 Executive Committee immediately reconvene in a closed meeting to review, discuss, and receive briefings
12 and consultations by Staff, and advice by legal counsel. This is permitted by Section 2.2-3711(A)(7) of
13 the Virginia Freedom of Information Act.

14 SENATOR HAWKINS: It's been moved and seconded, all in favor say aye? (Ayes.)
15 Opposed? (No response.)

16
17 NOTE: Executive Session.

18
19 DELEGATE DUDLEY: Mr. Chairman, whereas, the Tobacco Indemnification and
20 Community Revitalization Commission has convened a closed meeting on this date pursuant to an
21 affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information
22 Act; and whereas, Section 2.2-3711 of the Code of Virginia requires a certification by this Commission
23 that such meeting was conducted in conformity with Virginia law; now, therefore, be it resolved that the
24 Commission hereby certifies that, to the best of each member's knowledge, one, only public business
25 matters lawfully exempted from open meetings requirements under the Act, and two, only such public
26 business matters as were identified in the motion by which the closed meeting was convened were heard,
27 discussed or considered by the Commission in that meeting.

28 SENATOR HAWKINS: The motion has been made and seconded. Any discussion?
29 Call the roll.

30 MR. CURRIN: Delegate Byron?

31 DELEGATE BYRON: Yes.

32 MR. CURRIN: Delegate Dudley?

33 DELEGATE DUDLEY: Aye.

34 MR. CURRIN: Delegate Johnson?

35 DELEGATE JOHNSON: Aye.

36 MR. CURRIN: Senator Puckett?

37 SENATOR PUCKETT: Aye.

38 MR. CURRIN: Senator Ruff?

39 SENATOR RUFF: Aye.

40 MR. CURRIN: Secretary Schewel?

41 SECRETARY SCHEWEL: Aye.

42 MR. CURRIN: Mr. Walker?

43 MR. WALKER: (No response.)

44 MR. CURRIN: Senator Wampler?

45 SENATOR WAMPLER: Aye.

46 MR. CURRIN: Vice Chairman Kilgore?

1 VICE CHAIRMAN KILGORE: Yes.

2 MR. CURRIN: Mr. Chairman?

3 SENATOR HAWKINS: Aye. Is there a motion to adjourn?

4 VICE CHAIRMAN KILGORE: So moved.

5 SENATOR HAWKINS: It's been moved and seconded that we adjourn. All in
6 favor? (Ayes.) Opposed? (No response.) We're adjourned.

7
8
9
10
11 PROCEEDINGS CONCLUDED.
12 CERTIFICATE OF THE COURT REPORTER
13

14
15 I, Medford W. Howard, Registered Professional Reporter and Notary Public for the
16 State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed
17 the proceedings of the **Executive Committee Meeting when held on Wednesday, April 23, 2003 at**
18 **6:30 p.m. and Thursday, April 24, 2003 at 2:15 p.m. at the Berry Hill Conference Center, South**
19 **Boston, Virginia.**

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

22 Given under my hand this 28th day of April, 2003.
23

24
25 _____
26 Medford W. Howard
27 Registered Professional Reporter
28 Notary Public for the State of Virginia at Large
29

30
31 My Commission Expires: October 31, 2006.
32