

1                   **VIRGINIA TOBACCO INDEMNIFICATION**  
2                   **AND COMMUNITY REVITALIZATION COMMISSION**

3                   701 East Franklin Street, Suite 501  
4                   Richmond, Virginia 23219

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9                   **Executive Committee Meeting**

10                  Tuesday, August 13, 2013

11                  1:30 o'clock p.m.

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15                  The Hotel Roanoke & Conference Center  
16                  Roanoke, Virginia

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1     APPEARANCES:

2     The Honorable Terry G. Kilgore, Chairman  
3     The Honorable Frank M. Ruff, Vice-Chairman  
4     The Honorable Kathy J. Byron  
5     The Honorable Charles W. Carrico, Sr.  
6     The Honorable James S. Cheng  
7         Secretary of Commerce and Trade.  
8     The Honorable Joseph P. Johnson, Jr.  
9     The Honorable Daniel W. Marshall, III  
10    The Honorable Donald W. Merricks  
11    The Honorable Edward Owens  
12    Ms. Cindy M. Thomas  
13    The Honorable Thomas C. Wright, Jr.

14

15    COMMISSION STAFF:

16    Mr. Timothy S. Pfohl, Interim Executive Director  
17         Grants Program Administration Director  
18    Mr. Ned Stephenson, Deputy Executive Director  
19    Ms. Stephanie S. Kim, Director of Finance  
20    Ms. Sara G. Williams, Grants Program Administrator -  
21         Southwest Virginia  
22    Ms. Sarah K. Capps, Grants Program Administrator -  
23         Southside Virginia  
24    Ms. Carolyn Bringman, Performance Data Analyst  
25    Ms. Stacey Richardson, Executive Assistant

1     COUNSEL:  
2     Megan Martz Gilliland, Esquire  
3     CHRISTIAN & BARTON, L.L.P.  
4     Mutual Building, Suite 1200  
5     909 East Main Street  
6     Richmond, Virginia 23219-3095

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1 August 13, 2013

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3 DELEGATE KILGORE: All right, do you want to call  
4 roll?

5 MR. PFOHL: Delegate Byron.

6 DELEGATE BYRON: Here.

7 MR. PFOHL: Senator Carrico.

8 SENATOR CARRICO: Here.

9 MR. PFOHL: Secretary Cheng.

10 SECRETARY CHENG: Here.

11 MR. PFOHL: Delegate Johnson

12 DELEGATE JOHNSON: Here.

13 MR. PFOHL: Delegate Kilgore.

14 DELEGATE KILGORE: Here.

15 MR. PFOHL: Delegate Marshall.

16 DELEGATE MARSHALL: Here.

17 MR. PFOHL: Delegate Merricks.

18 DELEGATE MERRICKS: Here.

19 MR. PFOHL: Ms. Nyholm.

20 MS. NYHOLM: (No response).

21 MR. PFOHL: Mr. Owens.

22 MR. OWENS: Here.

23 MR. PFOHL: Dr. Redwine

24 DR. REDWINE: (No response).

25 MR. PFOHL: Senator Ruff.

1 SENATOR RUFF: Here.

2 MR. PFOHL: Ms. Thomas.

3 MS. THOMAS: Here.

4 MR. PFOHL: Delegate Wright.

5 DELEGATE WRIGHT: Here.

6 MR. PFOHL: Mr. Chairman, you have a quorum.

7 DELEGATE KILGORE: On 5-23-13, minutes of the  
8 TROF minutes, I have a correction. The voting is wrong on the  
9 TROF issue. That needs to be corrected. The vote number is  
10 right, six to five, had me voting with Senator Ruff on that.

11 Anybody have any other corrections?

12 Other than that correction, move the minutes.

13 DELEGATE JOHNSON: So moved.

14 MR. OWENS: Second.

15 DELEGATE KILGORE: All in favor, say aye. (Ayes).  
16 Opposed? (No response).

17 Now, we've got Virginia Tourism.

18 MR. STEPHENSON: Mr. Chairman, if I could direct  
19 your attention to page 11 in your package. You'll find there a  
20 request from Virginia Tourism applying for a grant for support of  
21 the motion picture, *Big Stone Gap*. That request has been  
22 submitted for consideration by the Southwest Committee, and  
23 the film office expressed some urgency and ask that be  
24 considered by the Executive Committee today. It is before you,  
25 there is a way to get that done today if you want to.

1 DELEGATE KILGORE: We previously approved that  
2 back in '09 or 2010.

3 MR. STEPHENSON: It was approved six or seven  
4 years ago for the very same money and very same purpose, and  
5 the transaction language for a number of years. This past March,  
6 that commitment was rescinded, and now the movie is back and  
7 allegedly ready for production.

8 DELEGATE KILGORE: I think we do have someone  
9 here from the Virginia Film Office who works on this project. I  
10 believe he's in the audience.

11 SPEAKER: Thank you, Mr. Chairman. My name is --  
12 I've worked in the Film Office for 16 years. For eight of those  
13 years, we have reviewed this film and what it would mean for  
14 Southwest Virginia. *Big Stone Gap* is a story into itself,  
15 worldwide exposure, and it's a novel that we feel bringing this  
16 project to Virginia will not only be a positive economic impact,  
17 but it'll create some jobs immediately when they go into  
18 production in the fall. But really to the whole economy, it would  
19 be very significant, similar to how we were able to take care of  
20 *Dirty Dancing* in Giles County for 30 years.

21 There's others that have the kind of locations we  
22 need. When we do this, it becomes a destination in itself, the  
23 *Lincoln* film, as you know, we created the *Lincoln* movie trail, and  
24 just as good a film as we've ever made. We also worked in  
25 Petersburg with that film, and about 120 percent as a result of

1 the Commission's grant. Ms. Trigiani is going to film her movie  
2 in the actual location.

3 The film being made at Big Stone Gap is a great  
4 opportunity to have a movie with a title of the actual place, and  
5 that's a tourist area.

6 DELEGATE KILGORE: This is going to be produced  
7 and filmed entirely in Big Stone Gap?

8 SPEAKER: Yes, and the residents of Big Stone Gap  
9 will be involved, and there's a couple of major actors involved in  
10 the project.

11 DELEGATE KILGORE: Who's that?

12 SPEAKER: Patti Wilson, the great grandmother in Big  
13 Stone Gap. And Whoopi Goldberg and others, an Academy  
14 Award recipient --

15 SENATOR CARRICO: Is Whoopi Goldberg --

16 SPEAKER: But the movie is moving forward very fast  
17 as they can at this stage. And when the camera is on the ground  
18 rolling the film, it all looks very positive right now, and we're  
19 very excited, looking forward to filming this. And we appreciate  
20 any consideration of the request we have before you. Thank  
21 you.

22 DELEGATE KILGORE: We're very excited about this,  
23 and I think you've been working with UVA Wise and some of the  
24 students there and the director to help with production. All kinds  
25 of opportunities for folks to get involved, and I figured I'd maybe

1 get a spot.

2 SPEAKER: We're going to record the sound track on  
3 site at Big Stone Gap, Rosanne Cash recording in Big Stone Gap,  
4 and we're going to work with local folks, and there's  
5 opportunities. The original request was for 300,000, I think that  
6 began several years ago. And as we've been going through this,  
7 it's going to cost quite a bit more to make the film than was  
8 anticipated in the beginning. We have a letter request and a  
9 little bit more thankfully and there's some support for that.

10 Any support you can give the project to help us get  
11 this made will be very appreciated. In the world of film-making  
12 in the last eight years, and we've had some incentives like North  
13 Carolina, 25 percent no-cap tax credit, and Georgia, they've  
14 handed out about a hundred million a year in incentives for  
15 filming in the state, and we've got about two-and-a-half million.

16 DELEGATE KILGORE: We really appreciate this, and  
17 we're really happy about filming in Southwest Virginia to tell the  
18 story of Southwest Virginia.

19 SPEAKER: There's been quite a bit done in Canada,  
20 whoever is doing that, but we like to make the movies if possible  
21 in the area that's appropriate. One of the first steps to making a  
22 movie in Southwest Virginia this fall would require a lot of extras.  
23 I would like to read this letter to you, and it's signed by Adrianna  
24 Trigiani. The letter is read.

25 Thank you. Any questions?

1                   SENATOR RUFF: Is there any reason the original  
2 proposal came from Southwest Virginia?

3                   MR. STEPHENSON: Mr. Chairman, if the Committee is  
4 inclined to want to do that, I thought about a suggested motion  
5 that will make it work. Would you like to hear that motion?

6                   DELEGATE KILGORE: Yes.

7                   MR. STEPHENSON: I'm suggesting a motion that the  
8 Executive Director be authorized to transfer up to 300,000 from  
9 the General Account to the Virginia Tourism Authority through an  
10 appropriate budget line item for use in producing a motion  
11 picture, *Big Stone Gap*, contingent upon three things:

12                   A. Completion of the filming of the motion picture;

13                   B. Verification of expenditures in Virginia by the  
14 Virginia Film Office;

15                   C. Our disbursement is limited to one-half of the  
16 Virginia Film Office disbursement.

17                   And further, that this authorization, if not exercised,  
18 expires on August 31, 2014.

19                   That is essentially, Senator Ruff, the same motion that  
20 was made six or seven years ago. But it does have a time limit,  
21 and it is restricted to a verification, completion of the movie  
22 according to the Virginia Film Office --

23                   DELEGATE KILGORE: That's a requirement of the  
24 Virginia Film Office.

25                   MR. PFOHL: The Governor's Motion Picture

1 Opportunity Fund is also on the table here with 600,000, and tell  
2 us to verify a Virginia-based production and release their Motion  
3 Picture Opportunity Fund, and you can agree to treat these funds  
4 in a similar manner. The money will be provided after  
5 verification of the production.

6 SENATOR RUFF: Did I hear you say that was  
7 conditioned on --

8 MR. STEPHENSON: I didn't hear all that.

9 SENATOR RUFF: Will all the movie be made in  
10 Virginia?

11 MR. STEPHENSON: That was not part of the motion,  
12 but part of the motion was a verification of expenditures in  
13 Virginia by the Film Office. We would only disburse funds in  
14 accordance with those expenditures occurring in Virginia.

15 SENATOR RUFF: So this would be all made in  
16 Virginia?

17 SPEAKER: Yes. Is the question will it be distributed  
18 in Virginia?

19 SENATOR RUFF: Yes.

20 SPEAKER: Except the post-production, but our grant  
21 is based on actual Virginia expenditures in Virginia. If they don't  
22 spend X amount here, if it was below that amount by 25 percent,  
23 we would prorate our grant accordingly. If they don't hit the  
24 target they propose in their paperwork, we would prorate that  
25 grant. But our target, the movie is being planned to be shot here

1 in Virginia.

2 MR. PFOHL: If the Film Office prorates our, ours is  
3 prorated accordingly.

4 SPEAKER: That's what we would recommend, it's up  
5 to you folks. A certain amount depends on money that you  
6 make, but I believe we can hit that number or more probably.  
7 Our \$600,000 cannot exceed that.

8 DELEGATE KILGORE: Do we have a motion on that?

9 SENATOR RUFF: Up to \$300,000.

10 DELEGATE KILGORE: All in favor of that, say aye.  
11 (Ayes). Opposed? (No response).

12 MR. STEPHENSON: Mr. Chairman, we have a TROF  
13 grant that's been in default for some time and not yet collected.  
14 I am before you today to update you on the status of that as to  
15 what proposal that might be made. I want to give you a one-  
16 slide brief, where the conflict lies, and there is some conflict over  
17 whether or not the grantee is in default, and I'll show you the  
18 details of that.

19 And I'll ask Carolyn to bring the first slide up on the  
20 screen. This is a grant that was made to Washington County for  
21 the benefit of Columbus McKinnon. It was a \$283,000 grant  
22 investment that was promised. The investment promise was  
23 \$5 million, and what was delivered was \$2.9 million, somewhat  
24 short of the promises that were made.

25 There's no dispute about that investment, and that is

1 not in conflict. The number of jobs promised were 70, in addition  
2 to those that already existed. The number that were actually  
3 delivered against that promise were 46, and that 46 is in dispute  
4 as between the company and the Tobacco Commission. There is  
5 a refund due based on the shortfall of \$157,000. We've been  
6 working on this for a little over a year without success. The  
7 baseline employment, according to the contract, is 270  
8 employees. By baseline, we mean when there is a promise of 70  
9 employees, 70 new jobs, those new jobs must be in addition to  
10 those that are already there. And the contract defines that is  
11 measured, the contract says 270. The company has asserted  
12 that the baseline is 174, therein lies the conflict.

13 In your book on page 21 are a couple of excerpts from  
14 the contract, and I don't need to read that right now, except to  
15 say this is the contract language that was agreed to by the  
16 parties upon which the Commission relies, a contract on which it  
17 relies on reaching its conclusion. It's the same contract that all  
18 of the other parties signed. In particular, we have 19 different  
19 counties that have made 23 refunds to this Commission under  
20 this very same contract. We have been unsuccessful in collecting  
21 this default.

22 Washington County has been thoroughly and  
23 completely cooperative with everything we've asked them to do.  
24 It's just that the beneficiary company asserts that they have met  
25 their obligation in your contract, when the Tobacco Commission

1 believes that they have not met the obligations according to the  
2 terms of the contract.

3           Members of the Committee, you may remember that  
4 this past May this was before you and you told your staff to  
5 collect this debt. We have exhausted all of the tools available to  
6 us except those that are unpleasant and aggressive, but we're  
7 back before you today to try to give every opportunity for this to  
8 be resolved between the parties. We have representatives here  
9 from Washington County today. Perhaps, Mr. Chairman, they  
10 may want to address the Committee before you today.

11           DELEGATE KILGORE: Was there a proposal and  
12 counterproposal offered for this?

13           MR. STEPHENSON: About three weeks ago, I made a  
14 settlement offer to the county, which they forwarded to the  
15 company. Yesterday morning, I got a response in the form of a  
16 counteroffer. I've only had a short time to evaluate that  
17 counteroffer, but I believe it's unacceptable for the reason that it  
18 makes promises by the company that it has already broken  
19 before we got the offer.

20           There's a problem maintaining jobs in their  
21 counteroffer, and they already have not done that, so it can't  
22 work, it's flawed. That's not to say it couldn't be adjusted in  
23 some manner, but I just got it yesterday morning.

24           My thoughts are that this is a debt that is owed to the  
25 Commission, it's been reviewed by multiple parties, and it's

1 found to be contractually correct. The counteroffer came  
2 granting the beneficiary considerable relief from the obligation  
3 that failed.

4 DELEGATE KILGORE: In a perfect world following the  
5 law, what do you want to do?

6 MR. STEPHENSON: Well, the Commission has given  
7 its staff authority in the past to freeze disbursements when there  
8 is a default that cannot be cured. Your director and staff have  
9 been very reluctant to use that authority because it's highly  
10 disruptive and disturbs the positive relationship that we have  
11 with our county. In this particular case, I have recommended to  
12 Washington County that staff will not take steps to freeze  
13 anything as long as the county is responsive and diligent to us in  
14 this manner which it has been. So I don't see a cause right now  
15 to freeze Washington County.

16 However, Washington County did, and I misspoke, it  
17 was the IDA. The IDA has prepared a draft, a suit for judgment  
18 against the company to collect its debt, which is my request. I  
19 understand that it reveals that draft suit to the company and  
20 indicates we're out of options, and this was perhaps necessary,  
21 and I have urged the county to withhold suit until we have a  
22 chance today to talk about this a little bit, and the county has  
23 cooperated with that.

24 So the question is so it's really do you want to  
25 collect it or not? So it's just up to you whether you want to

1 collect it or not. And clearly the Commission can do either one it  
2 wants.

3 SECRETARY CHENG: I don't know if you want to  
4 make this public or discuss the counteroffer.

5 DELEGATE KILGORE: We can certainly talk about  
6 going into closed session on the advice of legal counsel.

7 MS. GILLILAND: We can talk about it in closed  
8 session on the advice of legal counsel and go into closed session.

9 DELEGATE KILGORE: Probably we can talk also in  
10 closed session about a personnel matter.

11 SENATOR CARRICO: Ned, on the numbers you got  
12 there, does it show about 24 jobs that, delivered 46 and  
13 promised seven, and then the baseline of 174, can you explain  
14 that a little more?

15 MR. STEPHENSON: Yes, the promise was for 70 jobs,  
16 in addition to those already in existence. The contract defined  
17 those already in existence to be those which appear on the  
18 unemployment and employment tax return filed by the company  
19 We have that tax return, and it shows that those in existence  
20 when this deal was struck, 270. Two-seventy plus seventy is  
21 three forty.

22 The company has asserted that its baseline  
23 employment when the contract was signed was 174, not 270.  
24 That's not what the contract said, simply what the company said  
25 it ought to be. If one looks at the unemployment tax return, it's

1 270. That page appears in your book that the Commission relies  
2 on.

3 DELEGATE KILGORE: Does that explain it?

4 SENATOR CARRICO: I see where the numbers are.

5 DELEGATE BYRON: I request we go into executive  
6 session.

7 DELEGATE KILGORE: Yes, go into executive session.

8 MS. GILLILAND: I believe we're going into closed  
9 session pursuant to Virginia Code Section 2.2-3711A1, the  
10 Virginia Freedom of Information Act.

11 Mr. Chairman, we'll entertain a motion to go into a  
12 closed meeting for discussion pertaining to salary of the  
13 specific public officer, and also pursuant to Virginia Code  
14 Section 2.2-3711A7, the Virginia Freedom of Information Act,  
15 and we'll also entertain a motion to go into closed meeting with  
16 respect to specific legal matters regarding advice of counsel with  
17 respect to the TROF agreement between Washington County and  
18 the IDA.

19 DELEGATE KILGORE: All in favor, say aye. (Ayes).

20

21 NOTE: Whereupon, at 2:17 p.m., the Executive  
22 Committee goes into an executive session closed to the public.

23 Thereupon, at 2:54 p.m., the Committee reconvenes  
24 in open session, viz:

25

1 MS. GILLILAND: The Commission is back in open  
2 session in accordance with 2.2-3712D of the Virginia Code, to the  
3 best of each Commissioner's knowledge, each Commissioner  
4 certifies that only public business matters lawfully exempted  
5 from open meeting requirements and only such other business  
6 matters identified by the motion in which the closed meeting was  
7 convened, were heard, discussed, or considered by the  
8 Committee during the meeting, and a statement of this effect will  
9 appear in the minutes of the meeting. This will be by roll call  
10 vote.

11 MR. PFOHL: We have a motion, so moved.

12 SENATOR RUFF: Second.

13 MR. PFOHL: We have a motion and a second, Mr.  
14 Chairman. I'll call roll.

15 Delegate Byron.

16 DELEGATE BYRON: Yes.

17 MR. PFOHL: Senator Carrico.

18 SENATOR CARRICO: Yes.

19 MR. PFOHL: Secretary Cheng.

20 SECRETARY CHENG: Yes.

21 MR. PFOHL: Delegate Johnson.

22 DELEGATE JOHNSON: Yes.

23 MR. PFOHL: Delegate Kilgore.

24 DELEGATE KILGORE: Yes.

25 MR. PFOHL: Delegate Marshall.

1 DELEGATE MARSHALL: Yes.

2 MR. PFOHL: Delegate Merricks.

3 DELEGATE MERRICKS: Yes.

4 MR. PFOHL: Mr. Owens.

5 MR. OWENS: Yes.

6 MR. PFOHL: Senator Ruff.

7 SENATOR RUFF: Yes.

8 MR. PFOHL: Ms. Thomas.

9 MS. THOMAS: Yes.

10 MR. PFOHL: Delegate Wright.

11 DELEGATE WRIGHT: Yes.

12 MR. PFOHL: So certified.

13 DELEGATE KILGORE: Do I have a motion on the  
14 personnel matter?

15 SENATOR RUFF: I move that we retain Tim Pfohl as  
16 the executive director at the same salary that our previous  
17 executive director had.

18 MR. OWENS: Second.

19 DELEGATE KILGORE: All in favor, say aye. (Ayes).  
20 Opposed? (No response).

21 MS. GILLILAND: And we need the figure.

22 DELEGATE KILGORE: One hundred and ten thousand.  
23 Now, we'd like to hear from the attorney for Columbus  
24 McKinnon, so I'd ask him to come forward at this time.

25 MR. LYLE: Mr. Chairman, thank you, my name is Joe

1 Lyle, and I'm the attorney for the Industrial Development  
2 Authority of Washington County, Virginia. I don't know what you  
3 discussed in the executive session, but I think there was a  
4 question that Senator Carrico had about the baseline numbers.  
5 And just to give you a point of clarification, the IDA was working  
6 with Columbus McKinnon to come up with these grants. If you  
7 don't know already, there are three total grants. There's your  
8 grant, and there's a local grant, and then the Governor's  
9 Opportunity Fund Grant.

10 The county's grant agreement and the GOF grant  
11 agreement, the employment numbers are based upon full-time  
12 jobs. What the counties did, the counties with the IDA staff  
13 asked Columbus McKinnon how many full-time employees do you  
14 have as your baseline starting out. And that's where the number  
15 174 comes from.

16 That number is in the local agreement 174 full-time  
17 employees, and that's the baseline. And that number is also in  
18 the GOF agreement. I realize that's not relevant to your  
19 agreement, but that's where that number came from.

20 So when the 36-month period ran and when the  
21 county, IDA requested information concerning the job  
22 requirements, the company reported to the county the number of  
23 jobs necessary to meet the 70 additional full-time jobs, in  
24 addition to the 174 full-time jobs. So that's where that number  
25 came from.

1           As far as the agreements or the proposals are  
2 concerned, the IDA obviously believes within the discretion of the  
3 Commission what the Commission would like to do. As Mr.  
4 Stephenson said, we have cooperated, and we'll do what we're  
5 directed to do. We have a suit prepared to file if necessary. We  
6 hope that's not the case, and we hope things can be resolved  
7 here. We will have to leave it to your discretion as to what the  
8 Commission would like to do.

9           Columbus McKinnon has been a long-time employer in  
10 Washington County. It's a wonderful corporate citizen in  
11 Washington County, and we realize agreements are agreements,  
12 and we'll leave it to the Commission's discretion. I'll be glad to  
13 answer any questions the Commission might have.

14           DELEGATE KILGORE: Are there any questions? All  
15 right, any comments?

16           MR. SETTLE: Richard Settle

17           DELEGATE KILGORE: All right, glad to hear from you.

18           MR. SETTLE: Thank you very much, Mr. Chairman,  
19 and members of the Commission. I'm Richard Settle, and I'm  
20 here on behalf of my client, Columbus McKinnon. I apologize  
21 profusely for the fact that our corporate attorney, those folks  
22 couldn't be here, but they had trials in court and other things  
23 going on, they just couldn't work it out.

24           We couldn't ask for any better cooperation from the  
25 Tobacco Commission staff or the Washington County IDA and

1 those folks trying to resolve this matter. I think Joe Lyle  
2 accurately depicted the main contention over the numbers of  
3 jobs and those agreements with the partnership and with  
4 Washington County. There's a number certain set forth.

5 In the Tobacco Commission agreement, there's  
6 verbiage and no number certain set forth and predicated on the  
7 information supplied from the company employment tax returns  
8 filed with the VEC. In my opinion, that's the whole matter in  
9 question. I'd like to say I'm really grateful for the cooperation  
10 we've received. I hope we're able to work out some sort of  
11 workable arrangement.

12 If you have any questions, I'll be glad to answer them.

13 DELEGATE KILGORE: Are you asking for more time to  
14 work through this?

15 MR. SETTLE: I would respectfully request more time  
16 to work with the Commission staff and Columbus McKinnon and  
17 arrive at some sort of an equitable solution that we can all live  
18 with.

19 DELEGATE KILGORE: Did you think that you all can  
20 meet before we have our September meeting of the full  
21 Commission? Ned, I think we have a meeting in September.

22 MR. STEPHENSON: I believe the 26<sup>th</sup> of September,  
23 the regular meeting.

24 DELEGATE KILGORE: Whether it's accepted or not,  
25 and that's what I'm asking.

1           MR. SETTLE: I appreciate that. I can't give you an  
2 ironclad guarantee. I will give it my best effort to have this, sit  
3 down at the Commission office and arrive at some sort of  
4 solution or failure to arrive at a solution.

5           DELEGATE KILGORE: Senator Carrico.

6           SENATOR CARRICO: I've listened to the comments  
7 and arguments over the past several months, I've listened to the  
8 staff, what we've heard in this executive session. I'd like to  
9 make a motion that we accept the counteroffer and put this  
10 behind us and move on.

11          DELEGATE KILGORE: All right, that's a motion.

12          MS. GILLILAND: Just as a point of clarification, as Mr.  
13 Stephenson discussed with you about the numbers, the  
14 employment figure that was provided in the counteroffer already  
15 are not able to meet that criteria of the counteroffer, and that's  
16 problematic.

17          DELEGATE KILGORE: Those numbers, as Ned has  
18 already pointed out, are wrong at the outset. And before the  
19 counteroffer is accepted, we have to have the correct numbers,  
20 the correct job numbers, is that correct?

21          MR. STEPHENSON: Yes, sir.

22          DELEGATE KILGORE: You can't see something, you  
23 can't see.

24          SENATOR CARRICO: Our next meeting is September  
25 the 26<sup>th</sup>, I believe.

1 DELEGATE KILGORE: September 26<sup>th</sup>, either get it  
2 behind us or go forward some way.

3 SENATOR CARRICO: So my motion is to accept the  
4 counteroffer and be in compliance by September 26<sup>th</sup>.

5 DELEGATE KILGORE: I'd say the motion might be  
6 better, it might be better received at the meeting in September,  
7 if I'm hearing the Commissioners around the table correctly. I'm  
8 not in your corner over there, but would the county agree to or  
9 at least try to meet?

10 MR. LYLE: I believe the county would accept that. As  
11 a point of clarification, my understanding is that the company  
12 contends that they have 244 full-time jobs, that they're willing to  
13 retain that employment over the next two years, to get that point  
14 of clarification.

15 DELEGATE KILGORE: The numbers, there was some  
16 conflict there, and that's why I think it's better that we find out  
17 what the correct number is.

18 MR. SETTLE: Mr. Chairman, that's acceptable.

19 SENATOR CARRICO: I'll withdraw my motion.

20 DELEGATE KILGORE: And you withdraw your second.

21 Ned will meet, and we're not guaranteeing either side.  
22 We have to have a resolution, but we're not guaranteeing that.  
23 We'll hear from you and try to work it out.

24 MR. SETTLE: Thank you, Mr. Chairman. We'll do our  
25 best to resolve it. Thank you.

1 DELEGATE KILGORE: Anyone else have any  
2 comments? Any public comments?

3 All right, we'll adjourn this meeting. And then we'll  
4 move into the full Commission after a five-minute break.

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**PROCEEDINGS CONCLUDED.**

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**CERTIFICATE OF THE COURT REPORTER**

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at Large, do hereby certify that I was the Court Reporter who took down and transcribed the proceedings of the **Virginia Tobacco Indemnification and Community Revitalization Commission, Executive Committee Meeting**, when held on Tuesday, August 13th, 2013, at 1:30 o'clock a.m., at The Hotel Roanoke & Conference Center, Roanoke, Virginia.

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

Given under my hand this 20<sup>th</sup> day of August, 2013.

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Medford W. Howard  
Registered Professional Reporter  
Notary Public for the State of Virginia at Large

MY COMMISSION EXPIRES: October 31, 2014.