

1 **TOBACCO REGION REVITALIZATION COMMISSION**

2 701 East Franklin Street, Suite 501

3 Richmond, Virginia 23219

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9 **Executive Committee Meeting**

10 Tuesday, September 20, 2016

11 1:30 P.M.

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 Inn at Wise

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 Wise, 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 Ms. Mary Rae Carter

7 The Honorable A. Benton Chafin, Jr.

8 The Honorable Daniel W. Marshall, III

9 Mr. Donald Merricks

10 The Honorable James W. Morefield

11 The Honorable Edward Owens

12 The Honorable Thomas C. Wright, Jr.

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

2 COMMISSION STAFF:

3 Mr. Evan Feinman – Executive Director

4 Mr. Chris E. Piper - Deputy Executive Director

5 Mr. Timothy S. Pfohl – Grants Program Administration

6 Director

7 Ms. Sarah K. Capps - Grants Program Administrator,

8 Southside Virginia

9 Ms. Michelle Faircloth – Grants Assistant, Southside Virginia

10 Ms. Sara G. Williams – Grants Program Administrator,

11 Southwest Virginia

12 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

13 Mr. Jordan L. Butler – Public Relations Coordinator

14 Ms. Stacey Richardson – Executive Assistant

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16 COUNSEL FOR THE COMMISSION

17 Ms. Elizabeth B. Myers, Assistant Attorney General

18 Richmond, Virginia.

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1 DELEGATE KILGORE: I'll call the
2 Committee to order and ask the Executive Director to call roll.
3 MR. FEINMAN: Delegate Byron?
4 DELEGATE BYRON: Here.
5 MR. FEINMAN: Senator Carrico?
6 SENATOR CARRICO: Here.
7 MR. FEINMAN: Senator Chafin?
8 SENATOR CHAFIN: Here.
9 MR. FEINMAN: Ms. Carter.
10 MS. CARTER: Here.
11 MR. FEINMAN: Delegate Kilgore?
12 DELEGATE KILGORE: Here.
13 MR. FEINMAN: Delegate Marshall?
14 DELEGATE MARSHALL: Here.
15 MR. FEINMAN: Mr. Merricks?
16 MR. MERRICKS: Here.
17 MR. FEINMAN: Delegate Morefield?
18 DELEGATE MOREFIELD: Here.
19 MR. FEINMAN: Mr. Owens?
20 MR. OWENS: Here.
21 MR. FEINMAN: Senator Ruff?
22 SENATOR RUFF: Here.
23 MR. FEINMAN: Delegate Wright?
24 DELEGATE WRIGHT: Here.
25 MR. FEINMAN: You have a quorum, Mr.

1 Chairman.

2 DELEGATE KILGORE: Do I have a
3 motion that we approve the 5/5/16 minutes?

4 MR. OWENS: So moved.

5 DELEGATE MARSHALL: Second.

6 DELEGATE KILGORE: I have a motion
7 and a second that we approve the minutes. All those in favor
8 say aye. (Ayes.) Opposed, no? (No response.) The minutes
9 are approved. At this time, we'll turn it over to Ed Owens and
10 we'll go into Executive Session to talk about BVU.

11 MR. FEINMAN: We will, why don't we go
12 ahead and do this other one and do this first.

13 MR. PFOHL: Mr. Chairman, we have
14 received what we call a final report from the Office of the State
15 Inspector General and this is an additional report they did
16 specifically for the King School of Medicine Project later called
17 the Alliance for Rural Health. We went through multiple
18 iterations and many months of meetings back and forth and
19 sharing documentation for that grant. The staff, we were all
20 auditors by training and experience and different viewpoints of
21 how much documentation should be gathered and how that
22 grant in particular and some of the matching funds and so
23 forth. We had extensive conversations with them to try to get
24 them to understand that some of their initial draft comments
25 would have been elicited, that's one word to describe them.

1 However, we think we've arrived at a fair compromise and
2 changing the wording in their draft report to reflect the fact
3 that the auditors have less need for documentation than we do
4 but we assured them we were being responsible stewards of
5 the Commission funds.

6 We will share that report with you when
7 and it will have to be finalized and posted on the website and
8 we'll get that to you.

9 DELEGATE KILGORE: Anyone have any
10 questions or Tim or Evan as it relates to the Office of the
11 Inspector General?

12 Now, we'll move into the BVU update and
13 I would suggest we go into executive session to discuss this.

14 MR. FEINMAN: Let's do the strategic
15 plan.

16 DELEGATE KILGORE: The strategic
17 plan, Evan.

18 MR. FEINMAN: We have two things to do
19 and the first is to and we'll get a motion on that. We have a lot
20 of difficulty scheduling this meeting and I know we go back
21 and forth with everybody about that. We were very
22 constrained and I take some responsibility for that because I
23 was traveling recently. I have a boss who I report to a little
24 more vigorously than you all. What we'd like to do and
25 Delegate Marshall came up with this idea and I think it's a

1 good one, rather than do what we said in the strategic plan in
2 the May/September/January meetings, we're just going to say
3 we're going to have a spring meeting and a fall meeting and a
4 January meeting so we can look at more dates to work this
5 out. That way we'll have a little more flexibility because you
6 all have a lot of commitments and scheduling when you
7 schedule a meeting for 28 people it's a real problem. Staff
8 would really appreciate a motion to that effect.

9 DELEGATE KILGORE: Any more
10 discussion?

11 DELEGATE MARSHALL: So moved.

12 DELEGATE KILGORE: So we've got a
13 motion and a second. All those in favor say aye. (Ayes.)
14 Opposed? (No response.) Thank you, Evan.

15 MR. FEINMAN: We've gotten a request
16 from one of our partners, the Danville Regional Foundation
17 and we frequently have issues where a locality feels
18 uncomfortable being the guarantor of a loan or TROF grants
19 and there are other organizations that have the financial
20 wherewithal to backstop these things. VRA has many, many
21 millions of dollars and if they were to say we'll be the backstop
22 for a million dollars or a two million dollar grant, we can be
23 confident they have the resources to do that. What we'd like
24 to do is direct the staff to create a list of trusted and verified
25 partners who can serve alongside localities as guarantors of

1 our grants and loans. This will give them an opportunity to
2 lend funds in a way that's relatively low risk. It will broaden
3 the ability of the Commission to do its work. VRA has already
4 adopted in their bylaws the ability to do that and they're
5 ahead of us.

6 DELEGATE MARSHALL: I've got a
7 question. Evan, you will develop that list and bring it back to
8 us?

9 MR. FEINMAN: That's up to you all. If
10 you want us to do it, we can do it. If you would prefer that we
11 put the list in front of you.

12 DELEGATE KILGORE: Just do it and
13 then give us a report on this and just go ahead.

14 DELEGATE MARSHALL: Just because
15 you're not on the list, maybe you should be on the list.

16 MR. FEINMAN: I will tell the Commission
17 members, I will err on the side of caution. I will bring you a
18 list far more likely not to have everyone on it who could
19 probably do the job rather than have anybody on it that
20 there's a whisper of doubt and might not be able to meet the
21 guarantee.

22 DELEGATE MARSHALL: So a follow-up,
23 if a TROF agreement comes in and someone is not on the list,
24 could TROF also agree that they would let's say ABC be the
25 guarantor?

1 MR. FEINMAN: I think the TROF
2 Committee could probably do it. I think the smart thing to do
3 is if we had an unusual guarantor to prevail upon the locality
4 to take care of that and then wait for the next full meeting to
5 have somebody come in.

6 SENATOR RUFF: I'm just saying that I'm
7 very, very cautious. We went through a period where people
8 said oh, we just let anyone do it and then we tightened it up
9 some, a little bit more and a little bit more and now we're
10 saying we're going to undo that? There's got to be a clear
11 statement that they understand what their commitment is.

12 MR. FEINMAN: What we would do is
13 have a model MOU that each member on the list understands
14 so they'd understand what the guarantee means and they
15 would sign it and we would sign it and then moving forward
16 they're signatories.

17 MR. OWENS: Would the criteria be on
18 the, or would it say what we would accept and so forth?

19 MR. FEINMAN: We'll develop that. We're
20 going to need a cap and that's what it comes down to.

21 MR. OWENS: I move that the staff go
22 ahead and get that list of guarantors for projects and present
23 that.

24 DELEGATE MARSHALL: Second.

25 DELEGATE KILGORE: Any more

1 discussion? All those in favor of that motion say aye. (Ayes.)
2 Opposed? (No response.)

3 Southwest, I want Cathy Lowe to be the
4 Vice Chair or I'll appoint Cathy Lowe to be Vice chairman of
5 the Southwest Economic Development Committee.

6 Now, moving on we have Evan.

7 MR. FEINMAN: Delegate Marshall asked
8 that I update the Executive Committee regarding a piece of
9 equipment that we purchased in partnership with UVA and
10 it's a five-way router and it's a pretty expensive piece of
11 equipment and it sat idle for a long time. We worked for a
12 long time trying to figure out the right way to dispose of that
13 asset and get our money back. As a long term project, we're
14 working on asset tracking and Deputy Director Piper is doing
15 that and trying to come up with a system by which we can
16 track all the assets we've purchased in the whole region. In
17 the meantime, we did that on an ad-hoc basis and we found
18 some companies that want this router and we've agreed to sell
19 it to them for a hundred thousand and they're paying to
20 transport it and set it back up and we anticipate closing on
21 that deal by the end of the month. From our proceeds, we'll
22 need to pay some back rent to the gentleman whose property
23 this big piece of equipment sits in for a number of months but
24 he's going to be very reasonable about it.

25 DELEGATE MARSHALL: This is an R&D

1 project?

2 MR. FEINMAN: We have a number of, I
3 believe it was R&D.

4 DELEGATE MARSHALL: It was R&D.

5 MR. FEINMAN: In essence, we got a good
6 return for this piece of equipment and we got it out of
7 somebody's property and was pretty good about working with
8 us with this piece of equipment and getting it out of their
9 property.

10 DELEGATE MARSHALL: Somebody in
11 Danville came to see me. This company is trying to be sold
12 and he said this piece of equipment –

13 DELEGATE KILGORE: Yeah, you know,
14 we're out there trying to work things out and these things
15 don't always work but I think that's the nature of economic
16 development.

17 MR. FEINMAN: But those funds will be
18 returned to the Commission.

19 DELEGATE KILGORE: Next is the new
20 TROF program.

21 MR. FEINMAN: By way of updating and
22 if the Executive Committee wants to go a different way, they
23 can. I've asked for the flexibility to offer up to 150% of the
24 TROF formula in the form of a loan. The way that's broken
25 down in response to people's interest have been to sometimes

1 a larger amount and sometimes to a grant a hundred percent
2 and then go up the additional fifty percent. There's some
3 question among Commissioners as to whether or not we do a
4 hundred percent grants or fifty percent of the loan. It's been
5 our experience that some grantees and potential grantees are
6 more interested in the flexibility and that's the way we've been
7 interpreting it. If that's not the direction the Committee wants
8 to go, we can certainly change that.

9 DELEGATE KILGORE: Any questions on
10 that? Do you need a motion?

11 MR. FEINMAN: We're doing it right now,
12 I don't think so.

13 DELEGATE KILGORE: Is that all we
14 have on TROF?

15 MR. FEINMAN: I think so.

16 DELEGATE KILGORE: All right, we're
17 setting up a new Committee.

18 MR. FEINMAN: Commissioner Moore can
19 lead us in that discussion. Mr. Moore if you want to talk
20 about follow-up.

21 MR. MOORE: The discussion was that
22 how do we follow-up on grants that have been awarded. In
23 talking to Evan, setting up a small committee to follow-up on
24 some of these grants and it wouldn't be like a policeman, more
25 of a how they're doing and what we can do to help them make

1 sure that the grant recipient is successful with their grant.

2 MR. FEINMAN: What we sort of
3 envisioned calling it, the Business Report Committee and
4 we've got some folks with good experience in business that
5 volunteered to be on it like Don Merricks and John Cannon
6 and Cathy Lowe all agreed to be additional members. And if
7 there's anybody else that would like to get involved in the
8 Committee, let Chris Piper know and get you hooked up with
9 the effort. Initially, we're looking at finding twelve current or
10 former grant recipients maybe to benefit from a little
11 something from this experience and we'll set up scheduling
12 opportunities for some or all of the Committee people to go out
13 and see what they can do to help them along. That's the idea.
14 The way for us to do good for our grantees and past grantees
15 without spending more money is something I'm always looking
16 for.

17 DELEGATE KILGORE: All right, the
18 motion to form a new Committee. All right, we'll just create
19 the new Committee and we'll have to get a name other than
20 the Dale Moore Committee, we'll figure it out and we
21 appreciate Dale if you'd lead that for us. So, next we need to
22 go into executive session.

23 DELEGATE MOREFIELD: Mr. Chairman,
24 I move that we go into executive session in accordance with
25 the provisions of the Virginia Freedom of Information Act,

1 section 2.2-3711(A)5 of the Code of Virginia for the purpose of
2 discussing business matters where competition is already
3 there and involving governmental matters.

4 DELEGATE KILGORE: All right. All in
5 favor of the motion say aye. (Ayes.) Thank you. We're now in
6 executive session.

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8 NOTE: AN EXECUTIVE SESSION IS HAD; WHEREUPON AT
9 THE COMPLETION OF THE EXECUTIVE SESSION THE
10 COMMITTEE RESUMES IN OPEN SESSION.

11
12 DELEGATE MOREFIELD: Mr. Chairman,
13 whereas the Executive Committee of the Virginia Tobacco
14 Commission has convened a closed meeting on this date
15 pursuant to an affirmative recorded vote and in accordance
16 with the provisions of the Virginia Freedom of Information Act;
17 and whereas the Act requires a certification by the Committee
18 that such a meeting was conducted in conformity with Virginia
19 law. Now, therefore, be it resolved that the Committee hereby
20 certifies that to the best of each member's knowledge, that
21 only public business matters lawfully exempt from open
22 meeting requirements under the act and only such public
23 business matters as were identified in the motion by which
24 the closed meeting was convened, were heard, discussed, or
25 considered by the Committee in that meeting. I move that we

1 have a roll call vote.

2 MR. FEINMAN: Delegate Byron?

3 DELEGATE BYRON: Yes.

4 MR. FEINMAN: Senator Carrico?

5 SENATOR CARRICO: Yes.

6 MR. FEINMAN: Senator Chafin?

7 SENATOR CHAFIN: Yes.

8 MR. FEINMAN: Ms. Carter.

9 MS. CARTER: Yes.

10 MR. FEINMAN: Delegate Kilgore?

11 DELEGATE KILGORE: Yes.

12 MR. FEINMAN: Delegate Marshall?

13 DELEGATE MARSHALL: Yes.

14 MR. FEINMAN: Mr. Merricks?

15 MR. MERRICKS: Yes.

16 MR. FEINMAN: Mr. Owens?

17 MR. OWENS: Yes.

18 MR. FEINMAN: Delegate Morefield?

19 DELEGATE MOREFIELD: Yes.

20 MR. FEINMAN: Senator Ruff?

21 SENATOR RUFF: Yes.

22 MR. FEINMAN: Delegate Wright?

23 DELEGATE WRIGHT: Yes.

24 DELEGATE KILGORE: All right, now

25 we're in public comment. Is there any public comment?

1 DELEGATE BYRON: Mr. Chairman, I
2 noticed in the executive summary there was a summary on
3 the back but I noticed, prior to that I want to request that we
4 get together with the Executive Director and look at some of
5 the compensation of the personnel that we have. I want to
6 make sure and there's a lot of responsibility and shifting
7 things and looking at responsibilities and in order to be
8 competitive and to make sure that compensation is fair for the
9 work that's being done.

10 MR. FEINMAN: I'll do that.

11 DELEGATE KILGORE: Any public
12 comment? Hearing none, the Executive Committee is hereby
13 adjourned and we're going to start the Full Commission
14 meeting as soon as everybody gets seated. Thank you.

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16 PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

I, Medford W. Howard, Registered Professional Reporter and Notary Public for the State of Virginia at large, do hereby certify that I was the court reporter who took down and transcribed the proceedings of the **Tobacco Region Revitalization Commission Executive Committee meeting when held on Tuesday, September 20, 2016 at 1:30 p.m. at the Inn at Wise, Wise, 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 30th day of September, 2016.

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

My Commission Expires: October 31, 2018.
Notary Registration Number: 224566