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**VIRGINIA TOBACCO INDEMNIFICATION  
AND COMMUNITY REVITALIZATION COMMISSION**

701 East Franklin Street, Suite 501  
Richmond, Virginia 23219

**Full Commission Meeting**  
Tuesday, January 8, 2008  
10:00 a.m.

East Reading Room  
Patrick Henry Building  
Richmond, Virginia

- 1    **APPEARANCES:**
- 2    The Honorable Charles R. Hawkins, Chairman
- 3    The Honorable Terry G. Kilgore, Vice Chairman
- 4    Mr. Stephen S. Banner
- 5    The Honorable Robert Bloxom, Secretary of the Department of Agriculture
- 6                                   and Forestry
- 7    Mr. Clarence D. Bryant, III
- 8    The Honorable Kathy J. Byron
- 9    The Honorable Barnie K. Day
- 10   Ms. Linda DiYorio
- 11   Mr. Fred M. Fields
- 12   The Honorable Lynn Hammand, Deputy Secretary of the Department of
- 13                                   Commerce and Trade
- 14   Mr. Scott M. Harwood, Sr.
- 15   Mr. L. Jackson Hite
- 16   The Honorable Clarke N. Hogan
- 17   Mr. Jordon M. Jenkins, Jr.
- 18   The Honorable Joseph P. Johnson
- 19   The Honorable Danny Marshall
- 20   Mr. Buddy Mayhew
- 21   Mr. H. Ronnie Montgomery
- 22   The Honorable Harrison A. Moody
- 23   Ms. Connie Lee Greene Nyholm
- 24   The Honorable Edward Owens
- 25   The Honorable Phillip P. Puckett

1    **APPEARANCES: (cont'd)**

2    Mr. David Redwine

3    Mr. Kenneth Reynolds

4    The Honorable Frank M. Ruff

5    Mr. Bryant L. Stith

6    Mr. James C. Thompson

7    The Honorable Jody Wagner, Secretary of Finance

8    The Honorable William C. Wampler, Jr.

9    The Honorable Thomas C. Wright, Jr.

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13    COMMISSION STAFF:

14    Mr. Neal Noyes, Executive Director

15    Mr. Ned Stephenson, Deputy Director

16    Mr. Timothy S. Pfohl, Grants Program Administration Manager

17    Ms. Stephanie Wass, Director of Finance

18    Ms. Britt Nelson - Grants Coordinator, Southside Virginia

19    Ms. Sara Williams - Grants Coordinator, Southwest Virginia

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1 SENATOR HAWKINS: It's ten o'clock, so we'll  
2 go ahead and get started. Good morning to everyone. Thank you all for  
3 coming.

4 Neal, would you call the roll?

5 MR. NOYES: Mr. Banner?

6 MR. BANNER: Here.

7 MR. NOYES: Mr. Barnard?

8 MR. BARNARD: (No response.)

9 MR. NOYES: Secretary Bloxom?

10 SECRETARY BLOXOM: Here.

11 MR. NOYES: Mr. Bryant?

12 MR. BRYANT: Here.

13 MR. NOYES: Delegate Byron?

14 DELEGATE BYRON: Here.

15 MR. NOYES: Mr. Day?

16 MR. DAY: Here.

17 MR. NOYES: Ms. DiYorio?

18 MS. DIYORIO: Here.

19 MR. NOYES: Mr. Fields?

20 MR. FIELDS: Here.

21 MR. NOYES: Secretary Gottschalk?

22 DEPUTY SECRETARY HAMMAND: Lynn

23 Hammand for Secretary Gottschalk.

24 MR. NOYES: Mr. Harwood?

25 MR. HARWOOD: Here.

1 MR. NOYES: Mr. Hite?  
2 MR. HITE: Here.  
3 MR. NOYES: Delegate Hogan?  
4 DELEGATE HOGAN: Here.  
5 MR. NOYES: Mr. Jenkins?  
6 MR. JENKINS: Here.  
7 MR. NOYES: Delegate Johnson?  
8 DELEGATE JOHNSON: Here.  
9 MR. NOYES: Delegate Marshall?  
10 DELEGATE MARSHALL: Here.  
11 MR. NOYES: Mr. Mayhew?  
12 MR. MAYHEW: Here.  
13 MR. NOYES: Mr. Montgomery?  
14 MR. MONTGOMERY: Here.  
15 MR. NOYES: Mr. Moody?  
16 MR. MOODY: (No response.)  
17 MR. NOYES: Ms. Nyholm?  
18 MS. NYHOLM: Here.  
19 MR. NOYES: Mr. Owens?  
20 MR. OWENS: Here.  
21 MR. NOYES: Senator Puckett?  
22 SENATOR PUCKETT: Here.  
23 MR. NOYES: Mr. Redwine?  
24 MR. REDWINE: Here.  
25 MR. NOYES: Mr. Reynolds?

1 MR. REYNOLDS: Here.  
2 MR. NOYES: Senator Ruff?  
3 SENATOR RUFF: Here.  
4 MR. NOYES: Mr. Stith?  
5 MR. STITH: Here.  
6 MR. NOYES: Mr. Thompson?  
7 MR. THOMPSON: Here.  
8 MR. NOYES: Secretary Wagner?  
9 SECRETARY WAGNER: Here.  
10 MR. NOYES: Senator Wampler?  
11 SENATOR WAMPLER: Here.  
12 MR. NOYES: Delegate Wright?  
13 DELEGATE WRIGHT: Here.  
14 MR. NOYES: Delegate Kilgore?  
15 DELEGATE KILGORE: Here.  
16 MR. NOYES: Chairman Hawkins?  
17 SENATOR HAWKINS: Here.  
18 MR. NOYES: Mr. Chairman, we have a quorum.  
19 SENATOR HAWKINS: Thank you all again for  
20 coming.

21 What I'd like to do is go around the room because we have so  
22 many new people and ask you to introduce yourself so everyone can get  
23 some idea of who we are. Give your name and where you from and briefly  
24 what you do.

25

1                   NOTE: All members introduce themselves and tell  
2 where they are from; and the hearing continues, viz:

3  
4                   SENATOR HAWKINS: Thank you all. This is a  
5 31-member Commission, and it's hard to get to know people. I'd like for us  
6 to get to know everybody on a first-name basis, because we work very  
7 closely together. The new members will find as the day goes on, much of  
8 this work that we do takes place on the subcommittees; with a 31-member  
9 commission, it's almost impossible to do things otherwise.

10                  I want to emphasize how important it is to have you all join us.  
11 We have to have a lot of diversity, and we need that to help us focus on  
12 things. Remember that our job is not only looking at projects that are  
13 brought to us, but also coming up with ideas that maybe we need to do to fill  
14 certain voids. Our telecommunications piece is a child of this Commission,  
15 and no one else thought about it, but it came out of here. Other things that  
16 take place are driven by the communities themselves, so we need to be very  
17 aware of the ideas that you have. Let's discuss them and come up with  
18 things that make a difference.

19                  We're charged with making a difference in the quality of life  
20 and the economy of Southside and Southwest Virginia, and it is a unique  
21 charge. We're the only state that has been given responsibility with the  
22 broad spectrum that we can deal with it. We have been given almost carte  
23 blanch, and that's an awesome responsibility.

24                  Some of the things that I think we need to be very aware of as  
25 we get into more of the meat of the subject is that this Commission today has

1 tried to look at things in a very balanced fashion. We've tried to treat Scott  
2 County and Lee County and Halifax and Pittsylvania all the same, based on  
3 what's brought before us and the quality of the projects. We have not  
4 brought politics into the Commission, and we will not, at least on my watch.  
5 We have other things to do other than that, and we need to make sure that  
6 this job is one built around the responsibilities that we have to our particular  
7 localities and our region and not just particularly your home area.

8           Hopefully, when we continue this debate you'll find out that  
9 there are things we can do to improve what we're doing now. Along those  
10 lines, we have right now a group of individuals looking at our structure and  
11 probably will make recommendations, hopefully, by April, of things we may  
12 be able to do to improve the way we handle various operations of the  
13 Commission. There will be suggestions to us, and it will be up to us to  
14 determine if we want to adopt them or not. Remember, it takes two-thirds  
15 vote of this Commission to change any of our Bylaws or any structure, so it  
16 would almost have to be unanimous among us before we make any major  
17 changes.

18           With that being said, we'll have a meeting in April of the  
19 Tobacco Commission, and at the end of that meeting we will probably go  
20 into some sort of retreat to have this brought before us, and that will be the  
21 recommendations from the Blue Ribbon Commission. I'll probably ask  
22 Kathy Byron and her subcommittee to look at some of the details before that  
23 meeting and bring us up to speed on the recommendations. Then, we can  
24 have a debate on what we think we need to do if we approve of the new  
25 structure that we have.

1           Prior to this past year we had not securitized all our money, and  
2 we were dependent on checks sent in from the tobacco companies in the  
3 Master Settlement Agreement. Now we have securitized 100 percent of our  
4 money, and half of it is taxable and half of it is non-taxable. We're more of a  
5 foundation, really, than a Commission, because we're dealing with a known  
6 amount of money. As we transition into that sort of relationship, when it  
7 comes to our finances we may need to treat things a little differently.

8           Having said that, I'm also very pleased that Jordon Jenkins and  
9 Harrison Moody have been reappointed by the Governor. I also look  
10 forward to working with our new members.

11           Today we need to elect officers, the Bylaws require it. Elect a  
12 chairman and committee-chairman during the course of the two years, and  
13 the two years is up.

14                           DELEGATE KILGORE: Mr. Chairman, I would  
15 nominate Charles Hawkins to continue to serve as our Chairman. He has  
16 done a great job in leading the Commission over the past years and gotten us  
17 to where we are today. So, I'd nominate you, and appreciate your service,  
18 and look forward to two more years.

19                           MR. DAY: Mr. Chairman, I'll second that  
20 nomination.

21                           MR. BANNER: I'll second it as well.

22                           SENATOR HAWKINS: I thank you all. There is  
23 a motion on the floor, is there any other motion? Any discussion on the  
24 motion?

25                           DELEGATE JOHNSON: I move the nomination

1 be closed and call for the question.

2 SENATOR HAWKINS: Thank you.

3 DELEGATE KILGORE: All in favor say aye?  
4 (Ayes.) Opposed? (No response.)

5 SENATOR HAWKINS: All right. I would  
6 nominate Delegate Kilgore for Vice Chairman. We've tried in the past to  
7 make sure things are balanced out with Southwest and Southside Virginia, as  
8 far as representation. Terry brings a lot to the table and has done an  
9 outstanding job representing the Commission in his role as being co-chair.

10 MR. BANNER: Second.

11 SENATOR HAWKINS: It's been moved and  
12 seconded. Any discussion?

13 DELEGATE JOHNSON: I move the nomination  
14 be closed.

15 SENATOR HAWKINS: It's been moved and  
16 seconded the nomination be closed. All in favor say aye? (Ayes.)  
17 Opposed? (No response.)

18 Delegate Kilgore is our co-chair. Thank you. We'll continue,  
19 as we've done in the past, trying to get as much balance as possible and  
20 trying to understand the diversity of our communities. We have to  
21 remember we are not the same, and we're all different. That's a unique  
22 position, and I think that's also our strength. Some counties don't do the  
23 same as others, and hopefully we can continue that process and make sure  
24 we're all balanced in our approach.

25 Having said that, is there a motion to approve the Minutes of

1 our last meeting?

2 It's been so moved and seconded that the Minutes of October  
3 25th be approved. Any discussion? All in favor say aye? (Ayes.)  
4 Opposed? (No response.)

5 Now we'll go into the reports. First up is our auditor.

6 MR. KUCHARSKI: I have to apologize. I didn't  
7 realize that I was going to be in front of the full Commission. Some of you  
8 have a handout that looks like this, and I will leave this with Stephanie for  
9 the few that didn't get it. I apologize for that up front. I have Eric  
10 Thompson with me, who was the auditor on site.

11 What we're going to cover is something that says what the  
12 comptroller does, and I'm Walter Kucharski, Auditor of Public Accounts,  
13 and I work for the Legislature. We do the financial audit of the  
14 Commission, and that includes both looking at your financial statement as  
15 well as your internal controls and compliance with the law and regulations  
16 that you have.

17 As you move into the securitization, there are going to be  
18 certain nonprofit security type items that we look at to make sure that your  
19 investment policies are being followed, etc.

20 I'm happy to report this year that basically we have what is  
21 known as a clean opinion, we have no qualifications on the financial  
22 statement. As the Chairman has indicated, you have in absence finalized the  
23 securitization, and as of June 30th you had assets of roughly \$1 billion.

24 We looked at your internal controls, and the way we looked at  
25 the internal controls is you really have three systems. One is the payment to

1 the holders of the funds, one is basically for grants and contracts, and one is  
2 for administration. We treat each one of those separately, and we do  
3 detailed work. Actually, we have a computerized program to look at the  
4 payments to the farmers and the holders. This year our calculation is we,  
5 your payments and our calculations were off by a whopping eight cents.  
6 That's highly accurate, and that is probably because of a rounding year by us.  
7 You get to keep it. I said a rounding year; it's a computerized check of what  
8 you do. We look at all the payments and make sure in essence you get the  
9 products you want. We look at basically the payroll and the authorization of  
10 all expenditures. Obviously, we found no fraud or illegal acts. We had no  
11 differences with the accounting policy, and generally we were happy with  
12 the way management went ahead. We had some minor issues that we  
13 brought to Stephanie's attention during the audit, and we always have those.  
14 She promptly corrected those. In essence, and I know you have a busy  
15 schedule, so I'm going to conclude my comments.

16 SENATOR HAWKINS: Thank you, Walter, that's  
17 a good report.

18 Also, you have on your desk the Annual Report of the  
19 Commission. You can take your time and look at that. You can get some  
20 ideas of some of the expenditures we made the last several years.

21 Having said that, Clarke.

22 MR. LEWIS: Mr. Chairman and members of the  
23 Commission. I have a very brief report. We have concluded the 2007  
24 indemnification program. We had 45,750 claims for a total of  
25 \$14,328,389.00. We paid out 95 percent of the total indemnification budget

1 for 2007. That was a little bit of an upgrade from last year. The 1099s will  
2 be going out the week of January 21st for 2007.

3 At this time I'd like to present a proposal for the 2008  
4 indemnification program. We would propose that the forms be mailed out  
5 on April 23rd to April 25th. Work sessions will be held in Halifax,  
6 Pittsylvania, Brunswick, Scott, Washington, and Lee Counties the week of  
7 May 5th through the 8th. Deadline would be about May 16th. We will  
8 return to the approximately two-week deadline, because we're back to do a  
9 consistent payment stream. That seemed to work very well last year. The  
10 week of June 2nd we would issue the first round of indemnification  
11 payments.

12 I think this plan is very consistent with years past, and it seems  
13 to work very well. That would be the motion.

14 DELEGATE KILGORE: I would just compliment  
15 Troutman Sanders for these new members, that they have really stepped up  
16 to the plate and have done a bang-up job for us, getting these payments out  
17 to the farmers and the various communities. You've done a great job for us,  
18 and I appreciate that.

19 SENATOR HAWKINS: How many years do we  
20 have left on our obligation?

21 MR. LEWIS: Neal, do you know that number?

22 MR. NOYES: We decide that on an annual basis.  
23 It's possible if we continue at the same level that we have for the current  
24 fiscal year, in three more years we will have accomplished the  
25 indemnification

1                   SENATOR HAWKINS: Which means that all of  
2 our attention then would go to economic development, that's a benchmark  
3 for us. To follow up what Terry said and for the new members, you really  
4 can't appreciate what's been accomplished. When we first started, our  
5 phones were ringing every other hour and farmers wanting to know where in  
6 the devil their money was. They have been able to accomplish a great deal.  
7 I appreciate that, starting off with nothing, so thank you, very much.

8                   MR. LEWIS: Thank you, very much.

9                   DELEGATE JOHNSON: Mr. Chairman, I'd like  
10 to compliment them also and tell the group that it's answered many of our  
11 problems that we had in Washington County, and I think you folks have  
12 done a bang-up job, and I know I appreciate it, and so do our farmers. I  
13 haven't had one complaint this year from the farmers, because of the good  
14 work that you folks have done answering the farmers' questions.

15                  MR. LEWIS: Thank you, very much.

16                  SENATOR HAWKINS: Next we have the  
17 Executive Committee report from the Honorable Terry G. Kilgore.

18                  DELEGATE KILGORE: Mr. Chairman, we had  
19 an Executive Committee meeting yesterday, and the first item that I want to  
20 bring to the attention of the full Commission is that, this is a good problem  
21 to have. We need to transfer some money to the TROF, which is a deal  
22 closing fund, the Tobacco Regional Opportunity Fund. We need to increase  
23 that. We've been able to create a lot of opportunities in the tobacco region,  
24 and we need to put more money into that so that we can continue to create  
25 opportunities and pay down the deficit that we have.

1 I'm going to make a motion that the TROF fund be increased by  
2 transferring unrestricted funds in the \$1,118,167 from the unreserved,  
3 undesignated account and \$3,881,833 from the reserve account, for a total of  
4 \$5 million. That should, according to what we heard yesterday from Ned,  
5 get us through to our budget. I believe, Mr. Chairman, this is a good  
6 problem to have, and there are deals that need closing out there, so I would  
7 make that motion.

8 DELEGATE JOHNSON: Second.

9 SENATOR HAWKINS: It's been moved and  
10 seconded. Any discussion? For the new members, this money will be used  
11 for deal closings. Monies through the Tobacco Regional Opportunity Fund  
12 will give us a lot of flexibility to do things. Do any of the new members,  
13 especially, have a question about how this operates? Any more discussion?  
14 All those in favor say aye? (Ayes.) Opposed? (No response.) Motion  
15 carries.

16 DELEGATE KILGORE: The next item, Mr.  
17 Chairman, is that at the Executive Committee meeting yesterday it was  
18 recommended that, we recommended a budget amendment transferring 2.35  
19 million from unrestricted reserve to the Education Fund for the grant  
20 approved last October to the Virginia Advanced Studies Strategies, which  
21 would be in Southside.

22 SENATOR HAWKINS: Any discussion on the  
23 motion? Everyone understand the motion? It's been moved and seconded,  
24 all those in favor? (Ayes.) Opposed? (No response.) Motion is passed.

25 DELEGATE KILGORE: Our next

1 recommendation, Mr. Chairman, if you'll go to Tab 2 in your book. We're  
2 basically moving some dollars around for restricted and unrestricted,  
3 reserves to Technology and also some other budget amendments.

4 I'd make that motion.

5 SENATOR HAWKINS: Is there a second?  
6 There's a motion and a second. Any discussion? Does everyone understand  
7 the transfers that are being recommended? All those in favor say aye?  
8 (Ayes.) Opposed? (No response.) The motion carries.

9 DELEGATE KILGORE: Yesterday, Mr.  
10 Chairman, we had a discussion about these grants, whether they be restricted  
11 or unrestricted, and what we decided yesterday would be the best course of  
12 action for the Commission would be that for every grant approved by the  
13 Commission, the Commission authorize the staff to choose the type of  
14 money, whether unrestricted or restricted, to be used to fund each grant,  
15 based on advice from bond counsel; second, the intended use of the money;  
16 and third, the availability of each type of money at the time the choice is  
17 made. There are certain items we can't use restricted for, which would be  
18 tax free, and we would only be allowed to use unrestricted. We'd have to  
19 wait and get advice of bond counsel based upon the use of the money. And,  
20 as I said, three, the availability of each type of money at the time the choice  
21 is made.

22 Such authority includes the making of budget amendments to  
23 the extent necessary to maximize the use of restricted funds, thereby  
24 preserving unrestricted funds for later use by the Commission. Such  
25 authority does not include changing the total amount available to any

1 committee or grantee. So, whenever we approve the budget, we're not  
2 changing the amount that the Southwest or Southside Committee grants.  
3 We're changing the unrestricted to restricted.

4 That would be my motion.

5 SENATOR HAWKINS: There's a second. Any  
6 discussion? For the new members, I'll just say that when we securitized we  
7 had two pots of money, one is taxable and one is nontaxable. This allows  
8 the ability of the staff to make judgments as far as which pot to use so we  
9 will not waste our money and be able to do other things with it.

10 Any discussion? All those in favor say aye? (Ayes.)  
11 Opposed? (No response.) Motion carries.

12 DELEGATE KILGORE: Mr. Chairman, I've got  
13 to excuse myself for a few minutes to talk to the State Corporation  
14 Commission about a power plant.

15 SENATOR HAWKINS: Thank you for your  
16 report.

17 Next we have Southside Economic Development Committee,  
18 Ed Owens. Ed is taking the place of Tom Arthur, who phased out of the  
19 Commission; it's an eight-year maximum time limit.

20 MR. OWENS: Mr. Chairman, the Southside  
21 Economic Development Committee met on December 18th and approved  
22 nine grants totaling \$3,921,905. That's shown in your Tab Number 3 of your  
23 book.

24 The Southside Economic Development Committee also  
25 recommended to the Commission two grants totaling \$1,990,700. Yesterday

1 the Committee met and approved the Virginia Polytechnic Institute and State  
2 University Office of Sponsored Programs \$1,196,532.

3 Also, approved the City of Danville, Project Silver, \$794,168.

4 Do you want to do these in a block?

5 SENATOR HAWKINS: Let's do it in a block,  
6 unless there's any objection.

7 MR. OWENS: My motion would be to approve  
8 those.

9 SENATOR HAWKINS: Is there an objection to  
10 doing it in a block?

11 MR. HITE: I'll second it.

12 SENATOR HAWKINS: There's a motion and a  
13 second. Any discussion on the motion? All those in favor say aye? (Ayes.)  
14 Opposed? (No response.) Motion carries.

15 MR. OWENS: That is my report.

16 SENATOR HAWKINS: Next is the Agribusiness  
17 Committee, Delegate Johnson.

18 DELEGATE JOHNSON: Thank you, Mr.  
19 Chairman. The Agribusiness Committee met on December 12th in  
20 Abingdon at the Southwest Higher Education Center. The Committee heard  
21 a total request of \$6.8 million, and the Committee approved \$1.638 as far as  
22 requests. We left some money on the table. Hopefully, we will get some  
23 extra money and be able to do some of the projects that we didn't have the  
24 money to do at that time.

25 Those that were approved are listed in Tab 4. Some were not

1 approved, but we thought they had merit. At this time I'd move that we  
2 consider the requests that were approved. That was a total of eight grants  
3 totaling \$1,452,750.

4 MR. MAYHEW: Second.

5 SENATOR HAWKINS: It's been moved and  
6 seconded that we approve the Agribusiness Subcommittee. Any discussion?  
7 Does everyone understand the motion? All those in favor say aye? (Ayes.)  
8 Opposed? (No response.) The motion carries.

9 I'll turn it over now to the Executive Director for his report.

10 MR. NOYES: Thank you, Mr. Chairman. If I  
11 may, I would ask for a motion for Grant Number 1462, previously approved  
12 through the Special Projects Committee, to change the grantee from the  
13 Danville Pittsylvania Regional Facilities Authority to the Institute for  
14 Advanced Learning and Research Foundation. The purpose of this is to  
15 expedite contracting for the services that were agreed to when the award was  
16 made. If we could have that motion.

17 SENATOR HAWKINS: If someone would make  
18 that motion.

19 MR. BRYANT: I'll so move.

20 SENATOR HAWKINS: It's been moved and  
21 seconded. Any discussion on the motion? Does everyone understand the  
22 motion? Call for the question. All those in favor say aye? (Ayes.)  
23 Opposed? (No response.) Motion carries.

24 MR. NOYES: Some housekeeping matters, ladies  
25 and gentlemen. Your packet said transport to the airport, front of this

1 location; it will be from the hotel instead, so you all need to go back to the  
2 hotel and get your transportation out to the airport.

3 After our meeting lunch will be in Conference Room 3, for  
4 those of us here yesterday, it's the same room, all the way to the other end of  
5 the building.

6 Financial disclosures are due from all members, please. If  
7 Stephanie will stand. Stephanie has some blanks; if you have not submitted  
8 your financial disclosure, please do so as soon as possible.

9 You'll find in front of you some travel vouchers and contact  
10 information. I ask that all members leave an executed travel voucher and  
11 up-dated financial information, and Michelle will collect those after the  
12 meeting.

13 A quick word about the Blue Ribbon Advisory Panel. They  
14 have had one meeting in mid-December, and they'll have a second meeting  
15 the end of this month, January 29th. They are having a very thoughtful look  
16 at the operation and structure issues, and we can look forward to their report,  
17 hopefully in time for our retreat the end of April.

18 A reminder that our April meeting is our budget meeting, and  
19 members who have matters of some urgency, I'd ask that they contact the  
20 Committee chairs, and they're appropriate for whatever the matter is. I look  
21 forward to meeting with the Committee chairs in February and March in  
22 advance of our April meeting to propose a budget.

23 SENATOR HAWKINS: We're working on the  
24 Committee assignments, and I think most of them have been updated. Most  
25 are not changed, but we've made arrangements for some new members

1 coming in. We thought they'd be receptive of this, or we can do it now.  
2 What I'd like to say is that, if anybody who gets an assignment feels  
3 uncomfortable with it, let me know, and we'll work out something that will  
4 be better.

5 MR. NOYES: That concludes my report.

6 SENATOR HAWKINS: At this time I'll recognize  
7 Senator Puckett.

8 SENATOR PUCKETT: Thank you, Mr.  
9 Chairman. Yesterday in the Executive Committee meeting I gave a brief  
10 report of the approval of the Minutes at the last Commission meeting  
11 concerning the hay relief/drought relief program that we approved at the last  
12 meeting for Southwest Virginia. Keep in mind, this only involves Southwest  
13 Virginia money and does not affect Southside. We were encouraged at that  
14 time to try to work through the Farm Service Agency FSA program, which is  
15 basically a reimbursement type program for the farmers in any kind of  
16 program that they might be involved in. We have since learned that FSA  
17 might not be the best place for us to go with that. As a result of that, we've  
18 had some meetings on this issue in Southwest with our county agents and  
19 also Farm Service people involved. We have a motion I'm going to make  
20 that structures this a little bit. It doesn't affect anything from a money  
21 standpoint, but it changes the agent in this from Farm Service Agency to  
22 Southwest Virginia Agriculture Association, which is a 501 C 3 entity at the  
23 present time. They have participated in grants before, so it's nothing new to  
24 them, and that involved the beef industry.

25 My motion this morning is that I move that the Commission

1 award \$500,000 to Southwest Virginia Agriculture Association to fund the  
2 hay relief program as presented to the Commission staff yesterday by-hand,  
3 and that Grant Number 1530 in favor of the Farm Service Agency for a  
4 similar purpose be rescinded. This motion simply changes that agency that  
5 handled the program.

6 I'll be glad to answer any questions anyone might have.

7 SENATOR HAWKINS: Any questions of Senator  
8 Puckett?

9 SENATOR WAMPLER: I'll second the motion.

10 SENATOR HAWKINS: It's been moved and  
11 seconded. This is a discussion we had at the last meeting, and I believe it  
12 was aired thoroughly at that time. Is there any discussion now on this  
13 motion for Southwest Virginia to spend some of their money? If not, all  
14 those in favor say aye? (Ayes.) Opposed? (No response.) Motion carries.  
15 Thank you all.

16 That takes us down to public comment. Before we do that, let's  
17 go back to the Blue Ribbon Commission. This is an amazing group of  
18 people who have volunteered to give us their time and help with our  
19 structure. Charles King, Governor Gerald Baliles, Mr. Hugh Keogh, Jack  
20 Reasor, Bobby Bray, Sid Dewberry, the Honorable Diane Strickland,  
21 attorney and judge in Roanoke, Virginia, and the Honorable Jean  
22 Cunningham, former member of the House of Delegates. That's a pretty  
23 good group of people. I think that speaks to the commitment people have to  
24 make sure that Southside and Southwest Virginia continue the progress  
25 made in the past.

1                   Our next Commission meeting is April 24th.

2                   MR. NOYES: The October meeting is scheduled  
3 right now for VIR in Halifax County. We're now looking for our July  
4 meeting, too. April will be in Roanoke.

5                   SENATOR HAWKINS: The 24th is a tentative  
6 date set, but if we run into any problems we'll get that word out. We'll try to  
7 work with the Legislature to make sure there's no conflict.

8                   Now, any comments from the public dealing with anything that  
9 has come before the Commission that should be brought to our attention?

10                  MS. HAWTHORNE: I'm Beverly Hawthorne  
11 from Lunenburg County. I'd like to really thank the Commission for the  
12 three grants of money that we have gotten this year. We had an agricultural  
13 grant and some sewerage, also the TROF. We really appreciate it more than  
14 I can say. Thank you, very much.

15                  SENATOR HAWKINS: Thank you, and I think  
16 that underscores what we're all trying to accomplish.

17                  If nothing else is scheduled to come before the Commission,  
18 we'll go ahead and adjourn.

19                  Lunch is being served, and the plane will leave at 12:30.

20                  PROCEEDINGS CONCLUDED.

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CERTIFICATE OF THE COURT REPORTER

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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 Full Commission Meeting when held on Tuesday, January 8, 2008 at 10:00 a.m. in the East Reading Room, Patrick Henry Building, Richmond, 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 18th day of January, 2008.

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

My Commission Expires: October 31, 2010.

Notary Registration Number: 224566