

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

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

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8 **Full Commission Meeting**

9 Thursday, September 27, 2012

10 10:00 o'clock a.m.

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14 Wytheville Meeting Center
15 Wytheville, Virginia

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1 **APPEARANCES:**

2 The Honorable Terry G. Kilgore, Chairman

3 The Honorable Frank M. Ruff, Vice Chairman

4 Mr. Kenny F. Barnard

5 Ms. Gayle F. Barts

6 The Honorable Kathy J. Byron

7 Mr. John R. Cannon

8 The Honorable Charles W. Carrico, Sr.

9 Ms. Mary Rae Carter, Deputy Secretary

10 Department of Commerce and Trade for Rural Development

11 Mr. David R. Cundiff

12 Ms. Linda P. DiYorio

13 Mr. Burgess Hamlet

14 Mr. Travis Hill, Deputy Secretary

15 Virginia Department of Agriculture and Consumer Services

16 The Honorable Joseph P. Johnson, Jr.

17 The Honorable Daniel W. Marshall, III

18 The Honorable Donald W. Merricks

19 Mr. H. Ronnie Montgomery

20 Ms. Sandra F. Moss

21 Ms. Connie Greene Nyholm

22 The Honorable Edward Owens

23 Dr. David S. Redwine, DVM

24 Mr. Kenneth O. Reynolds

25 Ms. Beth D. Rhinehart

1 **APPEARANCES (Continued):**

2 The Honorable Ralph K. Smith

3 Mr. Robert Spiers

4 Mr. John Stallard

5 The Honorable William M. Stanley, Jr.

6 Ms. Cindy M. Thomas

7 Mr. Gary D. Walker

8 The Honorable Thomas C. Wright, Jr.

9

10 **COMMISSION STAFF:**

11 Mr. Neal Noyes, Executive Director

12 Mr. Ned Stephenson, Deputy Executive Director

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

14 Ms. Stephanie S. Kim, Director of Finance

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

16 Southside Virginia

17 Ms. Suzette Patterson, Grants Office Manager

18 Ms. Carolyn Bringman, Performance Data Analyst

19 Ms. Jessica Stamper, Assistant Grants Program Administrator -

20 Southside Virginia

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1 September 27, 2012

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3 DELEGATE KILGORE: Good morning, everyone. I'm
4 going to call the meeting of the full Commission of the Virginia
5 Tobacco Commission to order.

6 Neal, would you call the roll.

7 MR. NOYES: Mr. Barnard.

8 MS. BARNARD: Here.

9 MR. NOYES: Ms. Barts.

10 MS. BARTS: Here.

11 MR. NOYES: Secretary Brown won't be with us.
12 Delegate Byron.

13 DELEGATE BYRON: Here.

14 MR. NOYES: Mr. Cannon.

15 MR. CANNON: Here.

16 MR. NOYES: Senator Carrico.

17 SENATOR CARRICO: Here.

18 MR. NOYES: Mary Rae Carter

19 DEPUTY SECRETARY CARTER: Here (For Secretary
20 Cheng).

21 MR. NOYES: Mr. Cundiff.

22 MR. CUNDIFF: Here.

23 MR. NOYES: Ms. DiYorio.

24 MS. DiYORIO: Here.

25 MR. NOYES: Mr. Hamlet.

1 MR. HAMLET: Here.

2 MR. NOYES: Mr. Harwood won't be with us.

3 Deputy Secretary Hill.

4 DEPUTY SECRETARY HILL: Here.

5 MR. NOYES: Delegate Johnson.

6 DELEGATE JOHNSON: Here.

7 MR. NOYES: Delegate Kilgore.

8 DELEGATE KILGORE: Here.

9 MR. NOYES: Delegate Marshall.

10 DELEGATE MARSHALL: Here.

11 MR. NOYES: Delegate Merricks.

12 DELEGATE MERRICKS: Here.

13 MR. NOYES: Mr. Montgomery.

14 MR. MONTGOMERY: Present.

15 MR. NOYES: Ms. Moss.

16 MS. MOSS: Here.

17 MR. NOYES: Ms. Nyholm.

18 MS. NYHOLM: Here.

19 MR. NOYES: Mr. Owens.

20 MR. OWENS: Here.

21 MR. NOYES: Dr. Redwine.

22 DR. REDWINE: Here.

23 MR. NOYES: Mr. Reynolds.

24 MR. REYNOLDS: Here.

25 MR. NOYES: Ms. Rhinehart.

1 MS. RHINEHART: Here.

2 MR. NOYES: Senator Ruff.

3 SENATOR RUFF: Here.

4 MR. NOYES: Senator Smith.

5 SENATOR SMITH: Here.

6 MR. NOYES: Mr. Spiers.

7 MR. SPIERS: Here.

8 MR. NOYES: Mr. Stallard.

9 MR. STALLARD: Here.

10 MR. NOYES: Senator Stanley.

11 SENATOR STANLEY: Here.

12 MR. NOYES: Ms. Thomas.

13 MS. THOMAS: Here.

14 MR. NOYES: Mr. Walker.

15 MR. WALKER: Here.

16 MR. NOYES: Delegate Wright.

17 DELEGATE WRIGHT: Here.

18 MR. NOYES: You have a quorum, Mr. Chairman.

19 DELEGATE KILGORE: Do I have a motion to approve

20 the minutes of May 24th, 2012?

21 DELEGATE JOHNSON: So moved, second.

22 DELEGATE KILGORE: All those in favor, say aye.

23 (Ayes). Opposed? (No response).

24 All right. We're honored today to have Delegate

25 Crockett with us, and I assume she's going to welcome us to

1 Wytheville.

2 DELEGATE CROCKETT: Thank you very much. I want
3 to welcome everybody to Wytheville, and I'm sorry I wasn't here
4 yesterday, and I was in another part of our beautiful Old
5 Dominion, I was way up in Woodstock having a good time, but
6 thank you. We're so glad to have all of you in our beautiful
7 county this morning.

8 My office is on Main Street, and if there's anything I
9 can do for you after this meeting, I'd love to see you. I hope you
10 took advantage of some of our wineries and eateries here. I also
11 hope you have a very fruitful meeting this morning. We're so
12 delighted, and we think we're ready to move and have more
13 progress in Southwest and Southside Virginia. We're also
14 pleased to have the ability and capability to have you all help us
15 move forward. So thank you.

16 DELEGATE KILGORE: Thank you, Delegate Crockett.
17 It is great to meet here in Southwest. Thank you for your
18 service.

19 We've got a couple of informational videos to show
20 the Commission this morning.

21 MR. DERISO: Thank you, Mr. Chairman. These are
22 some very brief videos that highlight one of the very important
23 projects the Committees approved yesterday for a Sequencing
24 Center, and I think the videos would highlight what it's all about.

25

1 NOTE: At this time, the video is played.

2

3 MR. DERISO: Thank you for your time, and I hope
4 that gives you a little bit better sense about what the Sequencing
5 Center is going to be doing in Danville, Virginia. So thank you
6 very much.

7 DELEGATE KILGORE: Can you send that presentation
8 out to all the Committee members, send that out to the members
9 of the Commission?

10 MR. DERISO: Yes, after October 3rd.

11 DELEGATE KILGORE: All right. Next, we'll hear from
12 Neal on the indemnification.

13 MR. NOYES: Thank you, Mr. Chairman. I'm reading
14 from a letter from Troutman Sanders on the indemnification
15 dated September 7th. I'm pleased to provide you an update on
16 the 2012 Phase 1 Tobacco Indemnification Program.

17 The second round of payments will be mailed today
18 from the Department of Treasury. This distribution includes
19 payments totaling \$156,084 for 1,143 claimants. This brings
20 the 2012 total payments, 47,106 claims, totaling \$9,650,240,
21 94 percent the total available, 2012 money.

22 This payment round includes the vast majority
23 including changes in ownership and pending claims. This fall, we
24 will continue to work with those claimants who have pending
25 applications that are currently incomplete. We will prepare our

1 1099 data and distribute the 1099 forms to claimants to fulfill all
2 tax reporting requirements.

3 Some information has been provided for the
4 indemnification payments to date made available is
5 \$308,812,404. Actual payments \$294,471,506. That, Mr.
6 Chairman, is a report on Indemnification.

7 DELEGATE KILGORE: I appreciate that. That's a
8 distribution made to the tobacco farmers.

9 MR. NOYES: That's correct, 294-and-a-half-million
10 dollars.

11 DELEGATE KILGORE: Any questions of Mr. Noyes.
12 Next, we have the Executive Committee, Senator Ruff.

13 SENATOR RUFF: Thank you, Mr. Chairman. The
14 Executive Committee met yesterday afternoon, and there are
15 several actions we need to take today. First, I move that the
16 Commission continue to pay invoices received from Kaufman and
17 Canoles that are approved by the Office of the Attorney General
18 for legal services, rendered to Commonwealth for the 2003 NPM
19 Adjustment Arbitration.

20 Such payment shall be charged against the 350,000
21 authorized by the Commission for this purpose on May 24th of
22 this year until such authorization is depleted, and thereafter shall
23 be limited to 300,000.

24 DELEGATE KILGORE: We had some discussion on that
25 in the Executive Committee meeting yesterday. They asked for

1 650,000, and then we limited that to 300,000, and to come back
2 and report in January for the need for any additional funds. With
3 that then, you're making a motion, and a motion has been
4 seconded. Any more discussion on that? All those in favor, say
5 aye. (Ayes). Opposed?

6 DELEGATE WRIGHT: No.

7 MR. NOYES: Delegate Wright votes no.

8 SENATOR RUFF: Mr. Chairman, the next item is I
9 move that the FY13 budget be amended by transferring
10 \$197,256 from the Reserve Account to the Administrative
11 Account to provide for legal expenses. This is the balance left in
12 that Reserve Account, which is no longer used. I so move.

13 DELEGATE KILGORE: We have a motion and a
14 second. Any further discussion? All those in favor, say aye.
15 (Ayes). Opposed? (No response).

16 SENATOR RUFF: Mr. Chairman, next I move that the
17 FY13 budget be amended by transferring \$550,734 from
18 Unclaimed 2011 Indemnification to the Administrative Account to
19 provide for legal expenses or for other expenses that may occur.

20 MR. OWENS: Second.

21 DELEGATE KILGORE: Any discussion? All those in
22 favor, say aye. (Ayes). Opposed? (No response).

23 SENATOR RUFF: Mr. Chairman, the last motion is I
24 move that the FY13 Education Budget be increased by
25 \$4,135,573 for the New College Institute. This matches up with

1 the action the Education Committee took for the New College.

2 DELEGATE KILGORE: I have a motion and a second.
3 Any discussion? All those in favor, say aye. (Ayes). Opposed?
4 (No response).

5 That completes your Executive Committee report?

6 SENATOR RUFF: Yes.

7 DELEGATE KILGORE: Just for those of you that are
8 here for the first time, I know we're going through this pretty
9 fast, in the Executive Committee, we had a long conversation
10 yesterday discussing these for an unbelievably long time. All
11 right. Frank.

12 SENATOR RUFF: The Education Committee. Mr.
13 Chairman, we met about a month ago, and the first action is I
14 move to fund the 2013 and '14 Tobacco Region Scholarship
15 Program with grants in favor of the Southwest Virginia Higher
16 Education Center in the amounts of \$,489,313 for Southside
17 Virginia and \$2,016,937 for Southwest Virginia. This would be
18 the amount, plus the inflation factor, that we used that last year.

19 DELEGATE KILGORE: We have a motion and a
20 second, and I'll just say this is one of the better projects we do
21 on the Commission to provide the scholarships for farm families
22 and others, so it's really a good program. And all this helps our
23 students and families and those operating this program. Any
24 more discussion? All those in favor, say aye. (Ayes). Opposed?
25 (No response).

1 SENATOR RUFF: Mr. Chairman, the next motion is to
2 approve nine grants totaling \$3,275,000 for community college
3 scholarships as shown on page 11 of your book.

4 DELEGATE KILGORE: This gives you an opportunity to
5 review the Education Committee's recommendation on page 11.
6 Do you make a motion?

7 SENATOR RUFF: I so move.

8 DELEGATE KILGORE: It's been moved and seconded
9 by Delegate Johnson. Any other discussion? All right. We have
10 a motion and a second. All those in favor, say aye. (Ayes).
11 Opposed? (No response).

12 SENATOR RUFF: Mr. Chairman, the last motion is to
13 approve a grant of \$5 million to the New College Institute to
14 construct a workforce training center in Martinsville. We believe
15 that's going to be a great opportunity, and if Senator Wampler is
16 here, he may want to speak to it, and I know he's working with
17 Virginia State University to develop engineering students in
18 working on some of those projects and working with UVA in the
19 medical field. This will enable them to move into a new building.

20 DELEGATE KILGORE: I think Senator Wampler is
21 doing very well. Any questions or any discussion? We have a
22 motion and a second. All those in favor, say aye. (Ayes).
23 Opposed? (No response).

24 DELEGATE KILGORE: Do you have another motion?

25 SENATOR RUFF: I'm going to let Tim speak to the

1 next issue.

2 MR. PFOHL: Mr. Chairman, there was a grant
3 awarded in the Education Program last year to Emory and Henry
4 College to establish a Doctor of Physical Therapy Program. The
5 Commission approved a condition on the grant that that program
6 receive accreditation prior to the use of our funds. We have
7 subsequently found out that the accreditation doesn't occur until
8 the first students are graduated from the program. So Emory
9 and Henry requests the removal of that condition from that grant
10 so that they can proceed with preparing their facilities for that
11 program. The Education Committee recommended approval
12 removing that condition.

13 DELEGATE KILGORE: Do we have a motion?

14 SENATOR RUFF: So moved.

15 DELEGATE JOHNSON: Second.

16 DELEGATE KILGORE: We have a motion and a second
17 by Delegate Johnson. All those in favor, say aye. (Ayes).
18 Opposed? (No response).

19 All right, next we go to Research and Development.
20 Delegate Byron, do you want to show the video or the movie?

21 DELEGATE BYRON: The Research and Development
22 Committee met this morning, and Mr. Jerry Giles made a
23 presentation. And Mr. Jerry Giles from the Virginia Economic
24 Development Partnership made a presentation and a thorough
25 review of the grants, proposed grants. The Committee moved to

1 approve Grant Number 2509, which is the Praxidix Temperature
2 Indicators, and Application Number 2511, Virginia Shrimp Farms
3 that was for \$673,00, and Grant Number 2509 was for \$510,000.

4 DELEGATE KILGORE: That was recommended by the
5 Committee?

6 DELEGATE BYRON: That's correct.

7 DELEGATE KILGORE: I think several of the members
8 of the Committee attended these sessions at the partnership?

9 DELEGATE BYRON: Yes. I think Secretary Cheng and
10 Ms. Thomas and Mr. Hamlet. Yes, it's very interesting. I so
11 move.

12 DELEGATE KILGORE: We've got a motion and a
13 second to approve Grant Numbers 2509 and 2511. Any further
14 discussion? All right. All those in favor, say aye. (Ayes).
15 Opposed? (No response).

16 DELEGATE BYRON: Mr. Chairman, some of the grants
17 we've approved in the past, and I want to present a brief video
18 concerning the Advanced Engineering and Research facility in
19 Lynchburg.

20

21 NOTE: The video concerning the (CAER) Center for
22 Advanced Engineering and Research facility is shown to the full
23 Commission.

24

25 DELEGATE BYRON: Mr. Chairman, I asked them to

1 take my name out of there. I was not aware of that. The copies
2 I was given apparently were not the final edited version. I know
3 Bob Bailey, director of the facility, is here.

4 DELEGATE KILGORE: That's very impressive and that
5 speaks well of the work of the R & D Committee and the
6 Commission. Great work, Delegate Byron.

7 All right. Now, we go to Special Projects. Delegate
8 Marshall.

9 DELEGATE MARSHALL: Good morning, Mr. Chairman.
10 I think in front of you, you have a report from Special Projects
11 that met yesterday. If you'll look in your book, one proposal that
12 we passed, and that's on the health care proposal, the last one
13 down, Number 2578.

14 DELEGATE KILGORE: Remove it from the block.

15 DELEGATE MARSHALL: I so move that proposal.

16 MR. OWENS: Second.

17 DELEGATE KILGORE: We have a motion to approve
18 2578 and a second. Any further discussion? All those in favor,
19 say aye. (Ayes). Opposed? (No response).

20 MR. NOYES: Ms. Rhinehart sustains.

21 DELEGATE MARSHALL: Mr. Chairman, the rest of the
22 proposals, the Economic Development proposals total \$12.4
23 million were approved yesterday, and I so move.

24 MR. OWENS: Second.

25 DELEGATE KILGORE: Does anyone want to remove

1 any of the others out of the block? There was a big discussion on
2 each one of these. Anyone want to remove any from the block?
3 Are you prepared to vote? All those in favor, say aye. (Ayes).
4 Opposed? (No response).

5 DELEGATE MARSHALL: Mr. Chairman, the last one,
6 2598 for \$6 million. We talked about this one for a long time,
7 and we approved that yesterday after much discussion, and I so
8 move.

9 DELEGATE JOHNSON: Second.

10 DELEGATE KILGORE: 2598, any discussion? All those
11 in favor, say aye. (Ayes). Opposed? (No response).

12 DELEGATE MARSHALL: Mr. Chairman, just for FYI,
13 the next Megasites only, October 31st, that's my report.

14 DELEGATE KILGORE: All right, thank you.

15 Southside Economic Development Committee. Ed
16 Owens.

17 MR. OWENS: Mr. Chairman, Southside Economic
18 Committee met yesterday afternoon at 3:00 p.m. I have three
19 motions to make. I move that we approve a grant of \$2.5 million
20 for Mid-Atlantic Broadband Cooperative. That's for repurposing
21 of an FY12 grant to Greenville County. That's Repurposing
22 Grant Number 2467 for the same purpose.

23 DELEGATE KILGORE: What was that for?

24 MR. OWENS: It was originally an award of two-and-a-
25 half million for 2589 and the repurposing of \$1 million previously

1 awarded in Grant 2467 for this project.

2 DELEGATE KILGORE: All right, we have a motion and
3 a second. Any discussion? All those in favor, say aye. (Ayes).
4 Opposed? (No response). Motion approved.

5 MR. OWENS: Secondly, I move we approve Grant
6 2526 in the amount of \$45,000 for Greenville County.

7 DELEGATE KILGORE: We have a motion and a
8 second. All those in favor, say aye. (Ayes). Opposed? (No
9 response).

10 MR. OWENS: The last one is to repurpose and allow a
11 modification of Grant Number 2199 for Pittsylvania County and
12 some work to be done for the Town of Hurt Industrial Park. I so
13 move.

14 DELEGATE KILGORE: It's been moved and seconded
15 100,000 added to the original grant. We have a motion and a
16 second. All in favor, say aye. (Ayes) Opposed? (No response).

17 Thank you for your hard work.

18 Southwest Economic Development. Dr. Redwine.

19 DR. REDWINE: Thank you, Mr. Chairman. If you'd
20 turn in your book to page 35. Southwest Economic Development
21 Committee met on September 13th and met again yesterday to
22 do business with the Commission. On September 13, we
23 reviewed almost nine million of requests to compete for \$1.9
24 million in available funds to the Committee. We did approve in
25 the Committee level grants totaling 1.9 million.

1 Senator Carrico, did you wish to speak to one of
2 those?

3 SENATOR CARRICO: Yes, I have a motion, and I
4 direct you to page 42 and Item 2559. I have a motion to remove
5 the restriction on that.

6 DR. REDWINE: Senator Carrico moves that Grant
7 2559, which has a restriction of a prospect that that restriction
8 be removed before we move ahead with the approval, and I
9 second it.

10 DELEGATE KILGORE: We have a motion and a
11 second.

12 DELEGATE MARSHALL: So what do we do, we have a
13 prospect before now, now we're going to grant the grant money?

14 DELEGATE KILGORE: I think somebody from IDA, to
15 start on the road, initially starting on the road to the property.
16 It's open to the prospect, and they had a prospect, but maybe it
17 will go somewhere else in the county. This would create 200 or
18 300 jobs. When this first came to light, we thought that they're
19 looking at another place. So I have a motion and a second. Any
20 further discussion? All those in favor of removing that one
21 criteria, say aye. (Ayes). Opposed? (No response).

22 DR. REDWINE: Since we have that amendment,
23 2559, that particular grant is included in the ten grants or the 1.9
24 million that the Committee approved on the 13th. I would move
25 to this full Commission to approve those grants.

1 DELEGATE KILGORE: Page 35. Anyone need to
2 remove anything or take anything out of the block?

3 MR. MONTGOMERY: Mr. Chairman, I would. I'd like
4 to remove 2544, 2559, 2562, 2549, and 2558.

5 DELEGATE KILGORE: Move those out of the block.

6 DR. REDWINE: 2544, 2559, 2562, 2549, and 2558.

7 DELEGATE KILGORE: So the last one, two, three,
8 four, and five are removed from the block. So I have a motion to
9 approve 2556 through 2565 on page 35, is that your motion?

10 DR. REDWINE: Yes, that's my motion.

11 MS. DiYORIO: Mr. Chairman, is that to approve
12 those?

13 DELEGATE KILGORE: Yes, to approve the first six.
14 We have two blocks. The first is the first six. I have a motion
15 and a second. Any more discussion? All those in favor of the
16 first block, say aye. (Ayes). Opposed?

17 MR. MONTGOMERY: No.

18 DELEGATE KILGORE: We have one no in the first
19 block.

20 Now we'll take the second block. That's 2544, 2559,
21 2562, 2549, and 2558. Do we have a motion?

22 DR. REDWINE: Yes, I so move.

23 DELEGATE KILGORE: Do we have a second?

24 MR. MONTGOMERY: I'll second it.

25 DELEGATE KILGORE: Any further discussion? Are

1 you all ready to vote? All those in favor of that last block, say
2 aye. (Ayes). Opposed? (No response).

3

4 NOTE: Ms. DiYorio did not vote on the second block.

5

6 DR. REDWINE: Thank you, Mr. Chairman.

7

8 I would also move today to approve a request from
9 King College, a request from King College for it to assign without
10 recourse Grant Number 1958 to the King School of Medicine,
11 Incorporated contingent upon its designation by the Internal
12 Revenue Service as a 501C3 not later than 12-31 of 2012 and in
13 agreement with the Town of Abingdon to serve as fiscal agent for
14 the King School of Medicine, Incorporated. And I make that
15 motion.

16 DELEGATE JOHNSON: Second.

17 DELEGATE KILGORE: You heard the motion. Any
18 discussion? All those in favor, say aye. (Ayes). Opposed? (No
19 response).

20 DR. REDWINE: I'd also move Grant Number 1958,
21 King College, which is now assigned to King School of Medicine,
22 Incorporated was and is now subject to the following
23 requirements imposed by the Commission on May 23rd and 24th,
24 2012: One, not later than 12-31 of 2012, grant assign must
25 provide a progress report to the Commission included but not
limited to the availability of non-Commission funding sources

1 committed to the school, and until 12-31-2012 aggregate
2 disbursements by the Commission shall be limited to \$1 million
3 provided that each Commission disbursement requested is
4 accompanied by evidence that non-Commission funds are being
5 employed in equal or greater amounts.

6 DELEGATE JOHNSON: Second.

7 DELEGATE KILGORE: We have a motion and a
8 second. All those in favor of that additional requirement
9 assigned to King School of Medicine, Inc., say aye. (Ayes).
10 Opposed? (No response).

11 DR. REDWINE: I'll refer to Mr. Noyes for the last
12 motion.

13 MR. NOYES: Thank you, Dr. Redwine. There was a
14 final item that was considered in the Executive Committee
15 session by the Committee yesterday that resulted in a closed
16 executive session. The following motion was agreed to by the
17 Committee, moved that the Executive Director in his discretion
18 and upon consultation with the Chairman of the Southwest
19 Economic Development Committee and Chairman of the
20 Commission be authorized to act on behalf of the Commission to
21 approve or withhold approval of transfer of ownership and control
22 of grant funded assets from LENOWISCO Planning District
23 Commission, et al. to Scott County Telephone Cooperative, Inc.,
24 et al. Pursuant to a purchase agreement negotiated for that
25 purpose. That is the motion that was agreed to in the

1 Subcommittee. We need a motion for that.

2 DELEGATE KILGORE: By name, adding my name and
3 Senator Ruff's name.

4 MR. NOYES: Senator Ruff is Vice Chairman and
5 Delegate Kilgore is Chairman are added to that.

6 SENATOR RUFF: I'll so move.

7 DELEGATE KILGORE: We have a motion and a
8 second. All those in favor, say aye. (Ayes). Opposed? Three
9 nos.

10 MR. NOYES: The motion carries.

11 DELEGATE KILGORE: Dr. Redwine.

12 DR. REDWINE: That concludes my report.

13 DELEGATE KILGORE: Executive Directors Report.

14 MR. NOYES: Briefly, two matters. Records
15 Management, a code word for the destruction of files as directed
16 by the Library of Virginia. There'll be a file transferred from
17 Troutman Sanders. This is something that's long overdue to
18 destroy files under the careful and watchful eye of the Library of
19 Virginia. Troutman Sanders is going to transfer 400 boxes of
20 files. Second, most especially, Ms. Carolyn Bringman has
21 integrated an approval component within the application process
22 for any awards. This effort is designed to post approval date for
23 purposes of analysis. This is per JLARC's recommendation and
24 because the public needs to know how your investments are
25 performing.

1 My view of this, not to be brash so it becomes a big
2 problem, disbursements for new projects shall be suspended until
3 new grantees provide the needed information. You don't have to
4 make that decision today. I'll be bringing this to the Chairman
5 and Vice Chairman if we don't have compliance. That concludes
6 my report.

7 MR. OWENS: What is the status of the Phase 1?

8 MR. NOYES: Phase 1 of the three-phase report, the
9 data is reviewed by myself and Senator Ruff, and Delegate
10 Kilgore was out of the country at the time, and proceeded to
11 Phase 2. I thought they did a good job with Phase 1.

12 DELEGATE BYRON: I'm sure your review will probably
13 speak for itself. I thought that we would see that report or get a
14 copy of that, or will we get a copy of it?

15 MR. NOYES: It's a discussion document at this point
16 because just based on conversations with someone, but the
17 Commission will get this information.

18 DELEGATE BYRON: It's properly before the
19 Commission, isn't it?

20 MR. NOYES: That was for the Chairman and myself
21 and Senator Ruff acting on behalf of the Commission.

22 DELEGATE BYRON: Will the second phase and third
23 phase be forthcoming and --

24 MR. NOYES: -- It's a three-phase program and the
25 next goal or statements --

1 MR. BYRON: I don't recall that. I thought we would
2 look at each phase. I thought that was in the minutes, but I'd
3 like to see a copy of where that first phase was or that report,
4 part of that initial group.

5 SENATOR RUFF: Mr. Chairman, I'd just point out that
6 there was an extremely tight timeframe --

7 DELEGATE KILGORE: -- This was that Boston
8 consulting -- We'll get a copy.

9 MR. NOYES: This is a discussion document and not
10 for publication. Someone is going to have to sign a
11 nondisclosure agreement.

12 MR. OWENS: When is that report going to be
13 published, or is it?

14 MR. NOYES: The publication date would be early
15 November, I think first week in November, maybe second week,
16 halfway through the second phase.

17 DELEGATE KILGORE: All right. Anything else? I
18 believe our next meeting will be January 8th in Richmond. Is
19 there any public comment? If not, we will adjourn.

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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, Full Commission Meeting**, when held on Thursday, September 27, 2012, at 10:00 o'clock a.m., at the Wytheville Meeting Center, Wytheville, 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 8th day of October, 2012.

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

MY COMMISSION EXPIRES: October 31, 2014.