

Minutes
Board of Directors of the Virginia Economic Development Partnership
July 12, 2017
VEDP Office – 901 East Cary Street, 9th Floor
Richmond, Virginia

Call to Order/Approval of Minutes

The meeting was called to order at 2:03 p.m. by Chairman Vincent Mastracco, who noted that a quorum was present.

Members present: Secretary Ric Brown, Carrie Chenery, Dan Clemente, Betsey Daley, Heather Engel, William Hayter, Chris Lumsden, Ned Masee, Vincent Mastracco, Dan Pleasant, John Reinhart, Xavier Richardson, Carlos Tapias (by phone, but not as an active participant), Robert Vaughn

Members absent: Gregory Fairchild, Secretary Todd Haymore, John “Dubby” Wynne

VEDP staff present: Melissa Cox, Nicole David, Stephanie Florie, Jennifer Garrett, Jay Langston, Rob McClintock, Sandi McNinch, Lori Melancon, Stephen Moret, Jack Nelson, Tim Stuller, Landon Webber

Guests present: Don Ferguson, Sam Herrick, Charles Kennington, Skip Maupai, Ben Safran, Renata Maia, Jonathan Law, Alex Anderson

Public Comment Period

Chairman Mastracco solicited public comments. There were none.

Approval of Minutes

Chairman Mastracco asked for approval of the minutes from the June 15, 2017 meeting. A motion was made by Mr. Clemente and seconded by Mr. Pleasant, and the minutes were unanimously approved as presented.

Chairman’s Report

Chairman Mastracco reviewed the list of VEDP Board Committees and announced the Chair of each committee. He shared that he has asked members of the Board for feedback on which committees they would like to serve on. Once this feedback has been gathered, he will share it with the Chair of each committee and committee assignments will be made.

Chairman Mastracco suggested giving the Dixon Hughes Risk Assessment to the Finance and Audit Committee to review and provide feedback to the Board.

Closed Session: Strategic Plan Discussion

A motion was made by Mr. Pleasant and seconded by Mr. Clemente to move into a closed meeting. Mr. Moret requested that VEDP staff, McKinsey and IBM staff, and legislative guests be allowed to stay for the closed session, with the exception of the discussion of HR matters.

I MOVE THAT THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY CONVENE A CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711(A)(50) TO ENGAGE IN A DISCUSSION OR CONSIDERATION THOSE PORTIONS OF VEDP'S STRATEGIC PLAN, MARKETING PLAN OR OPERATIONAL PLAN, THAT MAY RELATE TO TARGET COMPANIES, SPECIFIC ALLOCATION OF RESOURCES AND STAFF FOR MARKETING ACTIVITIES, AND SPECIFIC MARKETING ACTIVITIES THAT WOULD REVEAL TO THE COMMONWEALTH'S COMPETITORS FOR ECONOMIC DEVELOPMENT PROJECTS THE STRATEGIES INTENDED TO BE DEPLOYED BY THE COMMONWEALTH, THEREBY ADVERSELY AFFECTING THE FINANCIAL INTEREST OF THE COMMONWEALTH AND PURSUANT TO VIRGINIA CODE §2.2-3711(A)(1) TO ENGAGE IN A DISCUSSION REGARDING THE ASSIGNMENT, APPOINTMENT, PROMOTION, PERFORMANCE, DEMOTION, SALARIES, DISCIPLINING, OR RESIGNATION OF VEDP'S EMPLOYEES, INCLUDING PERFORMANCE REVIEWS, AND ELIGIBILITY FOR PERFORMANCE-BASED COMPENSATION, FOR MEMBERS OF VEDP'S MANAGEMENT.

The motion was unanimously approved.

In closed session, the Board received a briefing on the economic growth strategy project and a progress report on the national rankings initiative. Additionally, the Board continued its discussions on the development of VEDP's strategic plan. The Board also discussed employment and compensation terms for the CEO that were established by the previous Board.

Back in Open Meeting, Certification of Closed Meeting – Followed by a Roll Call vote:

WHEREAS, THE BOARD OF DIRECTORS OF THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY HAS CONVENEED A CLOSED MEETING ON THIS DATE PURSUANT TO AN AFFIRMATIVE RECORDED VOTE AND IN ACCORDANCE WITH THE PROVISIONS OF THE VIRGINIA FREEDOM OF INFORMATION ACT; AND

WHEREAS, THE VIRGINIA FREEDOM OF INFORMATION ACT REQUIRES A CERTIFICATION BY THIS BOARD OF DIRECTORS THAT SUCH CLOSED MEETING WAS CONDUCTED IN CONFORMITY WITH THE ACT;

NOW, THEREFORE, BE IT RESOLVED, THAT THE BOARD OF DIRECTORS CERTIFIES THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, (I) ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE ACT WERE DISCUSSED IN THE CLOSED MEETING TO WHICH THIS CERTIFICATION RESOLUTION APPLIES, AND (II) ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED MEETING WAS CONVENEED WERE HEARD, DISCUSSED, OR CONSIDERED IN THE CLOSED MEETING BY THE BOARD OF DIRECTORS.

Upon the vote:	Mr. Brown	Aye
	Ms. Chenery	Aye
	Mr. Clemente	Aye
	Ms. Daley	Aye

Ms. Engel	Aye
Mr. Hayter	Aye
Mr. Lumsden	Aye
Mr. Masee	Aye
Mr. Mastracco	Aye
Mr. Pleasant	Aye
Mr. Reinhart	Aye
Mr. Richardson	Aye
Mr. Vaughn	Aye

A motion was made by Mr. Vaughn and seconded by Mr. Masee to reaffirm the employment agreement that the previous Board extended to Stephen Moret. Upon the vote being taken: all ayes.

Amendment to FY18 Budget

Mr. Nelson explained proposed amendments to the FY18 Budget. Mr. Moret clarified that VEDP is asking the Board to approve this amended budget, including a couple of items that were mistakenly omitted.

A motion to approve the amendments to the budget was made by Mr. Richardson and seconded by Mr. Brown, and the amended budget was unanimously approved.

COF Extension Requests

Ms. McNinch reviewed five COF Extension Request that were first presented to the Board in June of 2017. She reconfirmed that VEDP’s internal Project Review and Credit Committee (PRACC) has approved these extensions prior to them being presented to the Board for final approval.

As a follow-up to questions posed in the June 2017 Board meeting, Ms. McNinch shared that in FYs 2012 through 2014, 120 projects received COF grants. 22 of these projects have requested extensions and 17 of the projects received extensions prior to April 5, 2017. The extensions of the remaining projects require Board approval. 16 of these 22 projects are in distressed localities, defined as communities having higher than average unemployment or higher than average poverty.

Ms. McNinch shared that this is the first time the Board has reviewed extension requests in a formal way and she offered to provide additional information, if needed.

Ms. McNinch presented the details of each extension request, including Eastman Chemical, Falls Stamping and Welding, Hanwha Azdel, Korona Candles, and VFP. Mr. Hayter stated that he has a conflict of interest with VFP and recused himself from the vote.

Mr. Brown asked if VEDP has ever granted multiple extensions for the same company. Ms. McNinch confirmed that VEDP has in the past.

Mr. Reinhart asked if VEDP staff had any indication if more extension requests were coming. Ms. McNinch replied that she only knows of a few. Mr. Vaughn suggested that if VEDP staff becomes aware

that a company is likely to ask for an extension request, based on performance data, that the Board be notified of the possibility in advance.

Mr. Hayter asked how the performance data is gathered. Ms. McNinch replied that we receive this data from the localities. Mr. Hayter expressed concern that the General Assembly would hold VEDP accountable if these companies do not uphold the commitments outlined in their COF agreement, not the locality.

Mr. Moret stated that he would like to see these scenarios built into the agreement, so we are addressing this on the front end.

Mr. Reinhart moved to approve COF Extension Requests for Eastman Chemical, Falls Stamping and Welding, Hanwha Azdel, and Korona Candles. Mr. Lumsden seconded the motion and the extensions were unanimously approved.

Mr. Reinhart moved to approve the COF Extension Request for VFP. Mr. Lumsden seconded the motion. Mr. Hayter abstained from the vote, due to a conflict of interest. The vote was approved by all other members.

Board Meeting Schedule for the Remainder of 2018

Chairman Mastracco shared that he hopes to move to a meeting schedule next year less frequent than monthly. He asked Mr. Moret and staff to begin working on a proposed meeting schedule to be shared with the Board for approval at a future meeting.

Adjournment and Next Meeting

The next Board meeting is scheduled for August 16, 2017 and will be held at VEDP in Richmond. More details will follow.

There being no further business, Chairman Mastracco adjourned the meeting at 5:21 p.m.

Respectfully submitted,



Stephen Moret
Secretary