

**Minutes**  
**Board of Directors of the Virginia Economic Development Partnership Authority**  
**November 17, 2017**  
**VEDP Office – 901 East Cary Street, 9<sup>th</sup> Floor**  
**Richmond, Virginia**

**Call to Order/Approval of Minutes**

The meeting was called to order at 9:01 a.m. by Chairman Vincent Mastracco, who noted that a quorum was present.

- Members present:** Secretary Ric Brown, Heather Engel, Greg Fairchild, Secretary Todd Haymore, Bill Hayter, Chris Lumsden, Vincent Mastracco, Dan Pleasant, Carlos Tapias, and Robert Vaughn
- Members absent:** Carrie Chenery, Dan Clemente, Betsey Daley, Ned Masee, John Reinhart, Xavier Richardson, and Dubby Wynne
- VEDP staff present:** Vince Barnett, Sean Brazier, Melissa Cox, Nicole David, Jason El Koubi, Stephanie Florie, Jennifer Garrett, Katherine Goodwin, Paul Grossman, Lindsay Bertozzi, Sandi McNinch, John Mehfoud, Lori Melancon, Stephen Moret, Christy Morton, Jack Nelson, Scott Parsons, Max Shipman, Tim Stuller, Patty Thorne, and Landon Webber
- Guests present:** Hampton Dowling, Don Ferguson, George Judd, Chris Kalafatis, Skip Maupai, Martha Mavredes, Nicole Taylor, and Toni Walker. Beginning after the closed meeting, Joe Hines.

**Public Comment Period**

Chairman Mastracco solicited public comments. There were none.

**Approval of Minutes**

Chairman Mastracco asked for approval of the minutes from the October 24, 2017 meeting. A motion was made by Mr. Hayter and seconded by Mr. Lumsden, and the minutes were unanimously approved as presented.

**Chairman's Report**

Chairman Mastracco reviewed the meeting agenda and provided an overview of the topics that would be covered during the meeting. He also thanked the Finance and Audit and Strategic Planning Committees as well as the VEDP staff for all they have done this year.

## **President's Report**

Mr. Moret reviewed the FY18 Performance Metrics to date, noting that November has been a very busy month.

Mr. Moret presented the FY18 operational plan progress dashboard. He thanked Vince Barnett and Lori Melancon who have jumped in on developing our internal site consultant plan and their work on the other marketing and lead generation initiatives. He also thanked Jason El Koubi, Scott Parsons, Max Shipman, and the incentives team on their work on the JLARC response. VEDP expects to present a comprehensive progress report to JLARC by the end of the year. Mr. Moret shared that he recently provided a briefing on implementation of VEDP reforms for the JLARC Subcommittee on Economic Development. He received positive feedback from multiple members.

Mr. Moret also reported that VEDP has wrapped up gathering feedback from local and regional economic development partners on the draft economic growth strategy and strategic plan elements and the feedback has been very positive on both. Additionally, VEDP's Strategic Plan Steering Committee has unanimously approved the substantially final draft of VEDP's Strategic Plan.

Mr. Moret concluded his report by sharing the latest Virginia rankings and reviewing VEDP's top priorities through the end of 2017.

## **Report on VEDP Audit for the Fiscal Year Ended June 30, 2017**

Jack Nelson introduced Martha Mavredes and Nicole Taylor with the office of the Virginia Auditor of Public Accounts.

Martha Mavredes reported that VEDP has received an "unmodified audit opinion," which is the best that an organization can receive.

Ms. Mavredes and team found no issues that need to be brought to the Board's attention. From her perspective, it was a very straightforward audit. Ms. Mavredes shared that she appreciated the cooperation from Jack Nelson and his department at VEDP.

Ms. Mavredes said that the audit standards for next year will require additional disclosure regarding post-employment benefits. This additional disclosure will show additional liabilities, but will have no practical effect.

Mr. Lumsden made a motion to accept the VEDP Audit Report for the fiscal year ended June 30, 2017. The motion was seconded by Mr. Fairchild and the report was unanimously accepted.

Mr. Lumsden congratulated Mr. Nelson and his team on the 21<sup>st</sup> "clean" audit in a row for VEDP.

### **Briefing on VEDP International Trade Division**

Mr. Moret introduced Paul Grossman, VEDP Vice President of International Trade.

Mr. Grossman introduced Hampton Dowling, Chair, and George Judd, Vice Chair, of VEDP's Committee on International Trade. Mr. Grossman then provided an overview of the structure, duties, goals, programs, and aspirations of VEDP's International Trade Division. Following his presentation, he invited Mr. Dowling to address the Board.

Mr. Dowling introduced himself, offered an overview of the committee, and expressed his desire to serve as a strong advisor to the VEDP Board and VEDP leadership. Following his remarks, he introduced Mr. Judd.

Mr. Judd shared that his company has participated in every single program that is offered by VEDP's International Trade Division and that he is excited to bring that perspective to the committee.

Mr. Mastracco thanked Mr. Grossman, Mr. Dowling, and Mr. Judd for their remarks and said that he thinks that VEDP's International Trade division is critically important to the success of Virginia and VEDP. He thinks the wisdom of creating this committee is apparent in hearing the presenters' remarks, which were intriguing and important.

Mr. Moret highlighted that he and Mr. El Koubi recently met with the committee to hear their ideas on expanding and strengthening VEDP's trade promotion programs. He shared that everything that VEDP's International Trade Division has proposed was included in VEDP's Strategic Plan and in VEDP's recent budget proposal. He also stated that new code allows VEDP to make changes to the plan, so as new ideas are presented by the committee, VEDP can consider making updates to the plan.

### **Briefing on VEDP Business Investment Division**

Mr. Moret introduced Vince Barnett, Vice President of Business Investment.

Mr. Barnett gave a recap of VEDP's value added for the 144 VEDP-assisted project announcements in FY17, reviewed a quarterly report on the effectiveness of VEDP's marketing initiatives, and shared the outlook for the remainder of FY18.

Mr. Pleasant asked if VEDP has a lead generation goal. Mr. Barnett answered that VEDP has a goal for the number of leads the organization generates, which is reported regularly to the Board.

Mr. Mastracco asked what is counted as a VEDP lead. Mr. Barnett answered that a VEDP lead is one that was obtained via a direct communication with VEDP or through VEDP's website.

Mr. Barnett shared a sample of the report VEDP will use to report back to the Board on lead generation results.

**Closed Meeting: Strategic Planning and Personnel Discussion**

A motion was made by Mr. Mastracco and seconded by Mr. Lumsden to move into a closed meeting. Mr. Moret requested that VEDP staff, legislative guests, OAG guests, and Dixon Hughes Goodman guests be allowed to stay for that portion of the closed meeting involving the strategic plan, but not for that portion of the closed meeting involving personnel 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)(1) TO ENGAGE IN A DISCUSSION REGARDING THE ASSIGNMENT, APPOINTMENT, PROMOTION, PERFORMANCE, DEMOTION, SALARIES, DISCIPLINING, OR RESIGNATION OF VEDP'S EMPLOYEES, INCLUDING EMPLOYEE PERFORMANCE REVIEWS AND COMPENSATION ADJUSTMENTS, AND PURSUANT TO VIRGINIA CODE §2.2-3711(A)(50) TO ENGAGE IN A DISCUSSION OR CONSIDERATION OF 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.

In closed session, the Board continued its discussion on the development of VEDP's strategic plan. They also discussed rural development initiatives, state budget proposals, and the CEO annual review process.

**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. Engel	Aye
	Mr. Fairchild	Aye
	Mr. Haymore	Aye
	Mr. Hayter	Aye
	Mr. Lumsden	Aye
	Mr. Mastracco	Aye
	Mr. Pleasant	Aye
	Mr. Tapias	Aye
	Mr. Vaughn	Aye

Ms. Engel made a motion to approve the VEDP Strategic Plan, in the substantially final form presented to the Board at this meeting, with any final amendments or adjustments in the final draft subject to the approval of Mr. Mastracco and Ms. Engel. Mr. Vaughn seconded the motion which was unanimously approved.

Mr. Hayter made a motion to endorse the proposed rural development initiatives, excluding the associated dollar amounts for broadband and site development (these were to be changed to "TBD"), to be proposed by VEDP to the Administration and General Assembly. Mr. Lumsden seconded the motion which was unanimously approved.

Mr. Pleasant made a motion to delegate authority to the Chairman to negotiate adjustments to the CEO's compensation package. Mr. Lumsden seconded the motion which was unanimously approved.

Ms. McNinch reviewed potential changes to the Bylaws (Appendix A) to create an officer position of Chair-Elect. Mr. Pleasant made a motion to so amend the Bylaws to add a Chair-Elect position, Mr. Mastracco seconded the motion, and the motion was unanimously approved.

Ms. McNinch suggested that in the future, the Board consider a more thorough review of the Bylaws to make suggestions on improving the document.

**Finance and Audit Committee Report**

Mr. Lumsden reported that the Finance and Audit Committee met on November 16. The committee reviewed in detail the Internal Audit Charter and Policies & Procedures for VEDP. He stated that the Finance and Audit Committee has voted to approve the two documents and he recommended that they also be adopted by the Board.

Mr. Lumsden made a motion to adopt the Internal Audit Charter and Policies & Procedures for VEDP. Mr. Hayter seconded the motion and both were unanimously approved.

Following the vote, Mr. El Koubi provided an overview of the new code-required semiannual reports, which VEDP will produce, on projects receiving incentives. He also reviewed the JLARC-recommended VEDP Board reports and JLARC-recommended policies and procedures for VEDP's Division of Incentives.

Mr. Lumsden stated that the reports that Mr. El Koubi presented were reviewed in great detail during the Finance and Audit Committee meeting. He asked the Board to consider the committee's recommendation that the reports be adopted.

Mr. Lumsden made a motion that the new code-required semiannual reports and the JLARC-recommended VEDP Board reports be adopted by the Board as presented. Ms. Engel seconded the motion. Upon the vote being taken: all ayes.

The next meeting of the Finance and Audit Committee will be held in mid-December, on a date TBD.

#### **Legislation and Policy Committee Report**

Ms. Morton reviewed the recent election results and gave an update on engaging the new Administration and General Assembly. She stated that VEDP will be meeting with the Governor-Elect and his transition leadership team during the week of November 20. This will be the first of a series of meetings prior to the new Administration taking office in January.

She shared that the Governor's budget proposal will be released on December 18.

Ms. Morton requested that since we have VEDP Board meetings scheduled for January and February during the legislative session, which begins on January 10, VEDP would like to schedule meetings for Board members with legislators to update them on all of the work that has been going on at VEDP and goals for the future.

#### **Adjournment and Next Meeting**

Mr. Moret thanked everyone on the staff and Board for their work in 2017. He said that he is optimistic about where VEDP is headed because of the great work that has been accomplished this year.

The next Board meeting is scheduled for January 17, 2018 and will be held at VEDP in Richmond. More details will follow.

There being no further business, Chairman Mastracco adjourned the meeting at 1:00 p.m.

Respectfully submitted,



Stephen Moret  
Secretary