

Minutes
Finance and Audit Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
March 17, 2021 1:30 p.m.
Electronic (Zoom) Meeting

Call to Order

The meeting was called to order at 1:30 p.m. by Chair Bill Hayter.

Mr. Hayter noted that a quorum was present.

Committee Members Present: Secretary Brian Ball, Greg Fairchild, Rick Harrell, Bill Hayter, April Kees, and Secretary Aubrey Layne

Committee Members Absent: Dan Pleasant

Ex-Officio Committee Member Present: Ned Massee

VEDP staff present: Lindsay Barker, Vince Barnett, Jamie Canup, Nicole David, Jason El Koubi, Kim Ellett, Stephanie Florie, Jennifer Garrett, Sharon Grant, Bob Grenell, Sandi McNinch, Lori Melancon, Stephen Moret, Christy Morton, Jordan Snelling, Tim Stuller, and Carrie Vuori

Guests present: Carrie Chenery, Dan Clemente, Chris Kalafatis, Charles Kennington, Vince Mastracco, Kim McKay, Marianne Radcliff, Xavier Richardson, and Randy Sherrod

Chair Hayter welcomed guests to the electronic meeting of VEDP's Finance and Audit Committee. Chair Hayter noted that the Governor had declared a state of emergency in March of 2020 due to the potential spread of COVID-19, a communicable disease threatening public health. The nature of the emergency makes it unsafe for this Committee to assemble in a single location. Because an in-person meeting is unsafe and the Committee wishes to discharge its lawful purposes, duties and responsibilities, the Committee is permitted by the Virginia Freedom of Information Act, as amended by the State Budget, to meet by electronic means without a quorum of members being physically assembled at one location.

Chair Hayter added, the Committee is meeting in a Zoom environment that is open to the public. Should anyone from the public get disconnected from the public Zoom environment and be unable to re-engage, he or she was invited to call 804.278.7702 and speak to Jennifer Garrett. The Committee will halt the public portion of the meeting until the connection can be re-established.

Chair Hayter shared a few reminders of things that would be different than past meetings:

- Everything on the public Zoom environment will be recorded and the recording will be posted on VEDP's website.
- All votes will be taken by roll call.
- Members should use the mute function, unless speaking—and remember to unmute at the appropriate time.
- During the public comment period, any member of the public wishing to make a comment may simply unmute and speak at that time or use the Chat function and ask to be given an opportunity to speak.
- Likewise, during the meeting, Committee members may simply unmute themselves to speak or use the Chat function.

Chair Hayter welcomed Mr. Fairchild as new member of the Committee.

Public Comment Period

Chair Hayter asked for public comments. There were none.

Approval of Minutes

Chair Hayter asked for approval of the minutes from the January 27, 2021 meeting. A motion was made by Secretary Layne and seconded by Mr. Harrell and the minutes were unanimously approved as presented by roll call vote:

Upon the vote:	Mr. Hayter	Aye
	Secretary Ball	Aye
	Mr. Fairchild	Abstained
	Mr. Harrell	Aye
	Ms. Kees	Abstained
	Secretary Layne	Aye

Internal Audit Update

Chair Hayter introduced Mr. Kalafatis with Dixon Hughes Goodman LLP (DHG) to provide an update on recent VEDP internal audits.

Mr. Kalafatis shared a report on VEDP's Annual Risk Assessment, which was recently completed by DHG. He explained the process of conducting the assessment and how the overall rating is achieved. He said that the ratings are almost identical to last year for all divisions. He said that the ratings from this assessment feed into development of the audit plan for the following year.

Mr. Kalafatis reviewed DHG's recommendations for the FY22 divisional audits. He provided an overview of the process and stated that the plan calls for the Virginia Talent Accelerator Program within the Talent Solutions division, the External Affairs division, the Fiscal & Support

Services division, and the Legal division to each be audited in FY22. He said the Annual Risk Assessment would also be conducted as part of the proposed plan.

A motion was made by Mr. Harrell to accept the FY22 Internal Audit Plan. The motion was seconded by Secretary Layne and unanimously approved by a roll call vote.

Upon the vote:	Mr. Hayter	Aye
	Secretary Ball	Aye
	Mr. Fairchild	Aye
	Mr. Harrell	Aye
	Ms. Kees	Aye
	Secretary Layne	Aye

Mr. El Koubi reminded the group that the Code of Virginia also requires a vote from the Executive Committee on the audit plan, so that Committee will take a vote at their upcoming meeting.

Extension Requests

Ms. Snelling presented several extension requests for the Committee's consideration. She stated that the localities where these companies are located are supportive of the extension requests.

Amthor International has requested a first extension of 15 months to meet its employment target. The company has cited Covid impacts for the delay in meeting its goal. Ms. Snelling said the company seems to have a good plan in place for moving forward with hiring to at least meet the statutory minimum.

Aviation Component Services, Inc. has requested a first extension of 15 months. Ms. Snelling said the company has cited site issues and delays with their FAA inspection for the delay in meeting its employment target.

Mr. Fairchild asked a few clarifying questions on the process of extensions and incentive offers, which Ms. Snelling and Mr. Moret answered.

Secretary Ball made a motion to recommend approval of the two extension requests, as a package, to the full Board. Mr. Harrell seconded the motion and the motion was unanimously approved by roll call vote.

Upon the vote:	Mr. Hayter	Aye
	Secretary Ball	Aye
	Mr. Fairchild	Aye
	Mr. Harrell	Aye
	Ms. Kees	Aye
	Secretary Layne	Aye

Ms. Snelling offered follow-up details on a discussion which took place at the last Committee meeting related to evaluating extension requests. She shared that VEDP is actively evaluating the potential need for a more extensive due diligence process, at the point of an extension

request, to determine if it is necessary. She added that on the topic of whether companies requesting extensions have received Paycheck Protection Program (PPP) money from the Federal Government, VEDP has decided that a company's receipt of PPP funds will not currently be considered when evaluating extension requests, but that this could be revisited in the future.

Clawback Updates and OAG Referrals

Ms. Snelling shared the clawback report and explained that since the last Committee meeting, four new clawbacks have been added to the list and requests for repayment have been made.

Ms. Snelling stated that there have been no new clawbacks or referrals to the Office of the Attorney General (OAG).

Ms. Snelling reviewed two Virginia Jobs Investment Program (VJIP) project clawbacks. She stated that both projects have not met the statutory minimum, so they will be required to pay back the full amount of the VJIP grants they received. She said that Virid paid their clawback on February 19, 2021 and that the clawback from Notarize is due on March 31, 2021.

Mr. Harrell made a motion to recommend approval of the clawback report to the full Board. Mr. Fairchild seconded the motion and the motion was unanimously approved by roll call vote.

Upon the vote:	Mr. Hayter	Aye
	Secretary Ball	Aye
	Mr. Fairchild	Aye
	Mr. Harrell	Aye
	Ms. Kees	Aye
	Secretary Layne	Aye

Update on VEDP Budget Issues in GA Session

Ms. Morton provided a recap of the funding that was included in the General Assembly's (GA) budget for VEDP initiatives.

Ms. Morton expressed her gratitude to the Administration and GA partners for their support and thanked the VEDP Board members for reaching out to the GA members during the legislative session to promote VEDP's priorities.

Other Topics, Adjournment, and Next Meeting

The next meeting of the Finance and Audit Committee will be held on April 28, 2021, and will be an electronic Zoom meeting, exact time to be determined.

There being no further business, the meeting was adjourned at 2:08 p.m.

Respectfully submitted,

Nicole David

Acting Recording Secretary