

**CFED - Vermont -- November 13, 2007 9am - 4:00pm
- Woodbury College, Montpelier, VT-**

DRAFT
Meeting Minutes
[to do for next meeting in color]

Members Present: Barbara Grimes, Mary Niebling, Bill Botzow, Kevin Dorn, Hope Crifo, David Mount, Mary Lintermann and Staige Davis, Fred Kenney
Absent: Will Patten, Dan Kurzman, Hinda Miller

This meeting was taped by ORCA and a DVD record of the meeting is available from CFED.

The meeting was called to order at 9:15am by Jay Kenlan, Chair.

Introductions

Jay Kenlan introduced himself as a new appointee (Governor) to the Commission, and his appointment as Chair. He also introduced and welcomed Sam Matthews, the other new appointment (Governor). Background on the new members can be found at: <http://www.snellingcenter.org/announcements/>

Selection of a Vice Chair

The Chair asked for consideration of nominating a Vice-Chair for CFED. Bill Botzow was nominated (Davis/Linterman). He was unanimously confirmed.

Minutes

The Minutes from October 10th were reviewed, a minor mistake in a date was corrected and the minutes were unanimously approved.

Finances

An expense statement was provided by ACCD, and the Snelling Center provided an overview of their invoices (SEE ATTACHED). The FY07 appropriation was \$60,000. The FY08 appropriation was \$150,000. There is a total of \$117,767.16 remaining. Of that \$101,689.40 is allocated to the Snelling Center Contract and \$16,077.76 is for the specific support of the Commission. Of the 08 appropriate \$4000 had been designated for videotaping meetings.

The Commission requested a more explanatory breakdown of expenses, the development of a budget for work through FY08 (ending June 30) and projections for work to continue in FY09 (needed for any legislative request). The budget should break out SCG staffing, and a public engagement process, the general expenses of convening the Commission (meeting space, taping, per diems, etc.).

A Finance Committee was appointed (Hope Crifo, Bill Botzow, Sam Matthews). That Committee will set up its first meeting, appoint a chair and set up a schedule of work sessions to address the Commission's requests.

Overview by Chair: Process, goals and objectives (Jay Kenlan)

(As the new Chair, Jay asked for time to provide an overview of his approach to being a member of, as well as the Chair of CFED. The following is a brief summary of his presentation - full comments are attached - see Page 14).

Reasons for accepting the nomination to the Commission and appoint to Chair:

- I agreed to chair the Commission because the legislature has given each of us the opportunity to join a committed group of Vermont citizens who come from diverse political, social, economic and philosophical backgrounds but who share a common goal of making Vermont a great place to work, be educated and live life.

OUR ASSIGNMENT FROM THE LEGISLATURE:

In Act 184, the legislature has directed us to build a structure – in this case, a five year economic development plan. The legislature has given us general guidance – a concept – that it wants us to consider as we develop the five year plan:

But it has left the design and execution up to us. The legislature has asked us to:

- Provide it with prioritized criteria by which the legislature can evaluate future legislative proposal for economic development.
- Conduct a planning process, with broad public participation

The legislature has given us its broad guidance as well as some specific focus, but it has not given us the plan, nor has it dictated the outcomes. It has left those to us.

It has told us the general shape and purpose of the structure that it wants us to create but it has not given us a blueprint or the finished specifications and components of that structure. It expects us to provide those.

I was interested to see that nowhere is Act 184 is there a requirement for approval or adoption of our plan by the legislature, or for any future economic development legislation to conform to our recommendations. Nor is there any requirement that the administration incorporate our recommendations in the regulations, policies or procedures of the state agencies that administer Vermont's economic development programs.

OUR OUTCOMES:

- If we are disciplined, diligent, and respectful of each other, I am convinced that we can produce what I believe the legislature is asking us for - an economic development plan that represents a consensus among the diverse constituencies represented on this Commission on the difficult issues and choices that we will confront as we do our work. And an economic development plan that will have credibility on all three sides of the isle.

THE RULES OF ENGAGEMENT:

Leave our guns at the door.

Respect each other.

There is no objectively right or wrong answer or position and no idea is a bad idea

Don't identify a problem unless you also propose a solution.

First things first

Frame our positions in the inquisitive rather than the declarative.

Try to focus on our shared values, the things that we agree on.

We are not going to agree on everything.

We all know the old saying 'the perfect is the enemy of the good'.

Draft Definitions of Economic Development and Draft Vision Statement

The Commission reviewed the draft worked on by Will Patten and David Mount with The Snelling Center.

Charlie Smith gave an overview of the work the Snelling Center was doing under contract to the Office of Finance and Management on the Unified Economic Development Budget and the conjunction of that work with the definitions and breakdown of economic development activities.

After discussion the Commission agreed to a new draft of definitions and activities that read as follows:

DRAFT - TOWARD DEFINITIONS (11-13-07-CFED)

Economic Development

Economic development is the process of generating economic wealth and vitality in Vermont for the well being of its citizens . State policies that promote economic development seek to improve economic well-being and quality of life through specific activities directed at employers, employees, and business activities, that can be directly correlated to creating and retaining good jobs and enhancing opportunity and prosperity.

Without value judgment as to relative importance, expenditures supporting economic development can be categorized as “core” and “indirect”.

Core economic development activities are those Vermont expenditures and tax programs that directly benefit Vermont employers , employees, entrepreneurial start-ups, business sectors or industries. Direct development activities are funded through a State of Vermont appropriation and managed by a department or agency within the state government including but not limited to the Departments of Economic Development and the regional development corporations, Travel and Tourism, Labor, the Agency of Agriculture, the Vermont Economic Development Authority, and the Vermont Economic Progress Council, or by contractors or grantees of the state. Core economic development activities also include certain federally funded activities that are under the control or close influence of the state government and otherwise fit the definition of “core” activities, such as Community Development Block Grants, the Rural Development programs, EDA funding.

Indirect economic development activities are expenditures and tax programs that benefit the physical and social infrastructure of the state. Most agencies and departments of Vermont state government fund and carry out a mix of core and indirect economic development activities.

Other economic development activities: Funding of economic development activities also comes from sources other than a state appropriation. Federal funding direct to industry or other implementing agencies and not-for-profits is part of the mix, as are private initiatives by business associations, development groups and industries. These also are critical to the success of an economic development strategy for the state but are not under the direct control or influence of the state.

The Snelling Center plans to incorporate this into the Unified Economic Development Budget report indicating that as of November 11th, these distinctions coincided with CFED discussions and direction.

Letter Report to the Legislature

A draft report to the legislature was handed out for discussion (SEE REVISED DOCUMENT)- this is a summary of where the Commission has been, not where it is headed). The draft was determined to be too informational and did not provide enough substance or direction. The Chair Jay Kenlan will work with Hinda Miller and Bill Botzow to draft a letter and submit it to the legislature, and will copy the Commissioners.

AFFINITY EXERCISE

The Chair lead the Commission through an exercise to help the Commission to work together as it moved closer to establishing a vision statement and renew its work on specific plan elements and benchmarks.

The Commission was asked to respond to the questions:

Let us assume that we are in this room 10 years from now and that we all agree that Vermont's economy is strong, sustainable and growing. What does it look like? How would you describe it's strengths? And its weaknesses?

An interactive session followed and the results of the preliminary session are attached. **Each member was asked to review the notes and start to align the vision statement as it currently stands with the responses to the exercise. Follow-up on Affinity Exercise.**

See Notes Attached - Page 8

NEXT MEETING

December 11, 9am-4pm

NOTE: NEW LOCATION - the meeting will be held at the Barre Historical Society building.

Continuing work:

- Budget through June 30, 2008; Budget moving forward beyond that
 - Finance Committee
 - CFED plan outline (10-10-07) and goals
 - Public engagement plan (SCG, ML, MN)

- CFED response to VEPC plan 2002 (10-10-07 initial draft)
- Research questions (from legislation)
- Creative Economy Definition and guidelines
- information and summaries of other public input processes
 - VCRD Future of Vermont Commission

Meeting adjourned at 4pm

FINANCE COMMITTEE

(Bill Botzow, Sam Matthews, Hope Crifo)

The Finance Committee met over lunch.

Hope Crifo was appointed Chair.

- * Develop a basic reporting document for the Commission
- * Identify the expense categories that will be the best summary
- * Provide a balance sheet/ statement of activity by category at each meeting

	Last month	Year to date	Balance
Categories of expense			

Break out SCG management and other work from 3rd party.

Break out budget for videotaping since it was specifically designated in the appropriation.

Break out direct commission expenses (per diems, meeting space, lunch, travel, etc.)

Budget for the public engagement process

Budget for distribution of plan and information in 08

Possible contracts for research (e.g., cost-benefit analysis of different approaches)

Gather information for Committee by week of Nov. 26

SCG to draft initial budget by Dec. 3.

Next Committee meeting by Conference call: Wed. Dec. 5th at 4pm.

The budget summary for CFED is noted below.

Account Descr FY07 (JULY 2006 - JUNE 2007)	Sum Amount
Per Diem	2,704.72
Other Contr and 3rd Pty Serv	52,349.40
Dues	900.00
Telecom-Conf Calling Services	126.65
Advertising - Other	1,092.00
Client Meetings-Econ Dev Only	914.34
Registration for Meetings&Conf	350.00
Freight & Express Mail	55.62
Travl-Inst-Auto Mileage-Nonemp	882.02
Other Purchased Services	517.50
Office Supplies	89.92
IT & Data Processing Supplies	17.83
FY07 TOTAL PD TO-DATE	60,000.00
 FY07 APPROPRIATION	 60,000.00

Account Descr FY08 (JULY 2007 - JUNE 2008)	Sum Amount
Per Diem	1,045.28
Other Contr and 3rd Pty Serv	29,431.25
Client Meetings-Econ Dev Only	104.00
Postage-BGS Postal Svcs Only	11.59
Travl-Inst-Auto Mileage-Nonemp	898.72
Travel-Inst-Incidentals-Nonemp	12.00
Other Purchased Services	730.00
FY08 TOTAL PD TO-DATE	32,232.84
 FY08 APPROPRIATION	 150,000.00
 FY08 REMAINING BUDGET	 117,767.16

Please let me know if you have any questions!

Thanks,
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INVOICE SUMMARY

date	Time	Exp direct	Exp CFED*
6-30-07	4,800	-	-
7-30-07	14,280	-	-
9-10-07	11,100	377.48	\$754.93
10-10-07	7,440	313.12	\$1285.72
TOTAL	37,620	690.60	
BUDGET	135,000	5000.00	
<i>Remaining</i>	<i>97,380</i>	<i>4309.40</i>	

* NOTE: CFED expenses paid by SCG include website, room Rental and catering for meetings and special materials not covered in Contract but billable to CFED.

FY08 REMAINING BUDGET

117,767.16

Remaining SCG contract 101,689.40

Remaining support for Commission
(mtg exp; per diems; mileage, taping) 16,077.76

NOVEMBER 13 - CFED AFFINITY GROUP EXERCISE

Let us assume that we are in this room 10 years from now and that we all agree that Vermont's economy is strong, sustainable and growing. What does it look like? How would you describe it's strengths? And its weaknesses?

At the Commission's meeting on November 13, 2007, the following categories were assigned by members of the Commission based on the affinity of the Commission members' comment, statements and observations ("outcomes") to each other and to the category to which they are currently assigned. Neither the categories nor the assignment of the outcome have yet been affirmed by the Commission and are not listed in any particular order. Commission members will have the opportunity to add to and refine outcomes at the first working session at our meeting on December 11, 2007. Categories will be reviewed and refined, assignments of outcomes to Categories will be reviewed, and Summary Statements will be drafted, reviewed and refined for each Category at our second working session. Once affirmed by the Commission, the Summary Statement will serve as the key components of the initial framework of our Economic Development Plan. We will then "reverse engineer" the public policies that we determine to be necessary to attain the objectives and outcomes of each Summary Statement.

Infrastructure:

Summary Statement: Infrastructure Funded some newly built and maintained adequate Public transportation Rural and Urban, East/West Highway, North South

Telecommunication:

- Complete Telecommunications infrastructure network
- Ubiquitous Robust Telecommunications
- VT has invested in its infrastructure so entire state is cell and high speed connected.
- Ubiquitous Telecomm Coverage (cell, High Speed Internet)
- World-class telecommunications infrastructure serving all areas of the state.

Transportation:

- Enhanced public transportation to/parting in designated downtowns/growth centers.
- East-West Highway across Northern part of state.
- AOT/VTrans regularly commits and sticks to its maintenance and reconstructions schedules of roads and bridges.
- Infrastructure (Communication, transportation, water, waste, land use, education, housing, health...) is in place and has sustainable funding to remain adequate (or better!)
- I can get to work via public transportation.
- Route 7 improvements and upgrades from Burlington through Bennington.
- Excellent Rural Public Transportation
- Infrastructure is build, reliable and secure and there are resources available to keep it that way.

Housing:

- Our children are staying in the state and are living in affordable homes of their own.
- Affordable workforce housing.

- Ample and adequate housing (both rental and ownership) for all Vermonters across all income levers
- My son can afford to buy a home in Vermont
- Accessible Affordable housing
- Housing costs still high
- Housing is affordable and available.

Our Children need infrastructure:

- No children living in poverty
- All children have a safe place to play. (swimming pools, ice rinks, libraries, playgrounds)
- Childcare is affordable
- Childcare system that supports worker and employer needs
- Workplaces are family friendly

Vibrant Communities built around growth centers with mixed use:

- Strong state and local capital and infrastructure planning and investment around growth centers
- Expanded growth centers definition to include mixed-use industrial/commercial growth centers.
- TIF funding for growth centers
- Infrastructure planning funding assistance for existing/proposed growth centers.
- Downtown development redevelopment including enhanced retail and arts opposites.
- Vibrant functioning downtowns and villages
- Downtown Barre's second and third stories are accessible and occupied by businesses.
- Our downtowns are vibrant and are the envy of other states.

Regulations: A permitting process that is predictable, user friendly, and efficient:

- VT's air and water quality is better than in 2006; per capita income is more than double
- Attitude shifts towards mutual goal e-state now equals environment Regulatory systems is efficient and customer oriented.
- Strong state and local capital and infrastructure planning around growth centers.
- Reasonable development and growths can occur to provide the resources required to support a safety net and our quality of life.
- Fully implemented and integrated Act 200 planning goals at local, state and regional levels
- Streamlined, user-friendly land use regulatory systems
- Permit Process is Predictable.

Economy Attributes How Public Views It:

- Entrepreneurship support and development
- VT businesses span the life cycle spectrum- start-up, rapid growth, mature
- There are opportunities to grow new businesses

- Greater dependence on small (less than 100 employee) businesses than on a large employers
- VT business (not only competitive but) excel globally
- We are leaders in technology
- Accessible affordable workplaces
- Vulnerability: Movements of Next Gen. of jobs offshore
- Resistance to Change
- Economy of scale is still a challenge
- Vermont has a buzz for innovation

Diversity- new niche business with mix of established and Healthy businesses:

- VT's business + Vermonters are nimble
 - Have skills and resources to adapt to changing future.
- VT Businesses are vibrant and healthy
- The economy is diverse and supports, all skill levels of workers.
- Diversified economic base (not reliant on one business or section)
- Diverse business sectors across all disciplines
- VT Economy is nimble and Resilient
- A Positive outlook on our economic future and advantages
- A broad understanding that we receive value for our public contributions – taxes
- Costs for living (and doing business) in Vermont are reasonable and allow for at least some discretionary spending (donations, vacations)
- Housing, taxes, education, transportation, food, healthcare.
- VT is a place to grow.

Wages:

- Everybody is able to save 10% of their salary.
- Wages levers above the national average
- Average wages in VT would be higher than the US average
- The opportunity exists for all who want to have employment compensated commensurate with experience and ability.
- Everyone has a job that pays a living wage with benefits.
- Employment opportunities that provide livable wages.

Jobs:

- More jobs than people
- Not enough employees
- Unemployment levels in all counties at 5% or less
- There is little under-employment in VT

Natural Resources:

Summary Statement: Land use planning that reflects designated areas for growth, working landscape and natural resources

- Pre-permitted sites for Commercial / Industrial use
- Water resources are protected and sustainable utilized
- The air is cleaner as are the lakes, the soil, trees and plants than they are today!

- We have real winter
- Vermont will have identified and capitalized on a green economy niche
- Healthy forestry and agricultural sectors
- VT's working landscape—forests, farms— would be healthier than now, stronger
- VT would have a state land use policy
- Land use planning at local, regional and state levels that reflects strong, commitment to economic vitality and our environment.
- Strength-> environmental firms, entrepreneurial ventures, health care, recreation

Quality of Life:

Summary Statement: Quality of Life that has a strong cultural life, diverse demographical, time and ability to 'play' that attracts young people to stay or relocate to VT.

- Weaknesses? Hard to get around in Winter
- Entrepreneurs continue to move here for quality of life.
- Oasis in New England
- Quality of Life #1 Still
- All Vermonters have time and ability to 'play'
 - Good paying jobs are available, family and kids are safe, recreation activities are available to all
- Young people want to move to VT because of the quality of life
- A diverse demographic population (young, old, different races, etc.) is able to live in VT if they desire to do so.
- A well understood and supported culture life

Capital:

Summary Statement: Available capital at affordable rates for start-ups and growing businesses

- Capital availability/enhancement for startup/growing small businesses
- Stable access to capital
- Capital is available for all levels of business development
- Entrepreneurs are happy to be here due to the availability of affordable capital
- Entrepreneurs have access to capital
- Businesses are able to get financing at affordable rates and terms
- VT firms would have an alternative to being bought by out of state entities
- VT would have a fund to support employee ownership of VT companies

Public and Tax Policy:

Summary Statement: Public policy is integrated and coordinated. It is efficient and effective—optimizing on limited resources/\$

- A well developed Econ Dev. Plan and planning process
- Unified vision from both legislature and administration on the economic development goals of VT
- Well coordinated public sections amongst agencies and departments
- Vermonters can debate economic policies and alternatives knowledgeably
- Due to its scale, VT leads US in having creative programs that support business
- Government more responsive Leadership
- Inability to implement policies that promote economic growth

- Tax burden still high
- Combined state and federal tax burden at our near the national average
- Broad knowledge of economic development and participation
- Top down decisions lead Vermonters
- We have 4-years terms for Governors, Senate and House.
- VT taxpayers don't mind paying taxes because they see the value of what their taxes are buying
- Appropriate use of limited state resources
- Our tax rate is sufficient to sustain government at all levers and has moved from the top in the country to the middle

Incentives that are for start-ups employers and employees and are realistic and measurable and based on our strengths.

- Vermont has realistic and measurable incentives based on VT strengths
- Incentives for start-ups
- Strategic incentives for both employers and employees

Skills and Education:

Summary Statement: Work force has access to training/education for needed skills; more training options for high tech skills; new emphasis on mentor and apprentice programs; new literacy in high tech, science, languages; adaptive training so that workers can move between jobs and fields as necessary; flexible.

Every VT resident would be literate and have mastered basic math skills

- Vermonters are Multi-Lingual (esp. Chinese)
- Affordable access to educational opportunities
- High-tech industry clusters around our college, universities and technical schools
- Vermont's workforce development infrastructure will be nimble and electronically based.
- A Skilled and nimble workforce
- VT has a well skilled labor force
- Vibrant institution of higher ED that act as incubators for commercialization centers for entrepreneurs
- Full Spectrum of workforce education/ training is in place (primary secondary, higher ed, adult ed, retraining.
- Vermont's established excellence in environmental technology
- An adaptable trainable workforce
- Effective mentor/apprentice program
- Strong support for workforce development
- Entrepreneurs are happy to hire and use our well trained and educated work force.
- VT has a progressive, forward thinking labor movement
- Vermont's higher ED institutions are strong, vibrant and engaged as a partner in economic development
- Per-pupil elementary and secondary education costs at or near the national median

- Excellent education primary, secondary, college, graduate and non degree
- Workforce has skills for home renovations for energy efficiency
- A balanced intergenerational demographic

Healthcare

Affordable Healthcare accessible (universal) and funded adequately at medial levers by public and private mix.

- Health care has grown as a dominate player in our economy
- Access to health-preventive health care resources
- Health care costs containment to at or below nation average
- Universal Health Care
- A good place for primary care physicians
- Health care is available and affordable to all through a combinations of private companies and public support
- Medicare and Medicaid would be adequately funded
- Everyone has access to affordable health care
- National health care with extra Vermont benefits

Energy

Summary Statement: Leadership in Energy alternative renewable including competitive costs conservation local producers and Vermont Yankee (Re-Licensing)

- Leadership in alternative energy development
- Our electrical energy is produced locally and is primarily non-carbon
- Reduced energy usage increased return on expended energy
- An energy portfolio that reflects conservations and global climate issues but is still affordable to residents and businesses.
- Competitive energy costs-local renewable +Nuclear and Hydro
- Energy costs lowest in the northeast
- A reliable energy picture
- Yankee re-licensing/upgrade

Unassigned:

- Vermonters will get serious about addressing business climate issues
- What would it look like? → local communities, still rural, local economies, growth around Burlington, Rutland and upper valley
- Vermonters will have a common vision on who we are and where we want to go and will work together to achieve that vision.

Focus:

- Canadian business moves south
- Vermont's international trade will experience strong growth
- Weakness: Success Breeds compliancy- no plan for next 10 years.

Vision:

*Common as to whom we are, when to go
Local, rural suburban
Will to address biz climate issue.*

CFED
CHAIR'S COMMENTS (Jay Kenlan)
11/13/07 MEETING

INTRODUCTION:

When I called Hinda Miller the other day, her first question to me (before she said hello) was “why did you accept this appointment”?

Interesting question. I don't know Hinda very well but I suspect that this was a fairly typical Hinda opening (and, in a moment, I will be asking each of you to answer that question when you introduce yourselves).

- I told her that (unlike the current legislature) I have trouble saying ‘no’ to the Governor.
- I told her that, over the past 20 years or so, I have worked on a variety of public policy issues that involved economic development, either directly or indirectly, and that, as far as I am concerned, sound and sustainable economic development in Vermont was, is and will be the foundation on which Vermonters’ quality of life rests.
- I told her that I had concluded some time ago that, despite a sincere effort on the part of a number of dedicated proponents of economic development, Vermont had never made the kind of commitment (either in public policy or financial support) that is necessary to advance a long-term, sustainable economic development policy that would allow Vermont to be competitive with other states.
- And I told her that I agreed to chair the Commission because the legislature has given each of us the opportunity to join a committed group of Vermont citizens who come from diverse political, social, economic and philosophical backgrounds, but who share a common goal of making Vermont a great place to work, be educated and live life.

Can we do it? I'm not sure, but I am sure that it is worth the effort.

Before I go on, for the record and for the benefit of Sam and me, I would like to have each Commission member introduce themselves, tell us what they do when they are not performing their duties as a Commission member, and why each of them agreed to serve on the Commission.

OUR ASSIGNMENT FROM THE LEGISLATURE:

I would like to take a few minutes to review the charge given to us by the legislature to make sure that we have a common understanding of what is expected of us and what each of us has agreed to do by accepting our appointment to this Commission. As I read Act 184, the legislature has directed us to build a structure – in this case, a five year economic development plan.

The legislature has given us general guidance – a concept – that it wants us to consider as we develop the five year plan, but it has left the choice of materials, design and execution up to us. The legislature has asked us to:

- Provide it with prioritized criteria by which the legislature can evaluate future legislative proposals for economic development.
- Conduct an economic development planning process, with broad public participation.

We have been instructed to:

- Seek input from a wide range of perspectives, expertise and interests from the public sector, the private business sector, and non-governmental organizations.
- Build a plan by coordinating existing economic development information and strategic economic development planning from a variety of public and private agencies and organizations, businesses and business organizations.
- Specifically include an examination of:
 - workforce development,
 - development of higher education institutions,
 - infrastructure development,
 - quality of life issues, and
 - tax policy.
- Develop working definitions of ‘the creative economy’ and other potential components of a sustainable economy including:
 - media design,
 - sustainable technologies,
 - added value manufacturing,
 - natural resource industries, and
 - environmental technologies.
- Develop a benchmarking process that sets appropriate economic development goals for Vermont and measures our performance against those goals.

According to our legislative directive, our plan should also consider:

- The cost-effectiveness of both monetary and non-monetary incentives and assistance.
- Targeting incentives to economically disadvantaged geographic regions or industries.
- The competitive effect of our tax policies.

- The need for improvement of telecommunication and transportation infrastructure.
- Leveraging our institutions of higher education to attract research and technology.
- Privatization of certain economic development functions.

The legislature has given us its broad guidance as well as some specific focus, but it has not given us the plan, nor has it dictated the outcomes. It has left those to us.

It has told us the general shape and purpose of the structure that it wants us to create, but it has not given us a blueprint or the finished specifications and components of that structure. It expects us to provide those.

I was interested to see that nowhere in Act 184 is there a requirement for approval or adoption of our plan by the legislature, or for any future economic development legislation to follow our recommendations. Nor is there any requirement that the administration incorporate our recommendations in the regulations, policies or procedures of the state agencies that administer Vermont's economic development programs.

Our plan will be advisory at best. But if our plan is to have any traction with the legislature or the administration, it will have to pose, and suggest meaningful answers to, the tough questions, and provide well researched, well reasoned guidance to the legislature and the administration that will assist it in making the difficult but important choices that will have to be made if we are to have a real, sustainable economic development policy in Vermont.

All of that having been said, it is my impression, based on the minutes of past meetings that I have read, and my discussions with Commission members and others that, to date, a large part of the work of the Commission has been to gather information about specific components and programs that could be included in the structure. What I am not seeing or hearing is that the Commission has begun to move toward consensus on the design of the structure or on the public policy tools and processes that will be necessary to incorporate those components into the structure. As Yogi Berra was once heard to observe "If you don't know where you are going, how will you know when you get there?" I believe that it is time to start work, in earnest, on the design of that structure.

I appreciate the work that Charlie and Glenn have done to develop a vision statement for the Commission, and for their work with Bill, Mary and Hinda in drafting the report to the legislature. I also appreciate the fact that we are already behind schedule in filing the report to the legislature that is required under Act 184. However, as I listened to the discussion at the last meeting, and as I considered the work of the Commission reflected in the minutes of prior meetings and the comments that I have received, I came away with the impression that, while there has been a good deal of activity, there has not been a great deal of action. As I read the draft report to the legislature, I tried to put myself in the position of the speaker and the chairs of the senate and house committees to whom the report will be submitted, and I found myself asking (in the words of that old Wendy's commercial) "WHERE'S THE BEEF?"

I really do not feel comfortable reporting to the legislature until we can report that the members of this Commission have reached at least a preliminary consensus on the outcomes that we feel

should be achieved by a sustainable economic development plan, and an overview of the actions that may need to be taken to achieve those outcomes.

As I heard the comments of Commission members at the last meeting, and as I read the email comments of Commission members since then, I concluded that we are not there yet, and that we should continue to work on the vision statement and the report until we have reached a consensus on those fundamental issues.

If I am wrong in this conclusion, tell me, and I will work with you as best I can to finish the report and move forward. If, however, you agree with my analysis, then I would recommend that we stop taking input for a while and focus on the immediate task of drafting the first iteration of our economic development plan.

OUR OUTCOMES:

If we look at the range of possible outcomes from the work of our Commission, I suppose that our worst case is that we cannot agree on anything, and would have to report back to the legislature that we have failed to come up with a plan.

Almost as bad (or perhaps even worse) would be a report that, because of our inability or unwillingness to come together and reach a consensus on the difficult issues facing us, reflects only the broadest conclusions, conclusions that have become the clichés of economic development policy – that Vermont’s economic policies must attract new companies, grow our existing businesses, pay higher wages, provide more affordable housing, and so on. If we were fortunate, that report would be quietly shelved and each of us would quietly move on to more productive pursuits. (I do not, however, believe that the Speaker or Senator Illuzzi will let us off that easily.)

On the other hand, if we are disciplined, diligent, and respectful of each other, I am convinced that we can produce what I believe the legislature is asking us for - an economic development plan that represents a consensus among the diverse constituencies represented on this Commission on the difficult issues and choices that we will confront as we do our work. And an economic development plan that will have credibility on all three sides of the aisle. We will need to ask and, as best we can, answer the hard questions, like:

- How do we recommend that the legislature strike an appropriate and meaningful balance between environmental quality and the need for an efficient and timely regulatory system?
- How do we recommend that the legislature strike an appropriate and meaningful balance between necessary social services and the financial ability of the private and public sectors to provide them?
- At what point should local control yield to a statewide education or transportation policy that is in the interest of all Vermonters, so that our education and transportation infrastructure are efficient, affordable and sustainable?
- How will we address healthcare, energy or tax policies that threaten to price Vermont out of a competitive market position?

- By what process and criteria should public resources be allocated between attracting new business to Vermont and nurturing and growing our indigenous economy?
- And many, many other challenging issues that we will be confronted with as we do our work.

SOME RULES OF ENGAGEMENT:

Leave our guns at the door. Our overriding political and philosophical affiliations should be with the people of Vermont and their future, not with the constituency that we represent when we leave this room.

Respect each other. Once we have agreed on a vision statement, we will have acknowledged that we have a commonly held goal and some important shared values. Everything that follows is simply a matter of deciding how we get there.

There is no objectively right or wrong answer or position and **no idea is a bad idea** – no suggestion, recommendation or proposal is unworthy of serious consideration.

Don't identify a problem unless you also propose a solution. Try not to say “I don't agree with that” or “that doesn't work for me”. Instead, try “would you consider this modification to your proposal” or “would this work as alternative?” or “how do we resolve the conflict between that idea and this objective”.

First things first (or as I used to tell my son to his great annoyance ‘first the pants, then the shoes’). As I said previously, we have amassed a considerable pile of materials to work with. However, if we try to assemble these materials into a “plan” without first going through a rigorous and detailed planning process and developing the tools that will be needed to implement the plan, we will have no way of knowing whether the plan will be sound, durable, achievable or sustainable.

As much as possible, I would like us to **frame our positions in the inquisitive rather than the declarative.** Instead of saying ‘this is what it is’, ask ‘if it was this way, how would that advance our mission’ or “if it was that way, would that not be in conflict with a value that we have already agreed on”, or “if your proposal was modified to include this, would that accomplish the same objective”.

Try to focus on our shared values, the things that we agree on. If we stay away from (or at least defer) the things that we disagree on until we have exhausted our points of agreement, we may find that, when we get back to the issues on which we initially appeared to disagree, we will have reached agreement on enough other things that the disagreements have been diminished or are easier to resolve.

We are not going to agree on everything. None of us can expect that our report will reflect all of the fundamental principles that we espouse. We know that going in. What we should all be looking for is a plan that comes as close as possible to our principles, without contravening them to a point where we have to dissent.

We all know the old saying ‘the perfect is the enemy of the good’. Our plan will not be perfect, nor will it address every problem, nor will it be without its critics (both within and outside of the Commission). While we should strive to make our plan as good as possible, we also need to be prepared to accept a good plan. Our great democracy is founded on the premise that the benefit that we as citizens derive from an inclusive system of government.

APPROACHING OUR WORK

As we approach our work, we should avoid assuming any conclusions. If we simply state a conclusion without going through (and articulating) a critical analysis of the factors that led us to that conclusion, we will not have a satisfactory, defensible Plan.

For example, the statement ‘the creative economy will be an important part of the Vermont economy’ does not tell me anything about the truth of that statement. What I (and, I presume, the Legislature and the public) will want to know is:

- What is a ‘creative economy’?
- What are the characteristics and components of a creative economy (how will we know one when we see one)?
- What characteristics distinguish a ‘creative economy’ from a ‘non-creative economy’?
- Why does a creative economy “fit” Vermont?
- What policies and resources do we need to grow a creative economy?
- What will a creative economy contribute to Vermont’s economic development and quality of life?
- Assuming that other states (and countries) know what we know, and are also endeavoring to develop creative economies, how will our creative economy differ from that of other states or countries?
- What will give our creative economy a competitive edge over the economies of other states or countries?
- Given our limited public resources, do the benefits of a creative economy justify the costs of developing it?
- What would happen to Vermont’s economy if we did not include a ‘creative’ economy in our plan?
- If we feature a creative economy in our plan, does that mean some other category of ‘economy’ will be excluded?
- How will we know if a creative economy is a successful, sustainable economy?

The same kinds of questions will need to be asked and answered for the ‘green economy’, the ‘manufacturing economy’, the ‘tourist economy’, the ‘agricultural economy’, etc.

AFFINITY EXERCISE

I would like to begin our work together by engaging in an exercise that is designed to build a consensus around a shared vision of the economic future of Vermont. Only when we have agreed on our objectives will we be ready to build an economic development plan to achieve them.

I will ask each member of the Commission to answer the following question with as many individual, concise ideas and statements as you choose, and I will ask you not to discuss your ideas or statements with each other until all have been posted. Each statement will be on a separate “sticky”, and all of the “stickies” will initially be posted on the white board at random. Once all of your ideas and statements have been posted, I will ask a few members of the Commission to begin the process of arranging them by their relationship with each other, their ‘affinity’. After your ideas have been organized by affinity, we will develop a summary statement for each category, and these summary statements will begin to reveal the broad outline of the outcomes that we will expect our economic development plan to achieve.

Our initial question is:

Let us assume that we are in this room 10 years from now and that we all agree that Vermont’s economy is strong, sustainable and growing. What does it look like?