Commission on the Future of Economic Development  
Minutes of Commission Meeting  
December 11, 2006  
9:00 am – 1:00 pm  
Room 11, State House  
Montpelier, VT

Members Present: Bill Botzow, Hope Crifo, Staige Davis, Kevin Dorn, John Goodrich, Fred Kenney, Mary Lintermann, David Mount, Hinda Miller, Mary Neibling, Carl Spangler, Dawn Terrill;

Members Absent:

Presenters: Frank Cioffi, GBIC; Paul Costello, Facilitator; Steve Patterson, NVDA; Dan Smith, GBIC; Tim Smith, FCIDC; Jamie Stewart, ACEDC; Theresa Utton, Legislative Counsel.

Call to Order – 9:00 AM

It was mentioned that Theresa Utton will provide staffing for administrative work. There will be commentary from several Regional Development Corporation directors at 11:30 am.

Bill moved to adopt the November meeting minutes. Kevin Dorn asked for an amendment to the minutes of November 18, 2006 because there is a reference in the November minutes that says the November minutes would be considered the first meeting minutes. That cannot occur because the commission is a public body and took action at that meeting, so there has to be a record. Kevin asked to strike the above referenced comment from the November meeting minutes and approve the November minutes as amended. There was discussion about the wording.

Bill withdrew his motion. Kevin gave out copies of the October meeting minutes and asked that the October 24 meeting minutes be approved. Hope suggested that the October minutes be approved at the January meeting. John suggested that the October minutes be approved conditionally contingent upon a final approval at the January meeting, after everyone has had a chance to review them in detail. Kevin made the motion to approve the October minutes contingent upon final approval at the January meeting. Dawn seconded. Unanimous approval.

Kevin Dorn moved to approve the November minutes. Dawn seconded. Mary pointed out two places where the website was mentioned as the Governor’s website and the reference should have been to the ACCD website. There was also an unfinished sentence in the sixth paragraph on page 6 that was revised. These revisions and a revision to the second to last paragraph of the minutes to reflect that members can suggest revisions to the October minutes were accepted. November minutes approved unanimously.

Envisioning Vermont’s Economic Development  
(Refer to the draft Vision document)
The Commission worked to develop consensus on as many items as possible. Paul Costello will accept minor changes via email as well.

Vermont Jobs & Quality of Life: (suggested additions, changes)

*Under Median wage* – should equal at least the median.

- Comments: The wages that are paid are often a function of economics. Several members are comfortable with this as a vision. Add something about the Vermont people. Along with the landscape and heritage it should mention the people. There’s no comment about availability of jobs – “We should have an economy that offers opportunity to provide employment for its citizens.”

*Vermont Economy:*

- Achieve a stable economy, shouldn’t we want it to be “vibrant”, “dynamic”, and “growing”. You don’t want to build an economy that is subject to wide fluctuation. Combine the two to “vibrant & stable.”
- Education based – by this do we mean that our economy is based on the educational sector or that there is a full array of educational opportunities from preK – 12 and beyond? We mean that all levels of education are available, including lifelong learning.
- Include something about non-profits as partners in this effort. Something should be noted to include all sectors.
- There is no reference, other than first line, to competitiveness. The need to be competitive with other states.

*Small Businesses & Local Economies:*

(No changes Noted)

*Target Niches for Economic Development:*

- As we define what the priority target niches are, we will have a better idea of what this is.
- If the State has consensus priorities, should we be looking at the Commission supporting them?
- If we are using a measurement that no one else uses, there are no indicators to see how well we are doing.

*Revitalization:*

- More preservation and re-use.

*Social & Human Services:*

- “Vermont should have the social, health care and housing infrastructure to meet all Vermont families’ needs.” Something that includes assisting Vermonters to help themselves may be good to include. In particular, all of our social support systems do not have enough of an emphasis of moving people off of those support systems.

*Infrastructure Development:*


Vermont should plan for future shifts in energy use – is this necessary to include in the scope of what we want to tackle? Suggested: Vermont should be adaptable to a variety of energy uses.

Either add to “rail” small airports or delete rail or “develop a complete and adaptable (comprehensive) transportation infrastructure”

**Regulation & Taxation:**
- The State of Vermont should use Taxation to create the world we want. Some members would like to discuss this statement further.

**The Vermont Brand:**
- Vermont should be perceived as a viable place to do Business. (broadly, universally, in front of “perceived”)

**REVIEW ANNUAL WORK PLAN DRAFT:**

Paul Costello reviewed the work plan progress to date and gave an overview of the ideal use of the document. This is a draft and Paul took input as to changes.

Kevin recommended moving the schedule back a month beginning in January. Unless we know more about what we are doing, we cannot begin taking input from the public in our process. Proposed for January meeting to discuss who does what with whom and how. Have four panels: a Finance Panel, an Infrastructure Panel, a Workforce Development Panel, and a Technical Assistance panel. We need to have a solid grounding of what is going on right now. To do a SWOT analysis, you have to know what you’re currently doing, and currently supporting today.

Mary Lintermann noticed that February’s agenda may work well to combine with January’s meeting if the Commission will be hearing from partners in economic development at January’s meeting.

Do we have all the tasks listed in the statute as components in our work plan?

No, but we don’t have to. We can work on them at a later date. Not everything can or has to be done by the September report.

Paul will adjust schedule to include comments noted at this meeting.

- BREAK IN CD MISSED A SENTENCE OR SO -

The Commission reviewed a list of proposed names of witnesses and made suggestions to start with the people on the list, and add others as they wish to hear from them.

The work plan states the Commission will work on two subject areas by a specific date and a member felt the commission didn’t reach consensus on the two subject areas, which she does not agree with.
PUBLIC ENGAGEMENT PLAN:
Until the Commission has released the Request For Proposals and there is a consultant hired, ACCD will commit to any administrative support that is required. Some members requested a memo on what services the Agency would provide.

Paul reviewed the elements of the public engagement plan.

The Commission discussed the results of research on the use of economic development surveys. Most surveys published on the internet are specifically targeted, so they are not necessarily applicable to our needs. We need to be thoughtful of the outcomes we desire and focus the survey on who our targets are and what outcomes we are trying to achieve.

The members discussed whether they have the resources to commit to developing a survey tool and would this be the first outlay of consultant monies. Some members wondered if this type of surveying had been done before. We should be able to utilize some of what’s been done before and build upon that. Is this within our realistic goals to be completed by September 2007?

It was suggested that the intent be outlined because we are not in the position to contract and start this today. It will be a few months before this project can begin.

Suggestion to look into the “Vermont Poll” and see if our questions could be added to that. It’s easy to get a question in, and it’s relatively inexpensive.

This process should include developing questions that are not prejudicial in any way.

Other thoughts are to include a large public meeting, and utilizing a part time staff member or consultant to focus energies on this area.

The Commission discussed whether meetings should be videotaped. Kevin mentioned the Board of Education has meetings videotaped, but he cannot think of any other boards or commissions that have their meetings videotaped.

Members discussed the costs involved and how else the meetings can be made accessible. According to Doug Hoffer, the cost for videotaping runs approximately $300 per meeting. The Commission members questioned who and how many people they would be reaching and is this the best way to utilize the money designated to the Commission.

A commission member brought up the two primary reasons for public engagement: To present findings and draft recommendations and to get buy in to the recommendation up front. The question arose whether the commission had determined what types of public engagement would be best to focus on.

The Commission discussed their Internet presence. ACCD will take responsibility to keep CFED Website updated and will accept recommendations for changes and additions.

Some possibilities discussed:
- Utilize this tool to interface with the public. It will take time to develop a complete site.
- Have links to other economic development sites with summaries of what follows each link.
- Use it for public engagement. We know of and respect the work of Vermonters and we want them to have access to communicate with our efforts.

Members discussed how to let the public know that the website and information are there.

The outline for the plan was approved with a change to the best ways to reach Vermonters in the four corners of the State.

Commission was concerned about presence of “unofficial” minutes on the website. The Commission needs time to review the minutes and propose comments/changes. Until approved, all documents will be listed as “draft and unofficial” on the website.

There is not currently a survey tool available on the website; however there is the possibility to have a public input link.

The Commission should discuss who is going to decide what goes on the website. Fred suggested that the Commission approve anything, including links, before they are added to the site.

Site now contains; Legislative charge, unapproved and approved minutes, agendas, and a list of Commission members.

A commission member would like to set parameters on the consultant and responsibilities and how use of consultant fits into timeline and budget. Would like to get something finalized so the Commission can move along with the RFP.

Mary Lintermann suggested that the gathering of major existing studies and reports be part of the engagement plan since many have already utilized public engagement processes.

Mary Niebling suggested that the Commission needs to have a preliminary Public Engagement Plan prepared for the responders to the RFP so they are not responding blind. There does, however, need to have some definition for tasks because there are some things that may not be best to assign to a consultant, or perhaps there could be more than one consultant hired. She would like the Commission to move forward on the public access television.

Mary Niebling made a motion to adopt the engagement plan as revised. Bill seconded. Mary Lintermann suggested it is premature to adopt an engagement plan before having the RFP in place. Dawn and others agreed. Need to have a plan but need input from a consultant. Carl suggested amending the motion to adopt this as a preliminary plan to be revised and considered by the consultant. Dawn inquired if that is Mary’s concern – that the Commission does not have a commitment to a public process? Mary said that is part of her concern. We need to move forward on something. John suggested that moving forward on an RFP is something. Bill asked about adopting it in concept versus details. Further discussion ensued. Mary and Bill voted “Yes, the rest “Nay”. Motion failed 2-10-0.
Michael Levine, Project Director for the “Creative Economy” report suggested gathering reports before making a final plan.

The Commission moved on to the RFP review, skipping the survey tool discussion because the Commission did not feel it was necessary to spend more time on that discussion.

Fred reviewed the draft RFP and suggested concentrating on Part 3, the scope of work, deliverables, and requisite knowledge and Section 6, the evaluation of bids. He suggested adding in the development of a survey tool to Part 3. The discussion should be about what needs to be included or excluded in these sections. The rest is normal RFP wording that is required.

If the Commission wants to receive submission by January 27, the RFP needs to be published by January 5, 2007. A commission member proposed to table this discussion until January 8, 2007 to allow for the members to digest the RFP. John suggested having a teleconference meeting to keep the process going. Fred also suggested the Commission appoint a selection committee to review the vendors that submit proposals. John sought member volunteers. The RFP Committee includes Hinda Miller, Chair, David Mount, John Goodrich, and Mary Linterman.

Agreed that all members have the opportunity to propose feedback during the teleconference and then Fred will make revisions and send it back out for final comments from the Commissioners. Kevin proposed setting a time and date right now or via email.

Members discussed the timeline of contract, how much of the CFED budget would be appropriated for the contractor and whether the CFED can have a clause in the contract to provide for CFED termination of contract. Also discussed whether certain tasks could be undertaken without a contract.

Conference call date was set: December 18, 2007 10:00 am. Kevin will get an email out with conference call number and pin number to call in.

The Commission formed a Budget Committee with the following members: Dawn Terril, Chair, Hope Crifo, Fred Kenney and Bill Botzow. Dawn requested removing herself from the RFP Committee. A member requested that the budget committee also be responsible for presenting a to-date expenditure report at each meeting.

Commission members were given their expense reimbursement forms and Theresa explained how to fill them in.

-BREAK IN CD’S –

John introduced Frank Cioffi, Steve Patterson, Dan Smith, Neal Fox, Jamie Stewart, and Tim Smith. The Commission received input from these Regional Development Corporation directors.

Frank Cioffi gave a brief history of the Regional Development Corporations. There are 12 RDC’s to cover the 14 counties. Their charge is to promote economic development and help create economic opportunities. The RDC’s focus on retention, expansion, entrepreneurship and
recruitment to the State of Vermont. They work closely with the Governor, the Secretary of ACCD, the Department of Economic Development and other economic development organizations such as the SBDC and VMEC.

A member asked about where their budget revenues come from. Frank responded that the Department of Economic Development designates a portion of their budget to RDCs. GBIC supports itself with funds from its sister organization that operates as a real estate management organization. However, other RDCs are not as fortunate to have sister or partner organizations to help support them and rely on donations to support their efforts.

Frank discussed GBIC’s regional economic plan and explained that several regions have done regional economic plans or a CEDS – Comprehensive Economic Development Strategy. He provided copies of the Chittenden CEDS for the Commission. The RDC’s could review their plans and develop a statewide plan based upon their plans.

Steve Patterson introduced NVDA and discussed what they do and who they serve.

Questions from the Commission:
**Q: With the economic development continuum, are enough things coming into the pipeline, or not enough, where are the peak growth areas, and what areas are lacking?**
A: There is a growth in manufacturing which will require specific training for employees and all of the companies in this sector are suffering economically. The companies are turning towards the higher value-added fields and employers are requiring more training and specialization in their employees.

**Q: In the lifecycle of the companies is the State stronger or weaker with start-ups, helping small businesses grow?**
A: Vermont is exceptional at helping small businesses start up and grow. The problem is they grow so strong that they begin seeking a better location to market their product or get acquired. If you’re going to be in Vermont, you have to want to be in Vermont. They are people who love the state, or are strategic targeted industries. Generally they are not companies with over 250 employees.

**Q: How does VT recruit/ retain?**
A: The RDCs normally put together a team including the RDC and state resources including the Department of Economic Development, training, incentives, and develops the best strategies and programs to help the company stay and grow within Vermont.

**Q: What are the biggest problems for companies?**
A: The skills, availability of the workforce, cost of overhead, shortage of housing, taxes, space to begin and grow, access to infrastructure.

**Q: Comment about the work that you do with companies owned by a Vermonter? The age of the CEO’s and what happens when they want to sell the company?**
A: When a company is looking to sell, they want to maximize that opportunity and the RDC’s role becomes trying to keep the buyer interested in staying in Vermont.

**Q: Space, transportation and infrastructure are listed as key deficits. Are there different areas across the state that are specifically stronger or weaker?**
A: Yes, there are areas that are not linked to central transportation or that have space to build or expand. Whether industrial space is available varies by region. The Northeast Kingdom was able to build four industrial parks. Rutland is not located on one of the two interstates in Vermont, and they could benefit incredibly from being on the Interstate travel routes. Affordable housing is a challenge for all of Vermont. Transportation infrastructure is a noted challenge in Chittenden County. There is a lot of available space however there are several counties that have little or no available space.

Q: What about telecommunications?
A: It’s a top priority. If you cannot use your cell phone or “Blackberry” you are disconnected from the global economy. One of the noted challenges in a rural area is getting the infrastructure established. There are challenges with the financing for getting the systems up. Providers will build in one community but cannot start the next community until the first one is up and running.

DISC CHANGE – THERE IS TEXT MISSING HERE

Q: Are the RDCs educating their communities regarding growth centers?
A: They are meeting with municipal officials to update them on what their tools are. Most essential tool for this is the Regional Planning Commission.

Q: Could you talk more about the CEDS strategies/plans and did the same group do them for all the RDCs? Have all the RDC’s done them?
A: Six RDCs did CEDS - Comprehensive Economic Development Strategy, which allows access to USEDA grants, and hopefully creates the groundwork for a strategic economic plan. Most used EPRI, Addison used Middlebury College. Almost all of the counties have an economic plan or a CEDS.

Q: How do you assess the coordination of the regional marketing, planning groups? Is there an opportunity there?
A: We’re very strong on the planning and economic development points. The RDCs and RPCs work very closely and coordinate with each other. Regional marketing varies. Some counties are more coordinated than others with their marketing. Ultimate goal is to have a one-stop-shopping office for small businesses and have a regional meeting place for businesses. RDCs meet monthly. For the most part, the counties are all working actively with their resources to promote a coordinated effort between themselves.

Q: How do you determine which companies you will work with?
A: We look at the number of jobs, the potential of the company for growth. If we don’t have the resources, we will try to direct them to an organization that can. For GBIC, the companies have to be in a value-added sector or we don’t work with them and will refer them to somewhere else.

Q: How might we learn about CEDS to use and appreciate that process?
A: Frank brought copies for the Commission to demonstrate their executive process.

John thanked the panelists.
Commission recommends utilizing a teleconference to compile comments on the RFP. Fred Kenney will compile the comments and send back to board for review. The compilation date for the RFP will be December 22, 2006. The commission will respond with their final comments by December 29, 2006. The RFP will be posted by January 5, 2007.

Paul Costello will update the vision, work plan and public engagement and send to Commissioners. Kevin Dorn will do the minutes. January 8, 2007 meeting will be held at ACCD.

ACCD will provide administrative support. Having a split function is challenging and Kevin agreed to provide administrative support for the Commission until there is a contractor in place.

**Building Agenda for January Meeting:**
- Review newly created work plan
- Picking a date for an additional meetings
- Development of another committee
- Approve minutes
- Review next meeting agenda
- Updates from committees
- Panelists –

Commission agreed to extend the January 8, 2007 meeting into a full day meeting, 10am - 4pm to get the extra panel of economists.

Who is taking responsibility for questions of the economics group? Mary, Dawn and Kevin volunteered.

Who is choosing the economists? Suggestions included Bob Costanza, Art Wolfe, Jeff Carr, Tom Kavet, Doug Hoffer, John McClaughry.

Questions arose regarding bringing in presenters from out of state and suggestions were made to look into costs that would be ensued by doing so.

1:00 p.m.
Meeting Adjourned.

*Minutes drafted by Jayna Guilford 12/27/2006*

*Approved as amended by the Board: 1/8/07*