

Minutes  
Board of Directors Meeting  
Friday, January 11, 2019 – 8:30 a.m., EST  
Hyatt Regency Lexington, Regency Ballroom

**Voting Members Attending:**

Dave Adkisson	Doug Barr	Don Bloomer	Mike Castle
Rusty Cheuvront	Spencer Coates	Gerard Colman	Garren Colvin
Jonathan Copley	Paul Costel	Russ Cox	Joe Craft
Nick D'Andrea	Condrad Daniels	Ray Daniels	Scott Davis
Susan Elkington	Tom Eller	Bryan Fite	Marilyn Ford
John Gohmann	Mark Gooch	Winston Griffin	Joe Grossman
Mark Guilfoyle	Adam Hancock	Hood Harris	Andy Henderson
Maria Hughes	Janet Jakubowicz	Mark Loik	Rich Maddux
Mark Martin	Diane Medley	John Megibben	Mark Newman
Scott Powell	Ed Quinn	Jay Richert	Warren Rogers
Nick Rowe	Chuck Session	Rodney Shockley	Kevin Smith
Mark Sommer	Bill Thomason	Paul Thompson	Art Walker
Kennan Wethington	LaJuana Wilcher	Kelley Workman	

**Ex-Officio Members Attending:**

Jay Box	Candance Brake	Ron Bunch	Bobby Clue
Brent Cooper	Jordan Gibson	Terry Gill	Deanna Herrmann
Kent Oylar	Bob Quick	Brad Richardson	Matt Tackett
Aaron Thompson			

**Voting Members Absent:**

Matt Adams	Ben Cundiff	Cindy Johnson	Candace McGraw
Chris Reid	Sam Scales	Helen Sims	Jude Thompson

**Ex-Officio Members Absent:**

Tim Gibbs	Sandra Wilson
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**Past Chairs Attending:**

Craig Guess, 2006-2007  
Lyle Hanna, 1999-2000  
Billy Harper, 1989-1990  
Chaz Lavelle, 2003-2004  
Elizabeth McCoy, 2013-2014

**Guests Attending:**

Charles Beach III, Peoples Exchange Bank – Chair, Red River Economic Development LLC  
Erika Borg, Civic Allies Consulting  
Sherri Craig, KentuckyOne – Chair, Health Care Policy Council  
John Cubine, Kentucky Chamber Consultant  
Blaine Early, Stites & Harbison – Chair, Energy/Environment Council  
Bob Gray, Taylor-Gray Associates  
Gary Harbin, Executive Secretary, Kentucky Teachers’ Retirement System  
Joel Hopper, JJH, LLC – Board Co-chair, Leadership Institute for School Principals (LISP)  
Jason Keller, Charter Communications – Chair, Competitiveness Council  
Kim Menke, Toyota – Chair, Kentucky Workforce Center  
Karen Roggenkamp – Deputy Executive Director and Executive Director, Office of Operations, Kentucky Retirement Systems  
Diana Taylor – Taylor-Gray Associates

**Staff Attending:**

Kyle Bedford	Sarah Cathey	Amy Cloud	Sawyer Coffey
Sharmy Davis	Beth Davisson	Jim Ford	Alaina Holcomb
Candy Keeton	Patrick Merchak	Hilary Morgan	Jacqueline Pitts
Kate Shanks	Aimee Stafford	Ashli Watts	Kelly Wolf

**Welcome and Call to Order.**

Chairman Paul Thompson called the meeting to order at 8:30 a.m., and commented on the successful Chamber Day Dinner the evening before. He thanked Jim Ford and his team for putting on a successful banquet.

**Consent Agenda.**

Dave Adkisson described the items including the minutes of the September 27, 2018 board meeting, the minutes of the September 26, 2018 executive committee meeting, three appointments by Chairman Thompson to the board of directors including Mr. Joe Grossman, President & CEO, of Appalachian Regional Healthcare, Mr. Jay Richert, Refining General Manger, of Marathon Petroleum Company at Catlettsburg and Mr. Art Walker, Executive Vice President of The Walker Company in Mt. Sterling. Adkisson also described a decision by the Executive Committee to add a new membership recognition level at \$15,000 a resolution approved by the Executive Committee on January 10, to create a for-profit entity called “Chamber Business Solutions, Inc.” because of financial advantages for segregating the revenue and expenses of several of the Chamber’s member discount endorsement programs. Adkisson also indicated that the financial report included the 2018 Audit which had been distributed and considered by the Executive Committee the day before, the required audit communications, the IRS-990 which had been posted with directors meeting materials a few days earlier, the November 30, 2018 financial report and a revision to the capital budget for adding four new security doors in the Chamber’s headquarters. Treasurer Winston Griffin added that after two month of the Chamber’s fiscal year, Chamber operations seemed to be on track to meet the budget. On a motion by Spencer Coates, seconded by Mark Guilfoyle, the consent agenda was approved unanimously.

**New Board Members.**

Chairman Thompson indicated there were five new board members joining the meeting today and indicated that biographical information was available behind Tab #7 in the director’s notebooks.

Dave Adkisson then introduced Mr. Joe Grossman, Mr. Jay Richert, Dr. Aaron Thompson, Mr. Art Walker and Ms. LaJuana Wilcher and asked them to each say a few words about their company and/or affiliation.

(Ms. Wilcher began her term October 1, 2018 but had been unavailable for the October board meeting and was attending her first board meeting.)

Adkisson also introduced Jason Keller, Charter Communications, Chairman of the Competitiveness Policy Council and Blaine Early, Stites & Haribson, Chairman of our Energy & Environment Policy Council and Charles Beach III, Chairman of the Chamber's Red River Economic Development, LLC.

### **Special Presentation on Public Pensions: "How and When Do We Get Out of This Hole?"**

Chairman Thompson indicated that there had been a substantial amount of discussion by the five political leaders at the previous night's Chamber Day Dinner about the pension issue which continues to hang over our state. He complimented John Gohmann, Regional President of PNC Bank for chairing the Chamber's Pension Task Force and asked him to introduce the discussion and two special guests.

Mr. Gohmann introduced guests speakers Gary Harbin, Executive Secretary of the Kentucky Teachers' Retirement System and Karen Roggenkamp, Deputy Executive Director and Executive Director, Office of Operations of the Kentucky Retirement Systems. Each of guests speakers presented information about their respective retirement systems and provided PowerPoint slides to illustrate the background of how the state got in its current situation and how they anticipated that their current sets of actuarial assumptions would produce a recovery for the systems in the next 20-30 years.

Mr. Harbin described previous efforts to keep the teacher's retirement system on track including "a shared responsibility" package of legislation that was adopted in 2010 and which had significantly corrected the problem of health insurance costs for retired teachers. He also indicated that if the legislature can continue to provide the funding the past two legislatures have provided, the teacher's retirement system would achieve substantial recovery in the next 20 years.

Ms. Roggenkamp provided reasons by which the Kentucky Retirement System had gotten into its current predicament, especially in relation to the retirement fund that covers state employees. She said that major improvements were made with the 2013 legislation which put state employees in a hybrid cash balance fund and had discontinued cost of living increases for current retirees.

Following the two 15-minute presentations, there was a robust discussion with the board of directors about the current situation. There were suggestions by individual directors that the Chamber continue to bring attention to the problem that must have legislative and administrative solutions, that the Chamber serve as a "voice of reason" to bring everybody to the table and continue to educate the public about the problem. Other suggestions included keeping a perspective on the workers who are retired and are eligible for retirement, balancing those concerns against the fiscal realities of taxpayers having to underwrite the pensions. It was suggested that the Chamber reconvene its Pension Task Force and bring groups together to work toward a solution that could either be addressed in the 2019 legislative session or in a special session soon after the regular session. It was also suggested that the Chamber should be the "truth-teller," communicating in understandable language the choices that are available to the state.

After a coffee break, Chairman Thompson called the meeting back to order and suggested the board continue its conversation about the pension system. Several members noted a significant disconnect between comments by Governor Bevin the previous evening about the dire situation of the pension systems and the general forecast by the two pension system representatives at the board meeting that the systems would recover with continued proper funding by the legislature. While no formal action was taken, there appeared to be general consensus that the Chamber should continue to speak out on the severity of the issue and try to articulate options for consideration. (Coincidentally, it was announced during the board meeting that legislative leaders from both the Senate and the House had appointed a bi-partisan working group to attempt to bring a proposed solution to the pension issue back to the legislature by February 15<sup>th</sup>).

### **“Four Pillars for Prosperity”.**

Dave Adkisson provided a draft of the 2019 “Four Pillars for Prosperity” strategic plan for Kentucky and described the differences between the 2015 version and the current proposed version. He said the new report documents policy changes that have occurred since 2015 that have made Kentucky more attractive, that economic conditions have improved substantially since 2015 but that other “head winds” continue to face the state as it moves forward. He said the 2019 “Four Pillars” was being prepared intentionally to take to the gubernatorial candidates in an effort to affect the dialogue during the gubernatorial election cycle.

Questions were asked about how the plan could be more specific and some suggestions were offered. Adkisson reported that the plan is supplemented each year by the Chamber’s specific legislative plan followed by the Chamber’s own annual business plans and that the “Four Pillars” plan is intended to be a general blueprint for the priorities of the business community. On a motion by Chuck Session, seconded by Kevin Smith, the “Four Pillars for Prosperity” strategic plan for Kentucky was approved unanimously.

### **Chamber’s Strategic Plan for 2019-2021.**

Chairman Paul Thompson provided a draft proposal for the Chamber’s strategic plan and thanked Joe Craft, Russ Cox, Bill Lear and Scott Davis for serving on the Strategic Planning Task Force. He indicated that the plan called for the Chamber to be more aggressive and bolder in relation to its advocacy and its political engagement. He said the plan also calls for the Chamber to continue to develop the Chamber Foundation and the Chamber’s 501c(4) Advocacy Committee as integral parts of the Chamber’s operations. On a motion by Spencer Coates, seconded by Scott Davis, the strategic plan was approved unanimously.

### **Kentucky Chamber Foundation.**

Foundation Chair Janet Jakubowicz provided general information about the activities of the Foundation and said the board of directors would be meeting immediately after the Chamber board meeting. She then called on members of her board to provide updates on the following:

- a. Leadership Institute for School Principals. Joel Hopper reported on the recent trip by the board of directors to the BB&T Leadership Training Center in Greensboro, NC and thanked Joe Craft and Deirdre Lyons for offering air transportation to that meeting. He showed slides of the facility and also showed a brief ad that is running on Kentucky Educational Television promoting the Leadership Institute. He asked the board to consider donating and sponsoring a principal from their home community.
- b. Kentucky Chamber Workforce Center. Kim Menke, Board Chair reported on the hiring of five new talent pipeline management (TPM) managers. The Center is providing training to various “champions” across the state who will help implement industry collaboratives. There are currently eight industry groups that have convened and at least 91 industries participating.
- c. Eastern Kentucky Resort Project. Dave Adkisson reported that the Chamber Foundation is still waiting for a \$1 million grant to conduct a masterplan for a possible destination resort in the Red River Gorge area. He said the next step is to prepare a draft statement that would be used in the announcement by the governor and others regarding the grant.

### **Public Affairs Update.**

Election results for Chamber PAC and Advocacy Committee. Senior Vice President Ashli Watts reported on approximately \$100,000 of expenditures in the last legislative election cycle and indicated that the Chamber had been successful in endorsing 60 candidates and all but two of those candidates were successful.

Legislative Briefings Tour. Dave Adkisson reported that he had provided legislative briefings in 15 communities across the state in November and December, primarily to local chambers of commerce.

Legislative Preview Conference. Senior Vice President Ashli Watts indicated that the December 3<sup>rd</sup> conference had been very successful with 268 attending this year's conference. It featured panels of legislators and administration officials discussing priority issues expected in the 2019 Session.

Chamber Priorities. Ms. Watts provided a brochure that outlined the Chamber's priorities and reported on various issues that had evolved since the publication of the Chamber's Legislative Agenda in 2018. She indicated that board members could follow the activities of the legislature on the Chamber's Bottomline news site and that the Chamber's policy councils would remain active throughout the legislature.

### **President's Report.**

1. Business-Education Roundtable Report. Dave Adkisson provided a copy of the Business-Education Roundtable recently released report and indicated that top education and business leaders had worked more than two years to develop a long-term agenda for education and workforce development strategies. He said the group was supported with finances from the Bill and Linda Gates Foundation and would continue to meet and set priorities and bring attention to the recommendations of the report.
2. Building Project. Tom Eller, Chairman of the Chamber's Building Task Force said the task force had met one time by conference call and had posed questions about the Chamber's facilities needs and whether a building expansion is warranted. He said the next step is for the Chamber's staff to engage a space designer to develop more specific plans for a possible addition to the building. The Task Force discussed the possibility of adding approximately 3,000 – 5,000 square feet to the current 17,000 square foot building. No action was taken.
3. Staff Promotions and Additions. Dave Adkisson congratulated Kate Shanks on her recent promotion to Vice President of Policy Development, Travis Burton to Director of Political Affairs and welcomed Kyle Bedford as the new Director of Events.
4. Staff Service Anniversaries. Adkisson congratulated Christy Morrison on her five years with the Kentucky Chamber and Jim Ford for 25 years of his career dedicated to the Chamber. While Ms. Morrison was absent due to an illness, the board applauded Jim Ford for his dedication to the Chamber.
5. 2019 Business Plan. Adkisson provided a written report documenting progress toward the business plan during the first quarter.
6. News Clips. Adkisson provided a sample of news clips from the previous quarter.

Electronic versus hardcopy board materials. Adkisson conducted an informal poll of the board to ask how many preferred electronic board materials versus hardcopy notebooks delivered at the board meeting with key board materials provided on the Chamber's protected website several days before the board meeting. It appeared that the board was approximately 50/50 in its preferences, and Adkisson said for the foreseeable future both methods would be used for board materials.

### **New Business.**

Chairman Thompson asked for new business but no items were offered.

### **Announcements.**

Adkisson covered some of the upcoming events that the board might consider attending.

### **Adjourn.**

Chairman Thompson thanked everyone for participating and said he had been a very healthy discussion. The board meeting was adjourned at approximately 11:40 a.m.

Signed:

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Paul Thompson, Chair  
Kentucky Chamber of Commerce  
Board of Directors

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Dave Adkisson  
President & CEO  
Kentucky Chamber of Commerce

Dated:

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