

Minutes
Board of Directors Meeting
Wednesday, May 6, 2020 – 10:30 a.m., EDT
Via Zoom Webinar

Voting Members Attending:

Doug Barr	Steve Branscum	Mike Castle	Spencer Coates
Gerard Colman	Garren Colvin	Jonathan Copley	Paul Costel
Brian Cromer	Ben Cundiff	Condrad Daniels	Ray Daniels
Scott Davis	Susan Elkington	Bryan Fite	Marilyn Ford
Les Fugate	Mark Gooch	Winston Griffin	Joe Grossman
Mark Guilfoyle	Adam Hancock	Hood Harris	Andy Henderson
Maria Hughes	Janet Jakubowicz	Cindy Johnson	Diane Medley
Steve Merrick	Mark Newman	Chris Perry	Scott Powell
Ed Quinn	Jay Richert	Nick Rowe (<i>Chair</i>)	Chuck Session
Rodney Shockley	Kevin Smith	Mark Sommer	Joe Steier
Bruce Tassin	Paul Thompson	Art Walker	Ashli Watts (<i>KCC</i>)
Kelley Workman			

Voting Members Absent:

Matt Adams	Russ Cox	Joe Craft	Nick D'Andrea
John Gohmann	Rich Maddux	Brett Mattison	John Megibben
Chris Reid	Warren Rogers	Bill Thomason	LaJuana Wilcher

Ex-Officio Members Attending:

Jay Box	Candance Brake	Bruce Carpenter	Jordan Gibson
Larry Hayes	Andrea Miller	Matt Tackett	Aaron Thompson
Sandra Wilson			

Past Chairs Attending:

Luther Deaton, 2011-2012	Craig Guess, 2006-2007
Lyle Hanna, 1999-2000	Billy Harper, 1989-1990
Chaz Lavelle, 2003-2004	Elizabeth McCoy, 2013-2014
Darby Turner, 2008-2009	

Guests:

Donovan Blackburn, Pikeville Medical Center, Chair, Health and Wellness Council
John Crockett, LG&E and KU Energy LLC, Chair, Litigation Committee
Blaine Early, Stites & Harbison, PLLC, Chair Energy and Environment Council
Mike Fine, Wyatt Tarrant Combs, LLP
Bob Gray, Taylor-Gray Associates
Laura Holoubek, Dinsmore Shohl LLP, Chair, Political Action Committee (PAC)
Joel Hopper, JJH, LLC, Chair, Leadership Institute for School Principals (LISP)
Jason Keller, Charter Communications, Chair, Competitiveness Council
Candace McGraw, Cincinnati Northern KY Int'l Airport, Co-Chair, Infrastructure Council
Kaelyn Query, Lexington Event Company, Chair, Small Business Council
Michael Rodenberg, Murakami Manufacturing USA Inc., Chair, Education & Workforce Council
Diana Taylor, Taylor-Gray Associates

Staff:

Travis Burton
Jim Ford
Candy Keeton
Kate Shanks

Amy Cloud
Catherine Gaertner
Patrick Merchak
Harper Smith

Sawyer Coffey
Alaina Holcomb
Hilary Morgan
Kelly Wolf

John Cox
Micah Johnson
Jacqueline Pitts
Hannah Wood

Welcome and Call to Order.

Chairman Nick Rowe welcomed everyone and called the meeting to order at approximately 10:31a.m., and said it was the first board meeting of the Chamber to be conducted virtually. He noted how proud he was of Ashli and the Chamber staff in their ability to strike a balance whether in selling posters, working with the Governor to procure PPE, etc. He also acknowledged Governor Beshear's response through this pandemic and said he had shown true leadership during this time and as a result, holds an 81% approval rating.

Mr. Rowe then turned the meeting over to Ashli Watts who provided instructions on how the webinar would proceed with respect to questions, voting etc.

Following the instructions by Ms. Watts, Chairman Rowe requested a moment of silence in honor of Tierra Kavanaugh Wayne who passed unexpectedly the previous week at the age of 45. Mr. Rowe said Ms. Wayne was the founder of TKT & Associates located in Louisville and served on the Chamber's Board and Executive Committee from 2011-2017 as well as Vice Chair of Public Affairs during her tenure. Mr. Rowe said that Ms. Wayne would be remembered for her beautiful smile and noted that she was a self-made success story whose commitment to diversity and minority advancement was an inspiration to many in the Commonwealth. He asked members to continue to keep her family in their thoughts and prayers.

Chairman Rowe then welcomed new board member Les Fugate, VP and Director of State Government Relations, Brown-Forman Corporation to his first meeting and said that Sarah Davasher-Wisdom, President & CEO, Greater Louisville Inc. had extended regrets and was unable to participate due to a coinciding meeting.

Consent Agenda.

Chairman Rowe turned the meeting over to Ms. Watts to cover the Consent Agenda. Ms. Watts drew the members attention to the items of the Consent Agenda which included the minutes of the January 10, 2020 Board Meeting, the minutes of the January 9, 2020 Executive Committee Meeting, the minutes of the February 24, 2020 Special Called Executive Committee which was held via conference call, the March 31, 2020 Mid-Year Financial Report, a report on the COVID-19 Impact to Chamber Finances, Financial Projections, IRS 990 and Appointment of the 2020 Board Development Committee. The items on the consent agenda were approved unanimously.

Financial Report.

Treasurer Janet Jakubowicz said the Chamber was positioned fairly well despite the difficult times and directed the member's attention to the financial statements, noting the income statement which showed the Chamber \$30,000 better than budget. She said with a little magic CFO Patrick Merchak now says the Chamber was actually \$100,000 better than budget and some of that would be pushed into the summer months so that the financials are not as up and down. She noted some significant bright spots on the revenue side including membership revenues which are still strong and have been for the months of April and May and anticipates they will continue during the summer months. She also noted the MEWA's health insurance program which was budgeted for \$100,000 this year, to-date, has built up approximately \$800,000 in revenue. On the expense side, Ms. Jakubowicz said because of the pandemic we have 13 employees who are on part-time status with the Chamber paying half their compensation and noted each was able to obtain unemployment compensation benefits which is a savings of \$22,000.

Ms. Jakubowicz said seminars had been hit the hardest and events have been put on hold with alternate dates and locations being considered. She said Sr. Vice President Jim Ford along with the staff had been very creative and helped the Chamber create revenue through the sale of mandatory COVID-19 Labor Law posters and masks – both of which are of significant need to our member businesses. She said Jim, Ashli and the team had gained access to 400,000 masks and the Chamber was selling them at cost making approximately \$.20 per mask.

Ms. Jakubowicz then called on Patrick Merchak to provide a report on the Chamber's cash flow. Mr. Merchak also extended congratulations to the team for its out-of-the-box thinking during this time. He too noted that expenses continued to be monitored and said on the expense side, our membership revenue and MEWA insurance program revenues are deferred for future months. He said any given membership is deferred for 12 months so we have a lot of momentum from the previous month's sales through this fiscal year. The same with our insurance programs, the policies renew on May 31, 2021 and we will stream the \$800,000 through the months until renewal time thus providing a momentum to get through the difficult summer months and into the fall. Mr. Merchak also said the compensation structures at the Chamber are really setup to help go through a down period. He said senior staff and some of the higher-level employees are paid a 10% bonus at year-end if financial goals are met so we have a built-in 10% that could be held and not paid thus allowing some leverage at the end of the year if needed. Additionally, we have about 14 employees on commission so combined it's about 20% of their compensation so if revenue is not coming in, we do have systems built-in on the expense side. Merchak said compensation and personal expenses are the Chamber's largest expenses.

He then referred members to the projections included in the notebooks which mapped out three scenarios labeled worst case, middle and best case. He said that while he was ready to present a "doom and gloom" report until Jim Ford and his team put together some creative projects and it now appears that we are going to be able to get through the fiscal year close to budget which is almost herculean.

Mr. Merchak also noted the IRS 990 Report included in the materials which had been provided to the Board of Directors in advance of its filing. He noted that no approval was necessary.

Ms. Watts then drew the member's attention to the Proposed 2020 Board Development Committee listing provided which included Nick Rowe, Paul Thompson (Chair), Winston Griffin and two additional past chairs based on availability. She said that Bill Lear had since confirmed his availability and the group was awaiting confirmation from the second past chair. The Committee is scheduled to meet June 1. On a motion by Scott Davis, seconded by Mark Gooch, the Consent Agenda was approved unanimously.

COVID-19 Response.

Chairman Rowe turned the meeting over to Ms. Watts to provide an update on the Chamber's COVID-19 response. He said the Chamber staff had been working tirelessly to provide value to our members. Ms. Watts reminded the group that March 13th changed our world at the Chamber as we closed our doors and started this new reality as we know it. She thanked Chairman Rowe for his continued support and willingness to serve as a sounding board during these uncertain times noting that they had spoken at least once a day or more. Ms. Watts also thanked the staff and said almost everyone was working from home and had completely stepped up to execute all the big ideas we had and their productivity has been through the roof. She said the Chamber had shown itself to be the source for information in the last two months with people looking for answers to their questions at a time of uncertainty and noted the following Chamber efforts which included:

- Establishing a Coronavirus Q & A page on the Chamber's website for members and non-members
 - Special thanks to our member law firms who offered their attorneys to help answer more technical questions

- In a period of about three weeks a small group provided daily personal responses; approximately 300 questions answered
 - Worked w/Membership to secure non-member information for follow-up
- Procuring PPE (Personal Protective Equipment)
 - Received a call from the Governor noting the dire need for PPE - specifically, N95 masks for our healthcare and front-line workers
 - Issued an "All Call" to the membership for PPE donations; Within 48 hours we had thousands of masks; Toyota (Susan Elkington) was one of the first to respond and delivered thousands to the Chamber that day
 - Shifted the Chamber's mission to meet business where they were; Received call from businesses asking how they could help, donations, use of delivery trucks etc.; Procured tons of PPE for the state – masks, gloves, gowns etc., all delivered to the Department of Public Health
- Coordinating who could manufacture PPE
 - Conducted calls/webinars connecting manufactures throughout the state with Toyota, Ford, GE as they retooled their facilities to make PPE, hand sanitizer etc.
- Multiple weekly Webinars
 - First webinar conducted with the Governor (1,000 participants)
 - Conducted webinar on Unemployment Insurance w/Dep. Secretary Josh Benton (1,000 participants)
 - "Restart Kentucky" born w/two recorded webinars weekly; Special thanks to KCTCS for partnering w/the Chamber on Restart and the webinars listed below
 - ❖ Health officials – How to open in a safe manner (1,000 participants)
 - ❖ Economist Paul Coomes – How to get the economy back up and running
 - ❖ Hospitals – How they are dealing w/COVID-19
 - ❖ Legal Liabilities Reform
 - ❖ Education w/the Commissioner of Education and presidents of KCTCS, CPE
 - ❖ State Chambers from TN, GA, OH, IN on how they are handling reopening
 - ❖ Brown-Forman – How they have handled re-opening globally
- PPP loan education and advocacy
 - Helped members learn about the Small Business Administration's forgivable loans program; how to get access, contacting their local banks etc.; Partnered w/the U.S. Chamber in assisting local chambers with advocacy since chambers as Section 501(c)(6) organizations cannot apply for the PPP loans
- Who's Hiring Campaign
 - Watts gave special thanks to Beth Davisson and the Chamber Workforce Center
 - Partnered with the Education and Workforce Cabinet to create a website
 - To-date, 75,000 jobs posted
- "We See You" Campaign on social media
 - Highlighting all the good work of our 80 local chambers across the state
 - Bi-weekly calls including an initial call w/the Governor;
 - Weekly calls with the Metro chambers
- Established a Task Force for Re-Opening
 - Submitted recommendations from 20 industry specific sectors (1-2 people per sector)
 - Working closely w/the Administration behind the scenes – temperature checks, masks etc.
- Sale of Mandatory Families First Coronavirus Act, COVID-19 Labor Law Posters
- Sale of 3-ply Masks and Hand Sanitizer
 - Special thanks to Jim Ford and Sarah Cathey
 - Partnered w/Distillers Association; Established website www.kyhandsanitizer.com to purchase hand sanitizer
- Policy Recommendations (2020 Session, Federal and beyond)
 - Helped pass the COVID-19 Recovery Bill
 - Federal priorities – Infrastructure and Legal Liability Reform
 - Use of Policy Councils during interim to help craft the agenda for 2021 and how we recover economically

Ms. Watts then introduced Jacqueline Pitts, Director of Communications, who provided an update on the Chamber's footprint during this pandemic. Ms. Pitts said it had been a team effort noting the following:

Chamber Website

- 73,949 visits in March and April
- 36,656 individual users (new users up 125%)
- 36,223 Coronavirus specific visits

Facebook

- Page Likes Gained: 746
- Post Reach: 228,241
- Post Engagement: 28,640

Twitter

- Tweet Impressions: over 400,000!
- Profile Visits: 2,167
- Followers: 116 new – 18,000 Total
- Page mentions: 460

The Bottom Line

- 71,500 in March and April
- 97,000 for the year
- 71,000 unique visitors

She concluded her presentation noting the Chamber's Restart Kentucky Webinar Series and said to-date the Chamber had conducted 13 webinars with 6,776 registered for the events and 1,350 recording views.

All were impressed with the quantity, quality and the reach of the Chamber's efforts.

Review of 2020 Legislative Session.

Vice President of Public Affairs Kate Shanks expressed kudos to Jacqueline Pitts and the communications team for their COVID response work and said it had been an exercise in crisis communication the last several weeks. She noted how proud she was of the entire public affairs team and said they remained incredibly positive, flexible and willing to take on the challenge of getting us through a legislative session while responding to the COVID-19 pandemic. Ms. Shanks said her attitude toward session was to work and pass as many bills as possible until sine die. She said unfortunately, the pandemic hit at the worse time and reminded members that the last third of any legislative session is the most important because it's when things come together.

Ms. Shanks said the last week before the Capitol was closed to visitors that we held a rally on infrastructure in the rotunda lead by Chairman Rowe with 250 attendees including Executive Committee member Spencer Coates. She said we also hosted a very successful Small Business Day at the Capitol in February with over 70 small business and local chamber leaders making their voices heard. The group met with legislators, members of the Governor's office and the Attorney General. Ms. Shanks said Travis Burton, Small Business Chair Kaelyn Query and Executive Committee member Conrad Daniels testified in committee and presented in detail the Chamber's legislative agenda items.

Shanks then provided highlights from the 2020 Session and encouraged members to review the "Results for Business" publication included in the materials which she said provides an excellent summary of the session. Session wins included the following and Ms. Shanks said all in all, it was a pretty diverse set of wins.

- Signature Bourbon Industry (direct shipping, distillery production) HB 415
- COVID-19; SB 150
- Recovery through employment SB 191 started as SB 173
- Tobacco Free (Tobacco-21, E-cigarette tax)
- Criminal Justice Reform (probation credits, expungement) HB 284 / 287
- Education (foster care, postsecondary transparency) HB 312
- Critical infrastructure protections
- Coal workers' pneumoconiosis fund
- Interlocal agreements
- Employee break periods

Session losses included:

- Transportation infrastructure investment HB 580
- Sports wagering
- Criminal justice reform (felony theft, juvenile justice reform); Will revisit next session
- Education (principal selection, FAFSA, early literacy)
- Tort reform (constitutional amendment, attorney advertising); Bills passed through Senate very difficult in the House
- Underground utilities; Will revisit next session
- Communications network tax credit

2020 MVP Awards

Ms. Shanks drew the members attention to the list of MVP Award recipients provided and said that the public affairs team has been notifying each and would be scheduling appointments to present the award which is typically done in their districts. Recipients included:

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|-----------------------------------|---------------------------------|
| ▪ Senate President Robert Stivers | ▪ Speaker David Osborne |
| ▪ Senator Damon Thayer | ▪ Representative David Meade |
| ▪ Senator Ralph Alvarado | ▪ Representative Kim Moser |
| ▪ Senator Matt Castlen | ▪ Representative Jerry Miller |
| ▪ Representative Adam Koenig | ▪ Representative Kevin Bratcher |
| ▪ Representative Sal Santoro | |

PAC and Advocacy Committee

PAC Chair Laura Holoubek reminded members that the Primary had been moved to June 23rd and said the PAC Board had met a few times by phone since the last board meeting. Ms. Holoubek said the Board has endorsed in open seats with primaries to include: Shawn McPherson (HD22), Jay Corman (HD39), Jennifer Decker (HD58), Josh Branscum (HD83) and Wes Hargis (HD85) all of which were very grateful for our support. She said the Board is currently collecting surveys from primary House/Senate candidates involving an incumbent and will meet the following Thursday to discuss other races. She said the Boards focus is always on pro-business candidates and said the surveys were very important. Ms. Holoubek said in addition to financial contributions the board is always looking for ways to reach out to voters differently especially during the pandemic, and would be looking at other electronic means and would report back on those issues later. She encouraged members who could to contribute to the PAC.

Director of Public Affairs Travis Burton, reported on the Kentucky Chamber Advocacy Committee a 501(c)(4) organization that compliments the PAC's efforts. He said in addition to doing public education campaigns, the c4 is focusing on certain legislative districts and highlighting the leadership of certain individuals in those districts who are pro-business. He said of the five endorsements referenced by Ms. Holoubek, four represent a significant pickup opportunity to support a pro-business legislator. Mr. Burton said thanks to Kelly Wolf and Jonathan Shell, a little over \$60,000 had been raised toward the 2020 efforts and advised anyone interested in contributing to see Ms. Wolf. He said contributions are accepted from corporations and individuals and that they are not reported publicly. Mr. Burton said activity would likely start in the form of direct mail and digital advertising in the next week or two.

Foundation Update.

Senior Vice President Kelly Wolf noted the Foundation Board had met earlier in the week and deferred further comments to Chairwoman Diane Medley. Ms. Medley reminded members of the Foundation's four major areas of work which included the Leadership Institute for School Principals, the Kentucky Chamber Workforce Center, Red River Economic Development and the Business-Education Roundtable. She said the funding and revenue for the Foundation is separate from the Chamber and it continues to remain strong thanks to Kelly and her team's efforts to work with several foundations. She noted the national foundations that support us but that we also receive grants from regional foundations.

Workforce Center

Ms. Medley reported that in partnership with the Kentucky Department of Education the Workforce Center had conducted several "Virtual Bus to Business" interviews via video featuring board members including

Chairman Rowe with 500 views. She also noted the Who's Hiring Campaign, which had seen over 14,600 webpage visits, 2,500 report downloads, over 600 employers filling out the job posting survey for a combined total of over 75,000 jobs. She noted that Kentucky's Talent Pipeline has 25 TPM collaboratives statewide and exists in all five key sectors and equine, 9 of 10 workforce development areas and building Talent Pipelines for 57 critical jobs. Ms. Medley also noted the Opioid Response Program and said it continues in a robust manner. She said between January and March, 95 presentations/events had been hosted with 1,185 attendees.

Leadership Institute for School Principals

Co-Chair Joel Hopper reported that the 2019 graduation had been postponed. He said with the uncertainty surrounding the coronavirus after weighing the options and communicating with the Leadership Institute Board of Managers, a decision was made to postpone the program this year in the best interest of everyone's health and safety and reengage in 2021. Mr. Hopper said that they would be reaching out to traditional and new donors and advising them of the decision. He also said that they had engaged with BB&T for a virtual training to reengage the alumni and would be identifying the positive impact of the program on the Kentucky education system.

President's Report.

With one additional item requiring approval, Chamber President & CEO Ashli Watts changed the agenda slightly in case members needed to leave the meeting early and called on Senior Vice President Kelly Wolf and Hilary Morgan to present the membership proposal with The Standard.

Membership Proposal with The Standard

While awaiting re-connection to the meeting by Ms. Morgan, Kelly Wolf reminded members that we have several service programs from the membership division for member savings. She congratulated Ms. Morgan on the success of the Chamber Advantage program and said it has generated over \$800,000 in the first six months most of which was unbudgeted. Ms. Wolf said the proposed program would be conducted under the Chamber's for-profit arm Chamber Business Solutions (CBS) which is chaired by Scott Davis. She said the proposal had been vetted by the Membership Development Committee, approved earlier by the Executive Committee and represents another revenue stream if approved by the Board. She then turned the presentation over to Hilary Morgan, Director Marketing & Membership Services who is a licensed insurance agent for the Chamber. Ms. Morgan said this an accident and critical illness insurance program with The Standard who will partner with the Chamber to offer custom plan designs. The benefits include no preexisting condition exclusion and no medical evidence of insurability. She said they are increasing the amount of the plans on a guaranteed issue bases and on the accident insurance there is 24-hour coverage automatically built in to the policies. Morgan said the Chamber will receive a \$15,000 annual endorsement fee and a 5% commission on sold groups (must have ten enrolled). On a motion by Scott Davis, second by Kevin Smith, the proposal approved unanimously.

Ms. Watts then called on Senior Vice President Jim Ford to provide an update on the plans for the Business Summit and Annual Meeting as well as the Chamber's International Trip.

Business Summit and Annual Meeting / Chamber International Trip

Mr. Ford said that due to the COVID-19 pandemic, the Business Summit and Annual Meeting had been moved to September 28-29. He thanked Janet Jakubowicz and Denton Bingham Greenebaum for their continued support and sponsorship of the event including through these uncertain times.

Mr. Ford also announced the decision to cancel and reschedule the October 2020 international trip to Germany to October of 2021. He said 33 participants had registered for the initial event and that a complete refund would be available or participants could transfer the deposit and re-register in the spring for the 2021 event.

Mr. Ford also said that the June date for the Valhalla Golf Invitational had been cancelled. He said we are looking at several dates with Valhalla and will advise once rescheduled.

Building Project.

Ms. Watts reminded members that in January a decision was made to scale back the project and use the proceeds secured via commitments to pay for the project. She said at that time we were looking at making an expansion at the back of our building since we didn't require any new conference space. Ms. Watts said she had met with Past Chairman Craig Guess and Steve Branscum who are great friends of the Chamber who offer to help with the project since she had never done a large building project like this before. Ms. Watts said Mr. Guess' team completed an internal audit on the building because in addition to what we thought we need in space we knew there were things within the building that needed updating. She said we now have learned with the COVID pandemic that we do need quite a bit of technological upgrades. Mr. Branscum had volunteered to do a design build and that was the path we were going and then COVID-19 hit and Ms. Watts like many employers realized that many of our staff can work remotely and the level of productivity is very high. She said after talking with the Executive Committee, Chairman Rowe and the senior team we have decided to scale back the project even further and use the money we have commitments for to update our technology etc. without conducting an expansion.

Board Survey

Ms. Watts said that we will be doing a board survey and thanked LG&E for overseeing the project. She said we do have the questions prepared and had planned on sending them out earlier and the pandemic hit but will be sending the survey out shortly.

Q2 Update of 2020 Business Plan

Ms. Watts noted the Q2 Update of the Business Plan included in the materials and said members could review at their leisure. No action was required.

Sample of Q2 News Clips

Ms. Watts noted the links for the Q2 News Clips included in the materials and said members could review at their leisure. No action was required.

New Business / Announcements.

Chairman Rowe asked for any new business and hearing none called on Ms. Watts to provide the announcements with respect to upcoming meetings/events.

Adjournment.

The Committee exited closed session and the meeting adjourned at approximately 12:04 p.m.

Signed:

Nick O. Rowe, Chair
Kentucky Chamber of Commerce
Board of Directors

Ashli Watts
President & CEO
Kentucky Chamber of Commerce

Dated:

_____, 2020 _____, 2020