

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

NOVEMBER 27, 2006

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, November 27, 2006, in Public Session, at 4:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at One West Exchange Street, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Mr. Frank Montanaro, Mr. Keith Stokes, Mr. George Shuster, Ms. Barbara Jackson, Ms. Alma Green, Ms. Cheryl Merchant and Mr. Alexander Biliouris.

Director absent: Governor Donald L. Carcieri.

Also present were: Executive Director Saul Kaplan, members of the Corporation's staff and Attorney Robert I. Stolzman.

Mr. Frank Montanaro presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Mr. Montanaro called the meeting to order at 4:00 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON SEPTEMBER 25, 2006

Upon motion duly made by Mr. Shuster and seconded by Mr. Stokes, the following vote was adopted:

VOTED: To approve the public session minutes of the meeting held on September 25, 2006, as presented to the Board this date.

Voting in favor of the foregoing were: Mr. Montanaro, Mr. Stokes, Mr. Shuster, Ms. Jackson, Ms. Green, Ms. Merchant and Mr. Biliouris.

Voting against the foregoing were: None.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Saul Kaplan reported that the Corporation is currently very active. He noted the excellent coverage Rhode Island received in the October 29, 2006 Boston Globe magazine, and provided copies of the article to the Board members (See **Exhibit A**). Mr. Kaplan reported that he had recently attended a Regional Innovation Summit at MIT, where he made a presentation on economic development in Rhode Island. He noted an insert due to come out within the next two weeks in Forbes magazine, which has a circulation of over 100,000.

Noting that there is \$6.7 billion in capital investment currently being deployed in the State, Mr. Kaplan also distributed to the Board members a spreadsheet reporting on major development projects of the Corporation (see **Exhibit B**), as well as the booklet handed out at the second Business Innovation Factory summit (BIF-2) held at Trinity Rep's Dowling Theater in October 2006 (See **Exhibit C**).

Mr. Kaplan reported that the EDC is currently receiving proposals to compete for the \$1.5 million granted to the Science & Technology Advisory Committee by the General Assembly for university based research efforts. He also stated that the EDC is putting together rules for use of the funds resulting from the Entrepreneurial Tax Credit passed in the last assembly cycle, and that companies that qualify for the credit will have to come before the Board for approval.

In closing his report, Mr. Kaplan noted that an organizational update on the Corporation will be presented as the fifth and final chapter of the Board Training Module at the December meeting.

4. FOR APPROVAL OF DRAFT FY '08 BUDGET

Mr. Richard Reed referred the Board members to the summary of information presented in their packages regarding the draft FY '08 Budget, and described the summary format as more useful and user friendly than that presented in the past. He stated that there are three component units to the budget: 1) appropriations from the General Assembly; 2) specific programs that are funded separately; and 3) administrated appropriations from the Department of Administration.

With respect to appropriations from the General Assembly, Mr. Reed noted that the FY '07 appropriation is \$6.030 million and that \$6.990 million is being requested for FY '08. Mr. Reed pointed out that the EDC will not receive any funds from the Governor's Workforce Board in FY '08. There will also be a reduction in the amount received from Quonset Development Corporation (QDC), from \$600,000 in FY '07 to \$250,000 in FY '08, noted Mr. Reed, who stated that QDC will rely on EDC less and less as time goes on. Mr. Kaplan added that EDC currently provides human resources, payroll management and IT services to QDC, but that by FY '09 QDC should be self-sufficient.

Mr. Reed also noted that there will be a \$110,000 reduction in funds from the Procurement Technical Assistance Program, and a \$400,000 increase in operational expenses, primarily due to an increase in the payroll budget. The payroll budget increase is mainly due to the proposed hiring of a Community Development person to replace Lori Capaldi, who has been on loan to this division, as well as annual merit increases to staff. Mr. Reed also noted that there will be an increased occupancy expense in the new space. Mr. Reed stated that the proposed budget is subject to review by the Governor's office, and ultimate funding by the General Assembly.

Mr. Kaplan reported that the EDC will request that the Community Grant Program be reinstated, and that new programs be developed for 1) growth within the IT and high tech sector and 2) capital for RI-WINS. He stated that an updated budget will be presented to the Board in the future as the EDC gets feedback from the Governor's budget office and the General Assembly.

Upon inquiry of Ms. Jackson, Mr. Kaplan explained that the Welcome Center is the responsibility of the Department of Transportation (RIDOT) and that a fixed amount of \$620,000 is funded by RIDOT, to be administered by the EDC for personnel and operations of the Welcome Center. Mr. Stokes stated that, because it is a federally mandated program, federal legislation is necessary to improve the management of the Welcome Center.

There being no further discussion regarding the FY '08 draft budget, upon motion duly made by Ms. Jackson and seconded by Mr. Shuster, the following vote was adopted:

VOTED: That the draft FY '08 Budget, as presented to the Board this date, be approved (See **Exhibit D**).

Voting in favor of the foregoing were: Mr. Montanaro, Mr. Stokes, Mr. Shuster, Ms. Jackson, Ms. Green, Ms. Merchant and Mr. Biliouris.

Voting against the foregoing were: None.

5. FOR PART IV OF TRAINING MODULE – ACCESS TO PUBLIC RECORDS ACT

Continuing with Part IV of the Board Training Module, Attorney Stolzman presented an overview of the Access to Public Records Act (See Summary Memorandum at **Exhibit E**). He noted that the Act recognizes a balance between the public's right to information and the individual's right to privacy. As a public body, the EDC is subject to the provisions of this Act, and every record of the EDC is public, subject to the exceptions offered under the Act.

Mr. Stolzman explained that one exception that arises often with EDC is trade secrets and commercial or financial information obtained from a person, firm or corporation which is of a privileged and confidential nature. He noted that the EDC has

lost only one public records challenge, which had to do with a so-called “white paper”. Mr. Stolzman stated that staff is excellent at disclosing to parties that deal with the EDC that such financial documents must be marked “privileged and confidential” in order to keep them from being disclosed.

Another exception which comes up with EDC is preliminary drafts, notes, impressions, memoranda, working papers and work products, stated Mr. Stolzman. He stated that internal staff notes are not public record until they are finalized by the agency, and that all drafts should be so marked.

Mr. Stolzman noted that a third exception which affects the EDC is that including reports and statements of strategy, such as real estate appraisals and other documents of negotiation. Such documents are not open to public inspection until such negotiation has been finalized.

Mr. Stolzman explained that the Act includes rules regarding the process for public records requests. He stated that Mr. Reed is the original respondent of all requests for EDC, and that the EDC does not receive a large amount of requests. All requests must be responded to within 10 business days, a time frame which may be extended to up to 30 business days, subject to approval by the Attorney General. Mr. Stolzman noted that a public body can charge \$.15 per page and up to \$15.00 per hour to produce documents in response to requests for public records. He also stated that inquiries for purposes of creating mailing lists are not allowed.

Settlement agreements are public records, noted Mr. Stolzman, because public funds are used in settlements. He added that, while settlement agreements usually contain a confidentiality agreement to encourage the parties’ silence, the agreement is a public record.

Upon inquiry of Mr. Stokes, Mr. Stolzman stated that the EDC is, for the most part, up to date with posting its minutes. Because the EDC prefers to post its minutes after they have been approved by the Board, the cancellation of a Board meeting can sometimes delay posting of minutes until the Board has had a chance to vote on them. Mr. Stolzman stated that the EDC has been very cooperative with respect to access to public records and is considered to be compliant.

Prior to adjournment, Mr. Stokes asked about the status of the Corporation’s move. Mr. Kaplan reported that the move is going very well and that there is a chance the move will take place in December; if not, the move will take place after January 1. Mr. Kaplan stated that he receives regular reports on the new space and that the next Board meeting may be held there.

There being no further business in Public Session, the meeting was adjourned at 4:40 p.m., upon motion made by Mr. Shuster and seconded by Ms. Jackson.

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Robert I. Stolzman, Secretary