

Minutes of the  
Virginia Bankers Association  
Board of Directors Meeting  
December 9, 2022 at 10:00 a.m.  
VBA Office  
Glen Allen, VA

In attendance: Chris Bergstrom, James Black, David Boyle, Victor Branch, John Brough, John Caldwell, Tom Cherry, Todd Hall, Leton Harding, Lyn Hayth, Brandon Lorey, Brad Schwartz, Rob Shuford, Maria Tedesco, Janet Tope, Litz Van Dyke, Robert Wood. Attending by Zoom: Steven DeLuca, Thomas Ransom, Sherri Sackett, Joe Thomas.

Staff: Matt Bruning, DeMarion Johnston, Laurie Milligan, Chandler Owdom, Stacy Puckett, Bruce Whitehurst.

Guest: Rob Engstrom

Call to Order, Special Recognition and Approval of Minutes

Chairman Chris Bergstrom welcomed everyone and called the meeting to order. Chris recognized VBA CFO Stacy Puckett for 25 years of service to the VBA, as of this date, and presented her with a plaque to commemorate this milestone anniversary.

Minutes of the September 12, 2022 board meeting were approved as written.

Dialogue with Rob Engstrom

ABA Chief Political Officer Rob Engstrom provided an overview of the recent midterm elections, including the runoff election just completed in Georgia this week. Rob spoke about the composition of the new Congress and how that might impact the banking industry. A good dialogue followed Rob's remarks.

Board and Committee Reports

- VBA Executive Committee: Chris reported on the recent November meeting, noting the minutes were in the board packet. In addition to the items covered in the meeting minutes, Chris mentioned the committee's interest in having VBA serve as a resource for banks in the area of payments fraud, as it has become a significant challenge. Chris advised the board that VBA staff is working toward a town hall virtual session on this topic early in the new year.
- VBA Benefits Corporation: Chairman John Caldwell reported on several operational initiatives as well as recent financial results for the VBA Benefits Corporation.
- VBA Management Services, Inc.: Chairman James Black reported on a strong year for VBA Education and Training and also on the recent nearly \$2.5 million gain from the sale of Infinex. James noted that more details on this gain would be shared with the board in executive session.
- VBA Education Foundation: on behalf of Chairman Scott Harvard, Foundation board member Leton Harding reported on a number of key initiatives, including the new Fellows program, Virginia Reads One Book and the Bank Day Scholarship Program. He also thanked all banks and bankers who contributed to the annual fund, and especially those who made additional contributions in memory of Sam Neese, longtime Virginia banking leader and most recently,

Leton's teammate at Powell Valley National Bank when he passed away suddenly earlier this year.

- VBA Government Relations Committee: Chairman Robert Wood reported on the very successful BankPAC campaign this year, with results exceeding both the goal and the stretch goal. Robert encouraged all board members to participate – along with others from their banks – in Banker Day on January 12, 2023.

### 2023 Virginia General Assembly

Matt Bruning reviewed potential legislation for the upcoming General Assembly session, including VBA bills on permissible investments, garnishments and to support funding for the CDFI Fund. Matt reviewed proposed changes to the Bank Franchise Tax with two parts:

- Part one would modernize the process, allowing banks to file electronically, file a 60-day extension and online access to property tax records to determine the deduction amounts.
- Part two would change the distribution of the 80% of the tax going to localities from bank branch based to population based, with the State Tax Department handling the distribution directly.

There was consensus on the positive benefits of part one and much discussion regarding part two. Board members expressed concern with moving away from the branch based approach, noting the nexus between paying the tax locally and competing for public deposits. There was also the view that for at least some of the largest banks, the population method would allow them to more equitably support all localities in the Commonwealth.

Following a lengthy discussion, the board asked staff to go back to the drawing board on part two and see if there might be a workable approach that would not require all banks to make this change.

### DC Bankers Association

Bruce Whitehurst updated the board on the VBA/MD Bankers Association work toward establishing a DC Bankers Association. He reviewed a concept outline which would house the DC association as a doing business as entity under the VBA. Several board members made very positive comments about this important partnership with MD Bankers and the need for a DC organization and the board supported the concept by consensus. Bruce advised the board that a Bylaws revision will be needed at a future meeting, with the timing based on progress with the banks in DC.

### VBA Annual Convention

Chris provided an overview of the June 2023 VBA Annual Convention, to be held at The Breakers in Palm Beach, FL. He highlighted the lineup of speakers and events, as well as the intention for the convention to be casual in nature, including attire.

### Strategic Plan Spotlight

Chandler Owdom provided a snapshot of year one accomplishments under the 2022-2024 VBA Strategic Plan, noting in particular the VBA's continued focus in the DEI space and ongoing VBA staff development efforts.

### Financials and Budget

Stacy Puckett reviewed VBA and consolidated financial statements as of October 31, 2022 and the proposed 2023 VBA budget, The board approved the budget as presented and on the executive committee's recommendation.

### Other Business and Executive Session

Chris advised the board that a virtual spring meeting will likely be scheduled and will depend in part on the timing for when follow-up action may be needed on the proposed DC Bankers Association.

There being no other business, the meeting adjourned to executive session.

Minutes prepared by:

Bruce T. Whitehurst