

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING**

DECEMBER 10, 2019

MINUTES

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, December 10, 2019, at the ETHRA offices in Knoxville, TN. The following Executive Committee members were present:

Ron Woody, Roane County Executive
Roland (Trey) Dykes III, Member at Large
Mark Potts, Jefferson County Mayor
Joe Brooks, Claiborne County Mayor
Terry Frank, Anderson County Mayor
E.L. Morton, Campbell County Mayor
Mike Byrd, Grainger County Mayor
Rollen Bradshaw, Loudon County Mayor
Mitch Ingram, Monroe County Mayor
Brian Langely, Morgan County Executive
Jeff Tibbals, Scott County Mayor
Larry Waters, Sevier County Mayor
Jason Bailey, Union County Mayor
Richard Briggs, State Senator
Evelyn Gill, Member at Large

Guests

Rick Yakubic, ETDD
Gary Holiway, ETHRA
Lana Moore, Senator Lamar Alexander's Office
Cindy Boshears, Congressman Fleischmann's Office
Mike Harrison, TN County Association of County Mayors
Jack Qualls, Loudon County Economic Development Agency
Sarah Fansler, Congressman Burchett's Office
Anna Beth Walker, Claiborne County Development Representative
Omer Cox, Mayor of Oliver Springs
Tammy Merritt, Congressman Fleischmann's Office
Greg Leach, Campbell County
Chris Shultz, MTAS

CALL TO ORDER

Chairman Ron Woody called the meeting to order.

MINUTES

Chairman Ron Woody presented the minutes of the October 8, 2019 meeting to the Executive Committee for approval. Anderson County Mayor Terry Frank made a motion to approve the minutes as presented, it was seconded by Campbell County Mayor E.L. Morton, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending September 30, 2019 was presented by Claiborne County Mayor Joe Brooks. Mayor Brooks made the motion to accept the report as presented and it was seconded by Member at Large Trey Dykes, and it was approved by all.

The Treasurer's Report for the month ending October 31, 2019 was presented by Claiborne County Mayor Joe Brooks. Mayor Brooks made the motion to accept the report as presented and it was seconded by Member at Large Evelyn Gill, and it was approved by all.

DIRECTOR'S REPORT

Terry Bobrowski, ETDD Executive Director, gave his Director's report:

Grants Update

ARC Grant Program

Mr. Bobrowski stated that last week we submitted 11 pre-applications for Appalachian Regional Commission grant funds. Applications were filed for a water line to serve school in Claiborne County, a lake access improvement in Claiborne County, a 10 bay airport hangar in Monroe County, a wastewater line river crossing in Loudon, a water reservoir study in Morgan County, a water storage improvement in Scott County, water plant upgrades in Clearfork, a water line to serve an industrial park in Clinton, water plant upgrades in Morgan County, a wastewater line in Friendsville and landfill equipment in Morgan County. These projects will be reviewed and then the state will let us know which ones are likely to be funded and we will fill out a complete application.

We were excited to learn that ETDD has been awarded a \$1.5 million dollar grant from the ARC to manage a workforce training program that involves several school districts in TN and KY as well as the TCAT in Scott County and a community college in Kentucky. The project will kick off early next year.

TDOT Applications

ETDD recently submitted traffic signalization modernization grant applications on behalf of Rutledge, Oneida, New Tazewell, Jellico and Harrogate. We also submitted a transit grant application on behalf of the City of Gatlinburg.

FEMA Fire Fighters Grant Program

The FEMA Fire Fighters Grant Program continues to be a very popular program for our rural volunteer fire departments. Fire Departments can use these funds to buy equipment such as turn out gear, buy trucks or make safety modifications (sprinklers, exhaust systems, generators) to fire halls. Grants are very affordable, usually in the 90 – 95% range with only a small local share required. The program is expected to open up any day now and we have several departments that have indicated an interest.

Agribusiness Loan Program

Mr. Bobrowski mentioned that we are still looking for applications for our new loan program from the TN Dept. of Agriculture. The purpose of the program is to stimulate farm and agri-business income. We intend to provide low interest financing for the purchase of farm equipment and machinery in order to create new markets for locally produced farm products. Loans can be for up to \$75,000, 7 years maximum term and we anticipate the interest rate to be around 4%. Loans can be used for building, harvesting equipment, production equipment, fencing, irrigation equipment, grain storage and variety of other things. No rolling stock such as trucks or trailers are eligible.

EDA Disaster Grant Program

Mr. Bobrowski announced that Congress recently appropriated about \$587 million dollars nationwide to address recovery efforts that are needed as a result of recent federally declared disasters. Our region is served by the EDA Atlanta Regional Office and their allotment of the \$600 million is \$140 million. The Atlanta region covers eight states so the program will be very competitive. All of the counties in our region except for Monroe County are eligible to apply. Grants up to \$2 million can be made and the typical local match is 50% of the project costs. I know many of you experienced infrastructure damage as a result of the flooding last winter and spring and this might be a good opportunity to look at addressing infrastructure reconstruction or projects that might deal with disaster mitigation.

FEMA has also announced a program that provides funding to reduce the risk of repetitive flooding to buildings and structures. Applications are due on January 1, 2020. These grants can also be used to fund flood mitigation plans.

CDBG Grants

Mr. Bobrowski mentioned that we have been hard at work on CDBG applications for the 2020 year for some time now. These applications are normally due in Nashville at the end of February. These are very complicated and time consuming applications and we need as much time as possible to prepare a complete application

We are currently working with 17 communities that want to submit 2020 applications. We have 5 applications for emergency services equipment, 4 applications for water system improvements, 3 applications for wastewater system improvements, 1 housing application, 1 EMS building application and one brush truck application, and 2 projects that are still developing.

Overview of the CEDS Update

Mr. Bobrowski stated that each year the District prepares the Comprehensive Economic Development Strategy document as a requirement of its planning contract with the Economic Development Administration. We have completed a draft of the 2019-2020 version of the CEDS document. An overview of the strategic goals and objectives and a brief list of some of the strategic projects that we are aware of are contained in the document that will be passed around the table for your review.

In compliance with the program rules, the document was reviewed by our Economic Development Committee on November 21st and their comments have been incorporated into the document. So that pretty much finished up the CEDS for this year, the overall objective of the CEDS is to provide guidance to local leaders so that future investments in economic development projects and programs can best take advantage of regional assets. The document also provides to the Economic Development Administration, US Department of Commerce, a baseline of strategic projects that are acknowledged as primary stepping stones to achieving the region's overall economic development objectives. Mr. Chairman, the 2019-2020 CEDS was recommended for approval by the Economic Development Committee and it now must be considered for adoption by the Executive Committee. A motion is needed for approval.

Board member Jack Qualls with Loudon County Economic Development Agency made the motion to adopt the CEDS document as presented and it was seconded by Morgan County Executive Brian Langley and approved by all.

Audit Committee

Mr. Chairman, the FY 2019 audit for the East Tennessee Development District was recommended for approval by the Audit Committee and it now must be considered for adoption by the Executive Committee. A motion is needed for approval.

Anderson County Mayor Terry Frank made the motion to accept the Audit Committee's recommendation to approve the FY 2019, and it was seconded by Claiborne County Mayor Joe Brooks and approved by all.

Legislative Agenda

Mr. Bobrowski has included copies of the state and federal legislative agendas in your packets. He stated we use these agendas to identify our legislative priorities to our state and federal legislative delegations. We have a large state delegation from our district – eight senators and twenty-one representatives. On the federal side we have portions of the first, second and third congressional districts within our boundaries. Mr. Bobrowski mentioned that he will be sending these recommendations to our Legislative Committee for a closer review and will present a final version of the recommendations in the January meeting. Mr. Bobrowski briefly went over the main talking points:

The Federal recommendations have not changed substantially from last year - we are still pushing for full funding of the ARC, the EDA and re-authorization of the SBA and support for a funding level of \$7.5 billion in loan guarantee authority, expressing support for the CDBG program, Chickamauga Lock funding, TVA non-power programs and support for full funding of the Y-12, ORNL and the Uranium Processing Facility in the Anderson/Roane county area.

In regard to our State Legislative agenda - we have examined the legislative agendas of TSCA, TML and TDDA and attempted to coordinate agenda items as much as possible. Of course our main objective is to restore the funding that was cut from our state appropriation last year. This year we have added a request for the Legislature to consider following the recommendations of the TN H2O report which outlines the massive infrastructure needs that will be necessary in order to accommodate normal growth through 2040.

Bank Resolution

Mr. Bobrowski stated that you will find in your packets a resolution that authorizes Rick and himself to conduct normal business transactions with First Horizon Bank. As you are aware First Horizon was formerly First Tennessee and because of the name change we have to get a new authorizing resolution passed by the Executive Committee. Mr. Chairman, a motion is needed for approval.

Claiborne County Mayor Joe Brooks made the motion to approve the resolution, and it was seconded by Loudon County Mayor Rollen Bradshaw and approved by all.

ETDD Retirement Programs Update

Mr. Bobrowski mentioned that we are nearing the end of our current contract with Mass Mutual, the company that we use to manage our retirement accounts. Although our experience with Mass Mutual has generally been positive, we were intrigued by the move by ETHRA to utilize the State's Retire Ready program as their service provider. We have held some preliminary discussions with Retire Ready and have gotten an analysis of the internal fees we are currently paying with Mass Mutual versus the fees that would be charged if we moved our accounts to Retire Ready. The difference is pretty substantial, we currently pay almost \$32,000 to Mass Mutual for management fees on an annual basis and the State projects that they would charge about \$9,350 on an annual basis. Also, the State would provide all reporting services for us so we could also terminate our agreements with our plan administrators. There would be a small termination fee if we move our accounts, I estimate this to be in the \$6000 range after the first of the year. However, this seems to be a small price to pay for such a large annual reduction in management fees. We would like to initiate the formal transition process with the hope to have the transition accomplished in by early February of 2020. As soon as the legalities are worked out, we will be presenting two resolutions that must be passed by the Executive Committee in order to authorize the Development District to transfer our accounts to the Retire Tennessee. Mr. Justin Ball with Retire Tennessee will be present in case anyone has a technical question.

Calendar Matters

We will hold our meetings on January 14th here at the ETHRA offices. Also, for a long term hold, we anticipate holding our Annual Business meeting on March 10th at Rothchilds in Knoxville.

Mike Arms wanted it announced that the Association of Tennessee Valley Governments will hold its winter meeting in Murfreesboro on January 29th, 2020.

Other Business

Ms. Lisa Jacobs with Reconnect Tennessee is here with us today. Ms. Jacobs is the East Tennessee Director and she traveled from Nashville to be with us. Welcome Ms. Jacobs.

Ms. Jacobs spoke about Tennessee Reconnect, how it is a scholarship for adults and a way for them to earn an associate degree or technical certificate, tuition free. She briefly went over the website and how it works. Great opportunity!

ADJOURNMENT

With no other business, Chairman Ron Woody entertained a motion to adjourn and it was seconded by Jefferson County Mayor Mark Potts and approved by all.