

**EAST TENNESSEE DEVELOPMENT DISTRICT  
EXECUTIVE COMMITTEE MEETING  
MARCH 14, 2017  
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, March 14, 2017 at the Rothchild's Conference Center in Knoxville, TN. The following Executive Committee members were present:

Terry Frank, Anderson County Mayor  
Johnny Merritt, Mayor of Luttrell  
E.L. Morton, Campbell County Mayor  
Ron Woody, Roane County Executive  
Tim Thompson, Anderson County Development Representative  
Terry Wolfe, Mayor of Bean Station  
Bill Brittain, Hamblen County Mayor  
Tim Yates, Monroe County Mayor  
Don Edwards, Morgan County Executive  
Roland Dykes, III, Minority at Large

**Guests**

Rick Yakubic, ETDD  
Don Woods, ADC  
Gary Holiway, ETHRA  
Sarah Fansler, Knox County  
Jack Qualls, Loudon County Development Representative  
Bryan Hall, Monroe County Development Representative  
Wade Creswell, Roane Alliance  
Mike Arms, ATVG  
Joe Woody, Rural Development

## **CALL TO ORDER**

Chairman Terry Frank called the meeting to order.

## **MINUTES**

Chairman Terry Frank presented the minutes of the February 14, 2017 meeting to the Executive Committee for approval. Town of Bean Station Mayor Terry Wolfe made a motion to approve the minutes as presented, it was seconded by City of Luttrell Mayor Johnny Merritt, and the minutes were unanimously approved.

## **TREASURER'S REPORT**

The Treasurer's Report for the month ending January 31, 2017 was presented by Roane County Executive Ron Woody. Roane County Executive Ron Woody made the motion to accept the report as presented and it was seconded by City of Luttrell Mayor Johnny Merritt and it was approved by all.

## **DIRECTOR'S REPORT**

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

### **Grants Update**

There are several items to report on:

Our staff submitted 2017 CDBG applications to ECD Nashville on February 24<sup>th</sup> of 2017. We submitted applications for Jefferson City, Loudon County, Campbell County, Scott County, Caryville, Jefferson County, Parrottsville, Baneberry, New Market, Dandridge, Madisonville, Monroe County, Harrogate, Union County, Roane County, Morgan County, Cocke County and Sweetwater. The state received about 140 applications from across the state so the program remains very competitive. I expect them to fund around 60 projects this year. We should hear about the winners in September.

The CDBG program remains the only viable public infrastructure program that is available to communities so it is extremely important that we advocate for this program whenever we have discussions with federal legislators. We have heard that the Trump budget will zero out the CDBG program as well as the ARC program and the Economic Development Administration. I have not seen the actual budget yet but it is clear that our traditional infrastructure grant program will be at risk.

## **Clean Tennessee Energy Grant**

We also submitted several Clean Tennessee Energy Grants. In 2011, TVA provided Tennessee with \$26.4 million to fund environmental mitigation projects. This amount was split up into \$5.28 million over a five year period. This is the 5th and final year of the program. We submitted applications for Union County and Cocke County. The applications were due on February 28, 2017.

## **Home Program**

THDA recently announced that they will be accepting HOME program applications again this year. This program has not been available for the past several years and we are glad to see it come back. The HOME program provides grant funds for owner occupied housing rehabilitations for low and moderate income persons. We submitted applications for Winfield and Union County last week. Due to issues regarding codes adoption at the local level many communities were not able to submit this year. We hope that these issues will be resolved in this legislative session.

We are also finishing up our Emergency Repair Program for the Elderly effort for FY 2017. We have expended over \$260,000 of grant funds for housing repairs and we have about \$20,000 left to allocate before the end of the fiscal year. This is a very popular program and we work with small housing providers in your communities to get these grant funds out there working to benefit the elderly population.

## **ETDD Workplan Overview**

Our proposed work program for the upcoming year has not changed significantly from prior years. It looks like we will again have a contract to complete the Public Needs Infrastructure Inventory; we will again have a solid waste planning contract and contracts for historic preservation and housing planning. Our planning advisory service is thriving – we added three new communities last year and that bring our total to 33. We do not anticipate that we will need to increase the contract amounts for this program next year. TDOT has indicated that we will again contract with them to continue the management of the two Rural Planning Organizations that were formed to serve all or portions of fourteen counties within the ETDD region. Of course, we will focus on grant application work and grant administration work with particular emphasis on the CDBG, ARC, EPA Region IV grants, FEMA fire fighters, HOME and TDOT Enhancement programs.

The Areawide Development Corporation continues to be very active in the field of small business financing. Our recent loan activity is not where we would like it to be but we are still ranked highly in the State of Tennessee both in terms of loan activity and value of loans. We will also be continuing the administration of our new Small and Minority Owned Business loan program this year although we are currently not making any new loans and are dealing with one borrower that is not meeting their repayment obligations.

Mr. Chairman, we need a motion to recommend the workplan to the full board.

Campbell County Mayor E.L. Morton made a motion to recommend the workplan, and it was seconded by Town of Bean Station Terry Wolfe and approved by all.

### **ETDD Budget Overview**

Our proposed budget for the upcoming year has not changed significantly from prior years. We are in the state's budget again this year for \$150,000 plus an additional \$50,000 and we have received contracts from the federal ARC and EDA for planning work again this year. In fact, our EDA was recently increased by \$14,000 due to the work of our national organization NADO. We will again be adding about \$260,000 into our budget to fund the local planning work component – these are funds that are derived from contractual fees paid to the development district by the 33 communities that we provide local planning services to. In general, our budget is stable and we do not anticipate any problems with our funding sources.

In terms of expenditures, our expense level is essentially the same as last year, the primary increases being in the salary and fringe benefit line items. We will present to the Executive Committee a proposed cost of living increase for our employees beginning in July, however, this will depend on the status of our funding sources at that time. We have an extremely well-funded reserve fund that will allow us to remain in good shape in terms of meeting cash flow requirements.

Mr. Chairman, we need a motion to consider the budget.

County Executive Ron Woody made a motion to recommend the budget, and it was seconded by Hamblen County Mayor Bill Brittain and approved by all.

### **Transportation Bill Overview**

I just wanted to touch briefly on the Governor's transportation bill that is working its way through the committee process in Nashville. It appears that some form of gas and diesel tax increase stands a good chance of being approved but indexing the tax to provide for automatic future increases is not being received very well. We have pulled together some fairly simple overview reports that present the benefits of the tax increase and also estimate the additional funding that each city and county will receive if the bill passes. For example, an additional \$801,000 would flow to Anderson County and the cities in Anderson County would receive an additional \$463,000 from TDOT.

### **Leave Conversion Policy**

In September of last year, the Executive Committee approved a change to our Annual Leave Policy. Essentially, the change allows employees with over 225 hours of annual leave to convert the excess leave into cash which must be deposited into our 457 retirement plan. ETDD would not match any of the funds deposited as a result of this conversion. Currently, employees can bank up to 450 hours

(12 weeks) of annual leave. All hours over 450 that remain in the employees account after June 30 of each year are forfeited. ETDD records the total value of the all annual leave earned by employees as a liability and that amount is shown in each month's financial statement. Currently, the value of the unpaid leave is a little over \$108,000. We have established a threshold of 225 hours (6 weeks) as the basic threshold that an employee must reach before they could convert leave to a retirement program contribution. Currently we have five employees that could participate and the maximum payout this fiscal year would be less than \$10,000. A copy of the policy modification is contained in your packets if you have further questions regarding this change. We have two formal resolutions that legally modify our existing retirement plans to allow for the conversion change. Madam Chair, we need a motion to approve the modification for the 457 plan and a resolution to approve the modification of the Money Purchase Plan.

Roane County Executive Ron Woody made a motion to approve the modification for the 457 plan, and it was seconded by Town of Bean Station Mayor Terry Wolfe and approved by all.

Town of Bean Station Mayor Terry Wolfe made a motion to approve the modification of the Money Purchase Plan, and it was seconded by City of Luttrell Mayor Johnny Merritt and approved by all.

### **Calendar Matters**

Several meetings are coming up that I wanted to make sure that you are aware of:

The next Executive Committee meeting is scheduled for April 11<sup>th</sup> back at the ETHRA offices.

We have also scheduled our Annual Awards Banquet for Thursday, July the 13<sup>th</sup> – we will be going to a new facility called the Venue in Lenoir City for our event this year.

### **Other Business**

No other business.

### **ADJOURNMENT**

With no other business the meeting was adjourned.