

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING**

OCTOBER 8, 2019

MINUTES

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, October 8, 2019, at the ETHRA offices in Knoxville, TN. The following Executive Committee members were present:

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
Crystal Ottinger, Cocke County Mayor
Bill Brittain, Hamblen County Mayor
Glenn Jacobs, Knox County Mayor
Rollen Bradshaw, Loudon County Mayor
Brian Langlely, Morgan County Executive
Jeff Tibbals, Scott County Mayor
Larry Waters, Sevier County Mayor
Richard Briggs, State Senator
Kent Calfee, State Representative

Guests

Rick Yakubic, ETDD
Gary Holiway, ETHRA
Richard Kirkland, Monroe County Development Representative
Stacy Chambers, Monroe County
Cindy Boshears, Congressman Fleischmann's Office
Jane Jolley, Knox County Development Representative
Sarah Fansler, Congressman Burchett's Office
Ty Ross, City of Loudon
Anna Beth Walker, Claiborne County Development Representative
Ron Williams, Mayor of Farragut
Tammy Merritt, Congressman Fleischmann's Office
Pam May, Roane County Alliance
Mike Arms, ATVG

CALL TO ORDER

Vice-Chairman Trey Dykes called the meeting to order.

MINUTES

Vice-Chairman Trey Dykes presented the minutes of the September 5, 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 Scott County Mayor Jeff Tibbals, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending August 31, 2019 was presented by Claiborne County Mayor Joe Brooks. Campbell County Mayor E.L. Morton made the motion to accept the report as presented and it was seconded by Cocke County Mayor Crystal Ottinger, and it was approved by all.

DIRECTOR'S REPORT

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

Grants Update

TDOT Multi-Modal Grant Program

Mr. Bobrowski reported one program that is now open is the TDOT Multi-Modal grant program. The first step in the application process was to submit an Intent to Apply package to TDOT by June 28th. We assisted with the Intent to Apply process for Anderson County, Campbell County, New Tazewell, Rutledge, Sweetwater and Rocky Top. All of those jurisdictions were selected to submit a formal application to TDOT and those applications are due on October 15th.

We also worked with the City of Loudon to submit a Transportation Alternatives Program application that was due on October 3rd. The application requests additional funding for their waterfront improvement activities.

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. I will be placing a press release in most of your local newspapers in the next few days in order to make sure that the work gets out in your community regarding the availability of this program.

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.

Broadband Grants

We are working on a broadband expansion grant application for a project in Cocke County. The application is due in Nashville on October 22nd.

CDBG Grants and ARC Grants

Mr. Bobrowski announced that the Governor's office has finally released information on projects that have been funded from the 2019 application process. Projects that were approved are firetrucks for Rocky Top and Winfield, ambulances for Campbell County, Monroe County and Scott County, a water line extension for Jefferson County and wastewater system projects in Rockwood and Dandridge. We are now starting work on CDBG applications for the 2020 year. These applications are normally due in Nashville at the end of February. These are very complicated and time consuming applications and we need to get started as early as possible. We are aware of most of the potential projects out there but if you have a specific project in mind please give us a call.

The ARC pre-application process will be opening up soon. These typically are infrastructure grant requests but the ARC will entertain other eligible project requests as well. Pre-apps are normally due in Nashville in the beginning of December.

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.

Regional Solid Waste Planning Overview

Mr. Bobrowski mentioned that we were awarded an expanded contract from TDEC to conduct specific regional solid waste planning activities. Our primary focus this year will be to develop a county-wide needs assessments that will guide requests for solid waste grants from TDEC in the future. TDEC has suspended all solid waste grant programs for this year and will resume them next year. TDEC will rely heavily on planning information that has been developed in the individual county reports during the evaluation of grant requests for next year.

We are also working on a region wide needs assessment which will include population projects, analysis of economic activity, solid waste stream characterization, solid waste projections, collection system evaluation for municipalities, solid waste capacity and management facilities, district goals, waste flow analysis, projected demands, potential shortfall identification, and any additional information. The information will be analyzed and compiled into a District-wide assessment that will be used to specifically identify strategies to meet the growth demands over the next ten years.

2019-2020 Affirmative Action Plan Modifications

Mr. Bobrowski mentioned that we have recently completed the annual update of our Affirmative Action Plan for the East Tennessee Development District Board of Directors, Executive Committee and staff. Each year we update the plan to show five year goals and timetables for diversification

of the Board, Executive Committee and staff. The plan also contains all of the equal opportunity provisions which govern the employment practices of the District as well as specific procedures for complaint resolution. The Affirmative Action Plan was adopted by the Executive Committee in the September meeting. After adoption, Committee Member Evelyn Gill suggested that several improvements to the language in the document be made. The suggestions primarily involve the designation of an alternate Equal Employment Counselor if the Executive Director is a party to a discrimination complaint and adding the designee to the complaint resolution process. A copy of the revised document is in your packets and I would ask the Chair to request a new motion to approve the document.

Anderson County Mayor Terry Frank made a motion to approve the modifications made to the 2019-2020 Affirmative Action Plan, it was seconded by Campbell County Mayor E.L. Morton and approved by all.

Computer Virus Attack Update

Mr. Bobrowski discussed the computer virus attack that ETDD was hit by back in late July that totally disabled our computer system. Currently we contract with a company in St. Louis to provide cloud services to us – we stopped maintaining a local network and network server about two years ago and everything has been fine. Apparently our provider in St. Louis was infected by ransomware virus and most or all of its clients were impacted. For us, we were unable to access any of our computer files and could not send or receive emails for three and a half days. Fortunately, once service was restored, we were able to restore all of our data files and all of our email history. However, emails that bounced back during the time that we were down could not be recovered. Obviously, this was a very sobering event for us. We were under the impression that since we were in the cloud that we would likely never be impacted by a virus and if we were impacted then our service would be quickly restored. Now we realize that we will always be vulnerable to virus attacks and we need to be more proactive in terms of limiting access to our file network and our ability to respond to an attack. We got hit by a virus called Trickbot – once it gets in – probably through an email - this virus moves around undetected in a network, collects as many passwords as possible within a certain period of time and then encrypts all the files that are associated with those passwords. It then asks for a ransom or the files will remain encrypted. In our case, backup files were available and those files were never in jeopardy, but the virus destroyed the computer servers and all of those had to be rebuilt. This of course took a lot of time and we were down for over three and a half days. Going forward, we are starting several new procedures. First, we are going to be very vigilant about password protections. All employees will have at least 8 character passwords and we will mandate that the passwords will be changed every ninety days. We are setting up a multi-factor identification process so that employees that are accessing off site systems will have to use an authentication code in addition to their password. We are going to start a formal training process for our employees so that they can better understand and recognize emails and websites that might contain viruses. Finally, we are going to purchase insurance that will pay a ransom if we get attacked again.

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 have not initiated a formal transition process yet but I wanted to update the Committee that this will likely be pursued and we would hope to have the transition accomplished in early 2020.

Calendar Matters

Gary and I have spoken and it does not appear that there is any pressing business for November so will propose to cancel the November meeting. We will resume our meetings on December 10th 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 me to mention that the Association of Tennessee Valley Governments will hold its fall meeting in Gatlinburg on October 28th and 29th in Gatlinburg.

The TCSA will hold its annual conference at the Knoxville Convention center this year and it is scheduled for October 29th and 30th.

Finally the TN ECD Conference will be held at the Nashville Downtown Renaissance Hotel this year on October 24th and 25th.

Other Business

Campbell County Mayor E.L. Morton brought up the discussion regarding the need for the establishment of a public mental health facility that would serve the region. Knox County Mayor Glen Jacobs was also involved in this discussion.

ADJOURNMENT

With no other business, Vice Chairman Trey Dykes entertained a motion to adjourn and it was seconded by Jefferson County Mayor Mark Potts.