

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING**

JULY 11, 2019

MINUTES

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, July 11, 2019, at The Venue in Lenoir City, 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
E.L. Morton, Campbell County Mayor
Crystal Ottinger, Cocke County Mayor
Bill Brittain, Hamblen County Mayor
Brian Langley, Morgan County Executive
Jeff Tibbals, Scott County Mayor

Guests

Rick Yakubic, ETDD
Gary Holiway, ETHRA

CALL TO ORDER

Chairman Ron Woody called the meeting to order.

MINUTES

Chairman Ron Woody presented the minutes of the June 11, 2019 meeting to the Executive Committee for approval. Hamblen County Mayor Bill Brittain made a motion to approve the minutes as presented, it was seconded by Morgan County Executive Brian Langley, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending May 31, 2019 was presented by ETDD Fiscal Officer Rick Yakubic. Jefferson County Mayor Mark Potts 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.

APPOINTMENT OF COMMITTEE MEMBERS

Chairman Ron Woody stated that each year the Chair appoints the membership for each of the standing subcommittees. A list of the subcommittee appointments for 2019-2020 is included in each packet. Mr. Bobrowski gave a brief overview of the subcommittees and the responsibilities of each one are. Committee members will be receiving a letter in the near future regarding your appointment and the duties of each subcommittee.

The Steering Subcommittee is the same for both ETDD and ETHRA

Ron Woody will chair this subcommittee

The Legislative Subcommittee is the same for both ETDD and ETHRA

Terry Frank will chair this subcommittee

The Economic Development/CEDS Subcommittee is for ETDD

Tim Thompson will chair this subcommittee

The Evaluation Subcommittee for Executive Director is the same for both ETDD and ETHRA

E.L. Morton will chair this subcommittee

The Audit Subcommittee is the same for both ETDD and ETHRA

Ron Woody will chair this subcommittee

DIRECTOR'S REPORT

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

Grants Update

The first item to report on:

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. They are now evaluating all of the submissions that they got and will soon invite a select group to submit a full application. Program funds are only available to cities or counties. The grant is a 95 % grant with a 5% local share requirement. Up to \$950,000 is available for each project. Funds can be used for pedestrian crossing improvements, sidewalks, bike lanes, ADA improvements, transit stops, park & ride facilities and traffic calming improvements. We are currently working with Anderson County, Campbell County, New Tazewell, Rutledge, Sweetwater and Rocky Top.

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. This year we are working on 14 applications for fire departments located in eight different counties. The applications are due on January 15, 2016 and will be reviewed by an independent review team in Washington over the next 9 months or so. They review the applications in batches so they make funding announcements throughout the coming year.

Agribusiness Loan Program

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 \$25,000, 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.

State Legislative Update

Mr. Bobrowski mentioned in following up on a conversation the past couple of months regarding the \$19,333 cut in our state appropriation. The letter that we prepared was sent to all legislators that serve districts in the ETDD region as well as the Governor and the Commissioner of Finance and Administration. I have had very positive feedback from several General Assembly members and have also been contacted by Don Johnson with Governor Lee's office and he indicated the letter would be shared with the Governor's senior staff.

Conflict of Interest Policy

Each year at this time ETDD reaffirms our formal conflict of interest policy. The Comptroller's Office has recommended that we adopt a formal policy and distribute the policy to all board members at least once per year. We formally adopted the policy in the July meeting last year. A copy of the policy is in your packets for this meeting. The policy is pretty straightforward, it covers what is considered to be a conflict of interest, procedures for resolving a real or perceived conflict of interest and a statement that all board members will be covered by a Directors & Officers liability insurance policy. We also state that the policy will be provided to all Board members on an annual basis at the beginning of the fiscal year. Mr. Chairman, a motion is needed to re-affirm the policy.

Hamblen County Mayor Bill Brittain made a motion to accept the Conflict of Interest Policy and was seconded by Morgan County Executive Brian Langley, and it was approved by all.

Budget Update

Mr. Bobrowski stated that our proposed budget for the upcoming year has not changed significantly from prior years. We were approved state's budget this year for \$180,000 – we normally get \$200,000 but were cut by \$20,000 this year. We have received contracts from the federal ARC and EDA for planning work again this year. We will again be adding about \$309,000 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 38 communities that we provide local planning services to. We are also have contracts with TDOT to manage the north and south RPOs, a contract with the State Historic Preservation Office to provide historic preservation planning, a contract with TACIR to update the statewide infrastructure inventory report and a contract with TDEC to continue our regional solid waste planning work. We have received substantial program increases in our TDOT contract, our Historic Preservation Planning contract and our Solid Waste Planning contract for this year.

Mr. Bobrowski is pleased to report that we have 26 out of 72 of our local assessments paid less than 15 days after the invoices were sent to our members. This is great news. In general, our state and local funding appears to be stable for the upcoming fiscal year and surprisingly our federal funding appears to be stable for FY 2019. 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 do not expect

an increase in our health insurance costs beginning in January of 2020. We continue to maintain an extremely well-funded reserve fund that will allow us to remain in good shape in terms of meeting cash flow requirements.

Areawide Development Corporation Update

Mr. Bobrowski reminded the committee that Don Woods, Manager of the Areawide Development Corporation, retired on June 1st of last year and Mr. Bobrowski had assumed the duties of the manager on a temporary basis until the ADC Board could find a replacement for Don. The ADC Board voted in March of this year to hire Debbie Sudhoff as the new Manager of the ADC. Debbie was previously employed as a loan officer for the ADC. Mr. Bobrowski has now returned to his previous role as the ADC Executive Vice President. This position does not interfere at all with my duties as the ETDD Director. The ADC continues to recover from an extended period of loan payoffs and an overall reduction in the size of its portfolio. Currently the attributes of the primary SBA program are becoming more attractive and we are seeing more activity. Hopefully the recovery will continue this year and we can build the portfolio value back up to previous levels.

Calendar Matters

Last month Mr. Bobrowski proposed to take our summer break in September and hold an August Executive Committee meeting but that has changed. We now propose to take a break in August and hold our Executive Committee meeting in September on the 5th, which is the first Thursday instead of the second Tuesday. We would go back to the normal schedule in October.

There were no objections.

Other Business

No other business.

ADJOURNMENT

With no other business, Chairman Ron Woody entertained a motion to adjourn and it was seconded by Scott County Mayor Jeff Tibbals.