

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING**

**JULY 28, 2020
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, July 28, 2020, via Zoom Video/Web Conferencing. The following Executive Committee members were present:

Roland (Trey) Dykes, III, City of Newport Mayor
Mark Potts, Jefferson County Mayor
Joe Brooks, Claiborne County Mayor
Jeff Tibbals, Scott County Mayor
Terry Frank, Anderson County Mayor
Crystal Ottinger, Cocke County Mayor
Bill Brittain, Hamblen County Mayor
Glenn Jacobs, Knox County Mayor
Brian Langley, Morgan County Mayor
Ron Woody, Roane County Mayor
Senator Richard Briggs, State Senator
Evelyn Gill, Member at Large

Guests

Rick Yakubic, ETDD
Gary Holiway, ETHRA
Jane Jolley, Knox County Development Representative
Anna Beth Walker, Claiborne County Development Representative
Jack Qualls, Loudon County Development Representative
Andy Wallace, Anderson County Development Representative
LeAnn Sutton, Jefferson County Development Representative
Tammye Pirie, Blount County Community Action Agency

CALL TO ORDER

Chairman Trey Dykes called the meeting to order.

MINUTES

Chairman Trey Dykes presented the minutes of the June 9, 2020 meeting to the Executive Committee for approval. Claiborne County Mayor Joe Brooks made a motion to approve the minutes as presented, it was seconded by Cocke County Mayor Crystal Ottinger, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending May 31, 2020 was presented by Scott County Mayor Jeff Tibbals. Mayor Tibbals made the motion to accept the report as presented and it was seconded by Anderson County Mayor Terry Frank, and it was approved by all.

SUBCOMMITTEE APPOINTMENTS

Chairman Trey Dykes stated that each year the Chair appoints the membership for each of the standing subcommittees. A list of the subcommittee appointments for 2020-2021 is included in each packet. Chairman Trey Dykes gave a brief overview of the subcommittees and the responsibilities of each one. Committee members will be receiving a letter soon regarding your appointment and the duties of each subcommittee.

The Steering Subcommittee is the same for both ETDD and ETHRA

Trey Dykes 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

Andy Wallace 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

Trey Dykes will chair this subcommittee

PRESENT PLAQUE TO RON WOODY

Chairman Trey Dykes presented a plaque to Roane County Executive Ron Woody in appreciation for his service as Chairman of the ETDD Executive Committee during the 2019-2020 year.

DIRECTOR'S REPORT

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

Mr. Bobrowski mentioned briefly to follow up on the financial report. We recently sent out our assessment invoices to all 72 local governments and we are doing very well. We are at 70 percent collected and hope to have 100 percent collected again this year as this is very important to our organization.

COVID-19 Update

Mr. Bobrowski mentioned ETDD resumed normal operating protocols on May 1st in response to the Governor's guidance on re-opening the state. ETDD staff was working from home for the latter part of March and all of April and everyone has been back in the office for several months now. The staff is attending all scheduled planning commission meetings and is also attending local government functions that require our attendance. Due to the continuing concerns over large group gatherings, ETDD will be conducting RPO meetings, training meetings and other large group meeting via video conferencing where possible and via conference call in other instances.

Luckily, we have not had anyone test positive in our office nor have we had a person that has had close contact with someone that has tested positive for COVID. We now have formal policies in place that dictate our response to an employee that contracts COVID and how to deal with an employee that has been exposed. Our policies are based on the CDC guidelines and are probably the same as many of yours.

Grants Update

Mr. Bobrowski reported that it does appear that the state will be receiving several rounds of additional CDBG money. The first round would be about \$16 million dollars of additional CDBG funds from the CARE Act. ECD is currently evaluating how to spend that money – a survey was sent out to local governments concerning the potential uses for the money and over 3000 jurisdictions responded. It looks like there will be an initial distribution of about half the money and then another distribution later in the summer. I have heard informally that the focus will be on high speed broadband access including the purchase of laptop or chromebook equipment. The State will also be accepting applications for broadband expansion projects through their rural broadband grant with the deadline being October 8th.

Unfortunately. Most programs that were contained in the rural economic development package were cut this year due to the budget situation. However, the industrial property evaluation program is still operating and the deadline there is September 4th, the broadband ready program is still operating, and the deadline is October 8th.

A workshop for ARC pre-applications will be held on October 7th. That is all I know at this point, but it is good news that the ARC is doing so well in the time of severe budget constraints. I encourage everyone to look for a viable ARC proposal and we would be happy to assist with the submittal, Typically, pre-applications are due in early December.

We ended up working with ten local governments to assist them with the preparation of applications for funding through TDOT's Rural Planning Initiative Grant program. This program is intended to help rural communities identify needs and promote solutions that lead to an interconnected community with efficient modes of transportation. This year the program will be a pilot program to determine if the program will have a demonstrable benefit for rural communities and to further develop the grant application process. Eligible applicants were Tennessee Distressed or At-Risk Counties or a municipality within a Distressed or At-Risk County, located outside an MPO planning boundary. TDOT provided enough funding for five of the projects and it looks like the communities of New Tazewell, Newport, Oneida, Parrottsville and Monroe County will be the initial grantees for the program.

Finally, a new grant program that benefits non-profit organizations has been released by the State. Up to \$150 million is available statewide. The program will provide support for any of the following activities for individuals or families who have been impacted by a loss of income or economic insecurity as a result of COVID-19:

Workforce training;

Emergency food assistance;

Case management or assistance in accessing an eligible state or federal public benefit;

Care for at-risk or vulnerable populations to mitigate COVID-19 effects and/or enable compliance with COVID-19 public health precautions;

Emergency financial assistance to prevent homelessness, eviction or foreclosure;

Other similar services designed to mitigate the negative health or economic impact of the COVID-19 public health emergency.

Providing uncompensated care or assistance for disabled or other vulnerable population to address new financial, health, or educational challenges that are in response to COVID-19.

The program will also fund expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency;

Acquisition or purchase of personal protective equipment or reimbursing costs associated with mitigating the spread of COVID-19;

Expenses related to mitigating the spread of COVID-19;

Instructions for grant proposals will be issued by the Department of Human Services and its partner non-profit grant administrators on August 1, 2020. Grant applications will be processed on a first-come, first-serve basis with monthly reporting requirements and a de-obligation date of November 15.

Deployment of new staff for COVID Response

One item of great interest is that the US Economic Development Administration has tentatively approved a new grant to ETDD for an additional \$400,000 of funding. The funds will be used to fund additional staff for ETDD for the next 24 months. Our initial plan is to hire up to two more people in our community and economic development program to focus exclusively on assisting local governments with access to state and federal grant funding that is appropriated because of the COVID crisis. These new staff people would act as circuit riding technical assistance providers for local governments and greatly expand our capabilities to provide these services to local governments. I have one person already working in this capacity and hope to have the second person on board as soon as the pandemic calms down. We will have a specific goal of helping your communities acquire more grant funding.

Revolving Loan Fund Lending Policy Revisions

In your packets you will find two documents that relate to our loan program, the Revolving Loan Fund. These documents were initially approved by the Executive Committee back in June. However, some minor modifications had to be made to the documents, so we need to approve the documents again. The first document is an amendment to the existing lending policies that allow us to be much more flexible in structuring loans for small businesses in our region. The primary provisions of the amendment are:

- The minimum loan size has been reduced from \$50,000 to \$25,000. This will allow us to reach more small businesses with assistance.
- We no longer have to prove that the business cannot find financing at another lending institution.
- The minimum interest rate can now be as low as 0%.
- We can make more working capital loans. This should be very beneficial to small businesses as well since working capital will be a critical need as small businesses start to open back up.
- Other new provisions include a waiver of stringent job creation requirements, relaxed collateral requirements and relaxed matching investment requirements.

The new provisions also give us more flexibility in terms of reviewing and approving a loan in house. This process should work very efficiently, and we should be able to react very quickly to get a loan from the application stage to approval stage. On this document the only revision was a date change on the first page that needed to be adjusted. EDA requires that a motion be approved to authorize the amendment.

We have also been asked by the Economic Development Administration to apply for an additional \$740,000 of loan funds that will be used to capitalize a new revolving loan fund. Although separate and distinct from our existing RLF, the new RLF would be guided by the same lending policies as stipulated in the amendment to our existing RFL - \$25,000 minimum loan, potential 0% interest rate, relaxed matching requirements, relaxed collateral requirements and a fast turnaround time.

Anderson County Mayor Terry Frank made a motion to approve the amendment to the loan document, it was seconded by Coker County Mayor Crystal Ottinger and approved by all.

The second document is an overview of the loan policies that will govern our new RLF. The loan policies for this RLF mirror the ones that were authorized by the amendment to the existing RLF except that the provisions will apply for two years from the award date instead of until just May 6th, 2021. EDA requires that a motion be approved to approve the loan policies.

Roane County Executive Ron Woody made a motion to approve the amendment to the loan document, it was seconded by Claiborne County Mayor Joe Brooks and approved by all.

Mr. Bobrowski also mentioned that we are actively seeking potential loan recipients. If you know of any businesses that might be interested, please have them contact me. The loan funds can benefit non-profit organizations so I would be happy to talk with them as well.

Solid Waste Planning Update

Mr. Bobrowski reported, as most everyone is aware, that we employ a regional solid waste planner that assisted local communities with the management of their solid waste boards, local recycling efforts, grant applications and administration, and probably most importantly, assisting with the preparation of annual solid waste reports to document that a 25% reduction in the solid waste flow had occurred over the previous year. Unfortunately, TDEC advised us two weeks ago that they would no longer be providing funding for this position. That is a loss of about \$90,000 to our budget and was very surprising given that the funding had been provided by TDEC for the past 25 years or more. We intend to scale back our efforts in day to day solid waste technical assistance, but we will still assist local governments with the preparation of their annual reports. We will not charge for this effort this year and we will hope that TDEC restores the funding for next year. We will definitely be asking for your assistance with TDEC and F&A as we present our case over the coming year for the restoration of these funds. We spoke directly with Commissioner Salyers about this issue and we were informed that nothing could be done this year.

Along these same lines, I have heard that informal discussions have been taking place about the feasibility of a regional solid waste incinerator or waste to energy facility. This concept has been around for quite some time and it is clear that the generation of solid waste has increased dramatically during the pandemic and this in turn will have a negative impact on the effective life of our existing landfills. Not sure how you want to proceed – is there any discussion? I would be happy to pull together a basic informational document on what is out there along with a cost/benefit analysis.

Conflict of Interest Policy

Mr. Bobrowski mentioned that 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 2018 meeting and reaffirmed the policy in July of 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.

Roane County Executive Ron Woody made a motion to accept the Conflict of Interest Policy, it was seconded by Member at Large Evelyn Gill and approved by all.

Calendar Matters

Just a quick update on meetings are coming up that I wanted to make sure that you are aware of:

The August meeting of the Executive Committee has been canceled and the next Executive Committee meeting is scheduled for September 8th hopefully back at the ETHRA offices.

Other Business

No other business.

ADJOURNMENT

With no other business, Chairman Trey Dykes entertained a motion to adjourn. Roane County Executive Ron Woody made the motion, it was seconded by Cocke County Mayor Crystal Ottinger and approved by all.

Roland "Trey" Dykes, III
ETDD Chairman