

**EAST TENNESSEE DEVELOPMENT DISTRICT  
EXECUTIVE COMMITTEE MEETING**

**JUNE 9, 2020**

**MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, June 9, 2020, via Zoom Video/Web Conferencing. The following Executive Committee members were present:

Ron Woody, Roane County Executive  
Roland (Trey) Dykes III, Mayor of Newport  
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  
Mike Byrd, Grainger County Mayor  
Bill Brittain, Hamblen County Mayor  
Rollen (Buddy) Bradshaw, Loudon County Mayor  
Jeff Tibbals, Scott County Mayor  
Larry Waters, Sevier County Mayor  
Jason Bailey, Union County Mayor

**Guests**

Rick Yakubic, ETDD  
Gary Holiway, ETHRA  
Ed Mitchell, Blount County Mayor  
Jane Jolley, Knox County Development Representative  
Anna Beth Walker, Claiborne County Development Representative  
Jack Qualls, Loudon County Development Representative  
LeAnn Sutton, Jefferson County Development Representative  
Tammy Merritt, Congressman Fleischmann's Office

## **CALL TO ORDER**

Chairman Ron Woody called the meeting to order.

## **MINUTES**

Chairman Ron Woody presented the minutes of the May 12, 2020 meeting to the Executive Committee for approval. Jefferson County Mayor Mark Potts made a motion to approve the minutes as presented, it was seconded by Hamblen County Mayor Bill Brittain, and the minutes were unanimously approved.

## **TREASURER'S REPORT**

The Treasurer's Report for the month ending April 30, 2020 was presented by Claiborne County Mayor Joe Brooks. Mayor Brooks made the motion to accept the report as presented and it was seconded by City of Newport Mayor Trey Dykes, and it was approved by all.

## **DIRECTOR'S REPORT**

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

### **COVID-19 Update**

Mr. Bobrowski mentioned that ETDD resumed normal operating protocols on May 1<sup>st</sup> 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 is back in the office. 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.

Also, as mentioned in the last meeting, since the Governor's Executive Order requiring social distancing has been extended to June 30<sup>th</sup>, we are hesitant to commit to holding the Annual Awards banquet on July 9<sup>th</sup>. There is a substantial amount of deposit money that would be forfeited if we had to cancel without adequate notice and I am just not sure if our guests will feel comfortable enough to attend an event that generally draws over 130 people. We look forward to hosting the event next year.

Regarding the pandemic in the 16-county region served by ETDD, total COVID cases reported in the ETDD region last Monday the 8<sup>th</sup> were 1149 reported cases with 848 recoveries and 251 active cases. These numbers are much higher than last month at this time and although it appears that the spread of the virus in our region is not as viral as it is in other divisions of the State, it does appear that the re-opening is causing a slight spike in the number of cases. However, the aggregate numbers are relatively small, and we will hope for a downward trend to start soon.

## **Grants Update**

Mr. Bobrowski mentioned that there is not too much to report on with grants.

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.

The State has announced another small business loan assistance program called the Tennessee Business Relief Program. This is a program to reimburse small businesses for costs incurred as a result of mandatory closures. Specific types of small businesses impacted by the crisis are eligible for a business relief payment through the Program. Most small businesses will be eligible – the State expects to make payments to about 28,000 businesses. The amount of the business relief payment will be based on the annual gross sales of the business. The Department of Revenue will provide additional details soon.

We are also working with seven 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 initial year 2020, will be a pilot to determine if this program will benefit rural communities and to further develop the process. The goals of the program are to:

- Assist rural municipalities to identify solutions, within their communities, that promote the efficiency of a multimodal transportation system that aids in achieving the statewide transportation goals.
- Guide rural municipalities in determining the strategies that will support improvements in traffic flow, safety, and overall efficiency of the transportation system.
- Provide rural city governments with planning resources to achieve community visions as related to transportation and land use needs that promote future economic growth

Eligible applicants must be a Tennessee Distressed or At-Risk County or a municipality within a Distressed or At-Risk County, located outside an MPO planning boundary.

As of today, we have / or will have RuPI applications from the list below. Could be others.

- Oneida
- Monroe County
- New Tazewell
- Rutledge
- Wartburg
- Plainview
- Campbell County
- Newport
- Parrottsville

### **Deployment of new staff for COVID Response**

Mr. Bobrowski announced an item of great interest is that the US Economic Development Administration has asked ETDD to apply 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 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 expect to have these new folks hired and on board by mid-July and hopefully 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. 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.

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.

The two documents in your packet require your approval before we can move forward. The first document is the amendment to our existing loan policies that details significant changes to the major loan provision of our existing RLF. EDA requires that a motion be approved to authorize the amendment.

Hamblen County Mayor Bill Brittain made the motion to accept the amendment and changes to our existing RLF program as presented, and it was seconded by Jefferson County Mayor Mark Potts 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. EDA requires that a motion be approved to approve the loan policies.

Campbell County Mayor E.L. Morton made the motion to accept the loan policies of our new RLF program as presented, and it was seconded by Jefferson County Mark Potts and approved by all.

Thank you. These funds should be available within about 30 days. We are actively seeking potential loan recipients. If you know of any businesses that might be interested, please have them contact me.

### **ETDD Budget Overview**

Mr. Bobrowski mentioned that we have some additional information on our budget for the upcoming year. As we hoped, we do not appear to be targeted for further cuts from our state appropriation. We are in the state's budget again this year for \$150,000 plus an additional \$30,000. However, we have heard that the Governor is asking departments to outline how they would cut an additional 12% from their budgets and the impact that this size of a cut on our state contracts is unknown at this time. Our federal funding looks very stable. We have received contracts from the federal ARC and EDA for planning work again this year. In fact, our EDA contract was extended out for three years. We will again be adding about \$300,000 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. In general, our budget is presumably stable for the short term and we do not anticipate any large cuts from our funding sources.

In terms of expenditures, our expense level is essentially the same as last year. At this meeting we normally present to the Executive Committee a proposed cost of living increase for our employees beginning in July, however, I have deferred the consideration of any salary adjustments until later in the year given the constrained budget environment that is dominating the landscape at this time. Salary increases have been included to our approved budget and we can afford them without any

problem, but I don't feel it is appropriate to be providing raises when state and local governments are struggling. We will probably re-visit this issue later in the fiscal year when the recovery from COVID is better established. We have an extremely well-funded reserve fund that will allow us to remain in good shape in terms of meeting cash flow requirements. One bit of unexpected news, the State has informed us that our health insurance premium will be increased by over 5% in January of 2021. Last year they did not raise the premium level at all, so I assume the cost increases finally caught up with them.

### **Calendar Matters**

The next Executive Committee meeting is scheduled for July 14<sup>th</sup> back at the ETHRA offices. Again, we normally hold our Awards banquet in July and we have cancelled that event.

### **Other Business**

No other business.

### **ADJOURNMENT**

With no other business, Chairman Ron Woody entertained a motion to adjourn and was approved by all.