

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING**

**MAY 14, 2019
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, May 14, 2019, at the ETHRA offices in Knoxville, TN. The following Executive Committee members were present:

E.L. Morton, Campbell County Mayor
Ron Woody, Roane County Executive
Roland (Trey) Dykes III, Member at Large
Mark Potts, Jefferson County Mayor
Joe Brooks, Claiborne County Mayor
Mike Byrd, Grainger County Mayor
Glenn Jacobs, Knox County Mayor
Rollen (Buddy) Bradshaw, Loudon County Mayor
Brian Langley, Morgan County Executive
Evelyn Gill, Member at Large

Guests

Rick Yakubic, ETDD
Pam May, County Development Representative
Jane Jolley, Knox County
Lana Moore, Senator Alexander's Office
Tammy Merritt, Congressman Fleischmann's Office
Gary Holiway, ETHRA
Jack Rhyne, City of Maynardville
Bryan Hall, TRDA
Omer Cox, Mayor of Oliver Springs
Mike Arms, ATVG
Ellen Smith, City of Oak Ridge
Bridget Jones, TN ECD

CALL TO ORDER

Chairman E.L. Morton called the meeting to order.

MINUTES

Chairman E.L. Morton presented the minutes of the April 9, 2019 meeting to the Executive Committee for approval. Member at Large Trey Dykes made a motion to approve the minutes as presented, it was seconded by Member at Large Evelyn Gill, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending March 31, 2019 was presented by Jefferson County Mayor Mark Potts. Mayor Potts 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.

DIRECTOR'S REPORT

Before beginning his Director's report, Mr. Bobrowski mentioned a letter that was sent from the State Comptroller addressed to the Board of Directors, a copy is in your packet that addresses an issue with our annual financial audit for fiscal year ending June 30, 2018. It basically says that we have to budget for retirement health benefits, if you offer health benefits to retirees, you have to budget for it or show it as a liability in the financial statement. We don't offer this program, we opted out, but the comptroller seems to think we need to show it on our financial statement and restate our financial statement.

Financial Officer Rick Yakubic stated from there we contacted our auditor, Rodefer Moss, and they feel like it should not be shown on the financial statement, which amounts to \$27,000, since we have opted out of this program. Our argument in which we are going to send a letter to the Comptroller's office to reflect the above and state that we do not offer this to our retirees since we do not take out for social security and have opted out of this program. We hope, therefore, that this will get dismissed.

Mr. Yakubic also addressed in the last paragraph it mentions "the Schedule of Expenditures of Federal and State Awards did not include a note regarding whether the District elected to use the 10-percent de minimis indirect cost rate". Mr. Yakubic stated that this will be taken care of on the next audit.

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

Grants Update

The first item to report on:

Mr. Bobrowski said that we are kind of in a lull for grant applications. We are waiting on the FEMA Firefighters grant program to open up – we expect that to happen any day now and then we will have 30 days to submit applications.

Multi-Modal Grant Program

One program that is now open is the TDOT Multi-Modal grant program. This application process involves the submission of an Intent to Apply package to TDOT by June 28th. They will evaluate all of the submissions that they get and then 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 projects. Funds can be used for pedestrian crossing improvements, sidewalks, bike lanes, ADA improvements, transit stops, park & ride facilities and traffic calming improvements. If you interested in submitting a package by June 28th please give us a call and we would be happy to help.

Agribusiness Loan Program

Mr. Bobrowski mentioned we are still looking for applications for our new loan program for 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.

Site Development Grants

Mr. Bobrowski wants to remind everyone that the Dept. for Economic and Community Development have a variety of industrial site development grants available to local governments. The menu of grants includes:

- A Property Evaluation Program whose goal is to expand the state's inventory of both industrial sites and existing buildings through an evaluation of a community's existing inventory that prioritizes where investment may be most beneficial and what steps may be

needed to address issues and shortcomings;

- Site Development Grants which can include (1) typical construction activities such as access roads, site leveling, drainage improvement and infrastructure installations; (2) property purchases, (3) High Impact grants designed to address a specific deficiency when large capital investment or job creation is involved; (4) due diligence grants which involve paying for site investigation studies such as Phase I environmental studies, soil studies, wetlands, grading plans; (5) rehabilitation of publicly owned buildings and (6) brownfield remediation.
- The Select Tennessee Certified Sites Program was developed as a rigorous process aimed at elevating Tennessee's sites to the level of preparedness necessary for corporate investment. The program will market the sites to a targeted group of site selection consultants and business leaders in Tennessee's key industry clusters. We currently have 7 certified sites in our region and there are about 45 sites across Tennessee.

The next round of applications is coming up and it is not too early to prepare. Property Evaluation applications are due on September 6th, 2019 and March 6th, 2020. Site Development grant applications are due on September 13th, 2019 and March 13th, 2020. Certified Site applications are due on July 26th, 2019 and January 24, 2020.

State Legislative Update

Mr. Bobrowski, unfortunately, reported some bad news regarding an update from the State Legislature. On the final day of the budget consideration, Representative Andy Holt from Dresden inserted a budget amendment that cut the statewide allocation for development districts by \$174,000. If divided equally among the nine development district, this would amount to a \$19,333 cut in our state appropriation. Rep. Holt is Chair of the Budget Subcommittee and is therefore in a place that could do us a lot of harm on his own. He has stated publicly that he does not like development districts and would get rid of them if he could. I feel like his dislike is based on a west TN Director going to work for the democratic gubernatorial candidate during his campaign and then going back to work for the development district after the election. Although the amount is not large enough to do us any real damage, I am concerned about the precedent that it sets and it may embolden him to do it again if he does not feel like there is any push back. To be better prepared next year, would like

Member at Large Evelyn Gill commented that she feels like we need to respond with a letter indicating a level of what we do. If we are targeting house members, make sure our document reflects that and understand the significance of our work.

A motion was made to do a letter by Member at Large Evelyn Gill and it was seconded by Member at Large Trey Dykes, and approved by all.

Anderson County Mayor Terry Frank commented that she would also like the letter to reflect what the impact would be on the government and economy. Also, the good we do for the local governments. Mr. Bobrowski stated that yes, overall, we need to point out the value of the Development District.

Census PSAP Overview

Mr. Bobrowski gave a quick overview on the US Census PSAP. ETDD is continuing to work with the US Census on various preliminary count projects. We are finishing up getting all the revisions in to the Census and Census tracts and Block groups. We want to make sure they understand what our local preferences are.

The 2020 Census PSAP is the only opportunity prior to the 2020 Census to review and update the selected statistical areas. The Census Bureau uses the statistical areas defined for the 2020 Census to tabulate data for the ACS throughout the decade.

Regional Solid Waste Overview

We recently received word from TDEC that they intend to expand funding, about a \$40,000 raise, for our regional solid waste planning program through Fiscal Year 2021. The extra funds will help to do more work in Solid Waste regional planning. This is a very important work item for us. The planning we do on the front end will help in receiving more grant funds for our local governments. Mr. Bobrowski mentioned that he was going to go into more specifics but we do have a program that we will be getting to.

Mr. Bobrowski also stated that even though we lost \$20,000, all of our state contracts are going to be expanded. Even though legislators are cutting funds, administrators seem to be adding funds. We will be in good shape for next fiscal year.

Calendar Matters

Mr. Bobrowski announced the next couple of meetings coming up:

The next Executive Committee meeting is scheduled for June 11th at the ETHRA offices. And for a long term hold - we have also scheduled our Annual Awards Banquet for Thursday, July the 11th – we are going to go back to The Venue in Lenoir City for this event this year.

Other Business

Bridget Jones with TN ECD gave a presentation on best practices in community and rural development.

Mike Arms with ATVG gave a brief announcement for the upcoming summer meeting that will be held on July 10th & 11th at Brasstown Valley Resort in Blairsville/Young Harris, GA.

ADJOURNMENT

With no other business, Chairman E.L. Morton entertained a motion to adjourn and it was seconded by Member at Large Evelyn Gill, and approved by all.