



**SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT/  
CHATTANOOGA AREA REGIONAL COUNCIL OF GOVERNMENTS  
Construction Career Center 2225 Roanoke Avenue, Chattanooga TN  
Joint Workforce / SETD Executive Committee Meeting  
December 5, 2023  
10:34 AM EST**

**MINUTES**

Present from the SETD Board were Gary Davis, Gregg Ridley, David Jackson, Clint Huth, Keith Cartwright, Eddie Jewell, Jim Vincent, Steve Sherlin, Doug Collins, John Gentry, Greg Maloof, and Tom Meeks.

Present from the Workforce Development Board were Carri Smith, Marshall Graves, Jennifer Thacker, Tucker McClendon, Trey Shoemaker, John Proffitt, Rachel Hackworth, Susan Hatto, Blake Markham, Jim Staley, Corey Rayburn, Chris Schnarr, Houston Shaw, Ethan Loyd, Leslie Travis, Chase Brett, Julie Hoover.

Staff Present: Chuck Hammonds, Michele Holt, Maty Patton, Jim McClure, Chad Reese, Reece Stevens, Ashley Gates, Johnathan Rush, Audra Kelly, Staci Willoughby, Carrie Allan, Jonathon Connell, Katie Kortekaas, Criss Grant, Allison Schiavo, Brenna Ridley, Garrett Haynes, Sam Saieed, Christi Chapman, Danielle Beck, Alicia Zuidema and Kelly Puckett

Chairman Gary Davis called the meeting to order with a welcome, along with Chairwoman Carri Smith of the Workforce Development Board. Gary Davis asked Mayor Clint Huth to open the meeting with the invocation. Gary Davis then called on Kelly Puckett to call the roll and a quorum was declared present. Carri Smith called on Maty Patton to call the roll for the Workforce Board in which a quorum was also declared present.

**MEETING MINUTES**

Chairman Davis stated that the SETD minutes were sent out prior to the meeting for review. He asked for a motion to approve the minutes – Doug Collins made the motion to approve, and Jim Vincent was the second – all were in favor – the motion passed, and the minutes were approved.

Chairwoman Smith stated that the Workforce Board minutes were previously sent out prior to the meeting for review as well. She asked for a motion to approve the minutes – Ethan Loyd made the motion and John Proffitt was the second – all were in favor the motion passed and the minutes were approved.

## **FINANCIAL AUDIT REPORT**

Chairperson Davis asked James Bence, CPA, and the Auditor for Mauldin & Jenkins to present the audit to the board. Mr. Bence introduced himself and gave a brief summary of the audit firm. Mr. Bence stated that he was pleased to say that this audit was issued with an unmodified opinion which means a clean audit showing that the financial statements provided by your management team were deemed correct as presented.

## **ADMINISTRATIVE REPORTS & ACTION ITEMS**

Chairman Davis called on Chuck Hammonds to deliver the Financial Statements for SETD for the months of **August 31, 2023**, and **September 30, 2023**. The Finance Committee previously met on November 21, 2023, and reviewed these statements and they were approved and recommended to the full SETD Board for approval.

### **August 2023 (Unaudited)**

#### **Statement of Financial Position:**

- Assets - \$20,964,496
- Liabilities - \$3,959,250
- FY Fund Balance – Month ended with \$156,365 of expenses in excess of revenues.
- Total Fund Balance - \$17,005,246

#### **Consolidated Statement of Revenues & Expenses:**

2 out of 12 months – 16% of the fiscal year

Overall revenues are slightly under budget at \$2,521,175 at 14%.

Total Operating Expenses (Line Item #22) are at \$1,246,443 at 15% of the budget.  
Line Items exceeding the budget are:

Line Item 8- Supplies-27%  
Line Item 15- Insurance-25%  
Line Item 16-Legal Services-92%  
Line Item- 19- Dues & Subscriptions-40%

Summarized Statement of Revenues & Expenses by Department - Administrative Overhead at 7.93%

### **September 2023 (FY 2024)**

#### **Statement of Financial Position:**

- Assets - \$21,465,443
- Liabilities - \$4,360,108
- FY Fund Balance – Month ending with \$56,249 expenses above revenue.

- Total Fund Balance - \$17,105,335

### **Consolidated Statement of Revenues & Expenses:**

3 out of 12 months – 25% of the fiscal year

Overall revenues are slightly over budget at \$5,079,707 at 27%

Total Operating Expenses (Line Item #22) are at \$1,824,386 at 22%

Line Items exceeding the budget are:

Line Item 15- Insurance-32%

Line Item 16-Legal Services-92%

Line Item- 19- Dues & Subscriptions-58%

Line Item 26- PG/Fiduciary Funds/In-Kind-1,433%

Summarized Statement of Revenues & Expenses by Department - Administrative Overhead at 6.79%

Chairman Davis called on John Gentry, Chairman of the Finance Committee who stated that the Finance Committee made a motion and a recommendation to approve these financials to the full board and that a second was needed for approval. David Jackson was the second – all were in favor and the financials were approved as presented.

### **Budget Amendment #2**

Chuck Hammonds explained to the board that we received our Aging contract for carryover \$1,661,643 and a new WIOA Justice Involved Grant for \$50,000. The total amount is \$1,711,643. This will bring the overall amended budget to \$20,689,294.

John Gentry stated that this budget amendment also was previously reviewed by the Finance Committee and a motion was made to approve the amendment for final approval by the full board. A second is needed for approval on the recommendation from the committee. Jim Vincent was the second – all were in favor and the budget amendment was approved.

### **EXECUTIVE DIRECTOR'S UPDATE**

**Property Evaluation** - Chuck Hammonds discussed the offer on the building and what was discussed at the planning retreat. We would like you all to consider naming a Land & Building Committee. The Land & Building Committee will select a commercial realtor that is familiar with the Chattanooga market. The committee will determine the best scenario for the agency going forward. The Chairman asked for volunteers to serve – none committing - I would like to suggest Mayor Keith Cartwright, Mayor Eddie Jewell, Mayor Gregg Ridley, Todd Byrum, and Evan Freeman. Chairman Davis asked for a motion to approve these new committee members – a motion was made by David Jackson and a second by

Jim Vincent & Clint Huth – all were in favor the motion passed and the committee has been approved.

- **Strategic Planning Retreat**

Chuck discussed the outcomes of the planning retreat and the upcoming legislative lunch on December 13<sup>th</sup> at the Walden Club.

- **Personnel**

Don Kellerman was out so Chuck gave a brief update on the status of the agency's personnel. We have hired two new planners, as well as two new project administrators to help with TDEC projects etc. We currently have 64 – full time employees at this time.

Chairwoman Smith called on Reece Stevens to present the WIOA budget amendment and financial reports.

### **Budget Amendment #2**

Reece reviewed the budget amendment calling everyone's attention to line item 1 where you will see a \$50,000 increase with a Justice Involved Grant and on line 4 you will see the admin portion of it for \$5,000. He moved to line 22 and 24 –Summer Youth Experience funding that was not fully expended from Hamilton County. This increases our phase 2 funding to \$241,007 for EDSI program expenses. He noted the difference will be \$45,000 line 24 adjusted with the total increase being \$50,000.

Carrie asked for a motion to approve the budget amendment as presented – Marshall Graves made the motion to approve, and Tucker McClendon was the second – all were in favor and the budget amendment was approved.

### **October 2023 Financials**

Reece reviewed the financials noting October should be at 33% expended. The only expense above 30% is line 14 printing & publications at 112%. Total expenses are 27% behind budget which will pick up. He reported the MPCR at 38% and noted we must maintain a 40% on every quarter and this first quarter we were at 38% that will continue to trend upward to 47% by the end of the second quarter.

On the next page, he reported the following:

- **Lines 1-10** are carry over amounts for previous contracts Adult FY fully extended. PY 23 Youth work experience is tracking at 16% with a requirement of 20%. He noted the contract should be fully expended by December and should meet the 20% requirement.
- **Lines 13-22** are the current year contracts, the Adult PY 24 has been fully expended and the rest of the contracts should be fully expended by December or January.
- **Lines 25-38** are our other contracts that we received throughout the year.

- **Lines 30 -31** Summer Youth Phase 1 – that contract ended May 31st and we extended 24% of it for the remainder that will go back to the state.
- **Lines 32 -33** are Summer Youth Phase II – we are currently up to 14% and that will run through this August 31, 2024, and expenses should increase for full expenditure.
- **Lines 43-47** are AJC Expenses, and they are on track with Persevere only being 11 months out of 12. That concludes the financial report.

With no questions, Chairwoman Smith asked for a motion to approve the financials. John Proffitt made the motion to approve, and Tucker McClendon was the second. All were in favor and the motion passed the financials were approved.

### **Michele – WIOA Director Report**

Ms. Smith called on Michele Holt to give the director’s report. She reported we requested \$157,500 in Apprenticeship funding but were only awarded \$68,000. She noted that with limited funding we will initially serve 1<sup>st</sup> and 2<sup>nd</sup> year apprentices and then move on to funding 3<sup>rd</sup> and 4<sup>th</sup> year apprentices if there are remaining funds. Ms. Holt stated we received two \$25,000 re-entry grants for both Bradley and Grundy counties. With Grundy still in progress, Bradley County has completed two culinary courses with 14 completions and certifications. Since October 1, 2023, the Inspire grant has served 37 participants who received job skills and soft skills workshops. 18 participants have received culinary/ServSafe certifications, 6 participants are currently in welding trainings, and 13 participants have confirmed employment.

With no questions, she continued to note we have received \$265,000 for the consolidated business grant which will be used for IWT funding and must be expended by June 30, 2024. Ms. Holt noted that Summer Youth Employment expenditures to date are at \$114,000 with over 80 participants enrolled in the program. With no questions, she continued to the QUEST National Dislocated Worker grant that will focus on individuals impacted by the criminal justice system or impacted by substance use disorders with a plan to serve 130 participants for the duration of the grant. Lastly, she stated that the PAR monitoring team will be here in early February. The entrance conference will be January 3, 2024.

Ms. Smith stated that the Committee Reports for Operations, Youth, Executive, Opportunities were made available to members for their review. She called for a motion to approve. Marshall Graves made the motion to approve, and Chase Brett was the second. All were in favor and the motion carried the reports were approved.

### **Program Updates**

Chairman Davis called on Sam Saieed to report on Community Development – Staff is currently administering 75 million in grant funding; staff is also working on grants for 27 local governments for the TDEC American Rescue Plan for water and sewer improvements. 9 Food Insecurity CDBG grants, 6 ARC applications and 12-2023 CDBG Regular Round CDBG grants that are soon to be awarded any time now.

Chad Reese gave the Planning Update – we have hired 2- new planners and we are excited that they will be starting soon. We have an upcoming RPO meeting tomorrow and would love to have you attend. Our TACIR survey is underway, and we have 65 – 70 % of our school’s needs inventoried in the database, also there will be a Solid Waste Board meeting today after this meeting.

Jonathon Connell – gave the report from SEIDA/Economic Development - This quarter, SEIDA staff received 12 Requests for Information (RFIs) and responded to 9 of those requests on behalf of local communities. We have had 12 requests for research data to assist communities with their responses to RFIs/RFPs and/or to support industries and businesses Also, during the quarter, staff met, facilitated, or assisted with 6 site visits and attended 10 meetings involving possible industry expansions in the region.

In September, **Baltimore Aircoil** announced that they are taking over operations and ownership of Coil Design in Dayton, TN. The Company will retain the 115 workers at the facility and plans to add an additional 80 in the coming year. In November, Wind **River Custom Homes, LLC** officials made the announcement they will create 77 new jobs and invest \$2.5 million through the expansion and relocation of its operations from Apison to Cleveland, Tennessee. The new 92,000-square-foot facility will increase the company’s current production time of 30 housing units per year, as well as allow Wind River to expand into the modular home building industry.

Criss Grant – Aging /AAAD update provided in the packets on the Aging programs and one of the highlights is that no one who receives prepared meals is waiting for these meals – currently we do not have a waiting list.

### **One Stop Operator**

Chairwoman Smith called on Jorge Vera to give the One Stop Operator report. He briefly shared two success stories located on the front page of the report. He noted over 80 employers visited the American Job Centers in the first quarter and 40 new employers registered with the American Job Centers. Lastly, he made note of the top services provided in the American Job Centers located on the last page of the report. With no questions, he turned the meeting back over to Ms. Smith.

### **TDLWD Business Engagement Report (WIOA)**

Ms. Smith called on Michele Holt to introduce Jennifer Thacker, Angela Salamy, and Houston Shaw with the Tennessee Department of Labor to present a new business engagement strategy. They reported the purpose of this development is to establish a comprehensive agency-wide mindset redefining business engagement and to provide a framework for state-wide execution. They listed the 7 pillars for success and detailed the strategies and goals for each. They are below:

1. Sector Based Service Delivery
2. Business Cycle Framework

3. LWDBs as Asset Mappers
4. Employer Case Management
5. Enterprise Alignment
6. AJC Network
7. Training & Development

They noted that the next step is progression of training to ensure effectiveness and sustainability of the business engagement plan across all workforce partners. With no questions, they handed the meeting back over to Chairwoman Smith.

#### **WIOA Election of Officers (WIOA)**

Chairwoman Smith then called on John Proffitt to give the nominating committee report. Mr. Proffitt noted that with Crystal Renner resigning, there were two vacant positions. Both Evann Freeman and Marshall Graves agreed to serve as the chairperson and vice chairperson. Ms. Smith then stated the nominating committee has nominated the following:

- Marshall Graves, Chairperson
- Evann Freeman, Vice Chairperson
- Trey Shoemaker, Secretary/Treasurer

With no other nominations to come before the floor, the election of officers was passed.

#### **ADJOURN**

Mayor Davis asked if there was any public comment for either board. With no public comments, Mayor Davis adjourned the meeting at 11:51 am.

Respectfully Submitted,

D. Keith Cartwright  
Secretary/Treasurer  
SETD Secretary/Treasurer

Respectfully Submitted,

Trey Shoemaker  
Workforce Board  
Secretary/Treasurer