

Board Members:

Charley Bible
Shannon Coleman Egle
Paul Fortunato
Tiffany Gardner
Mike George
Terry Henley
Ford Little
Lou Moran, III
Alvin Nance
Lisa Rottmann
Anthony Wise



The Health, Educational and Housing Facility Board of the County of Knox

Regular Meeting
Tuesday, September 13, 2022, 4:15 p.m.
17 Market Square, #201
Knoxville, Tennessee 37902

AGENDA

- I. Call to Order
- II. Approval of Minutes from Previous Meeting
 - ACTION** A) Regular Meeting – August 9, 2022
- ACTION** III. TEFRA hearing in connection with Board’s qualified 501(c)(3) revenue bonds that were previously issued (the proceeds of which were loaned to Covenant Health and affiliates thereof), and the use of such proceeds to finance certain projects located at: (i) 244 Fort Sanders West Boulevard, Knoxville, Tennessee 37922 in the total approximate amount of \$5,000,000, (ii) 6450 Provision Cares Way, Knoxville, Tennessee 37909 in the total approximate amount of \$45,000,000 and (iii) 653 Merchants Greene Boulevard, Morristown, Tennessee 37813 in the total approximate amount of \$15,000,000 (TEFRA).
- ACTION** IV. Committee Member Appointments
- V. Old Business
- VI. New Business
 - A) Discussion Regarding Knox County Code of Ethics and State Conflicts of Interest Requirements
- VII. Adjourn

**MINUTES OF THE REGULAR MEETING OF THE
HEALTH, EDUCATIONAL & HOUSING FACILITY BOARD OF THE COUNTY OF
KNOX**

August 9, 2022, 4:54 p.m.

The regular meeting of the Board of Directors of the Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, July 12, 2022, at 5:00 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

The following Directors were present at the meeting, Paul Fortunato (Chair), Shannon Coleman Egle (Secretary), Alvin Nance, Lisa Rottmann, Lou Moran, III, Charlie Bible, and Ford Little.

Also, in attendance were Mike Odom (The Development Corporation), Brenda Wilson Spence (The Development Corporation), Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), R. Christopher Trump (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Katrina Vargas (Paralegal - Egerton, McAfee, Armistead & Davis, P.C.), David Hunt (Crosslin & Associates, PC), and Curtis Payne (Crosslin & Associates, PC).

I. Paul Fortunato, the Board’s Chair, called the Health, Ed Board meeting to order. The Agenda of the Health, Ed Board meeting is attached hereto as Exhibit A.

The Health, Ed Board then discussed the following matters and took the following actions as noted:

II. Introduction of New Board Members. New Board members gave brief introductions and were welcomed to the Board.

III. Review/ Approve Minutes from Previous Meeting. The Chair of the meeting asked if there were any changes to the minutes of the regular meeting held on July 12, 2022. Upon a motion by Alvin Nance and a second by Shannon Coleman Egle, the minutes of the July 12, 2022, meeting were unanimously approved. A copy of the minutes are attached hereto as Exhibit B.

IV. Presentation and Consideration of Agreed Upon Procedures for period ending 12/31/21 of the active Knox County Property Tax Incentive Programs. The Chair recognized Karen Kakanis who addressed the Board and presented the audited financial report for fiscal year ending 03/31/2022 (“Financial Report”). Ms. Kakanis recognized David Hunt and Curtis Payne with Crosslin & Associates, PC (“Crosslin”). Mr. Hunt addressed the Committee providing a brief history of the company, their experience in the field, and their role as auditors. Mr. Hunt stated that Crosslin has been engaged to review the PILOT leases and confirm that each of the PILOT lessees are in compliance with each of their respective lease agreements and that the requirements under the PILOT projects are being met in a timely manner, including the jobs and wage requirements. Mr. Hunt then requested Mr. Payne to present the draft Independent Accountant’s

Report on Applying Agreed-Upon Procedures for the calendar year ending December 31, 2021.

Discussion was had. Upon the motion of Alvin Nance, and seconded by Lou Moran, the Committee unanimously voted to accept the Independent Accountant's Report for Applying Agreed-Upon Procedures, a copy of which is attached hereto as Exhibit C and incorporated herein by reference.

V. Presentation and Consideration of Audited Financial Statements for Year Ended 3/31/2022. Mr. Hunt reviewed Crosslin's role as auditors and their responsibilities to the organization and to those charged with financial oversight. Mr. Payne presented report on internal control over financial reporting, stated that they found no issues with staff's accounting procedures and communications. Mr. Hunt then turned the presentation over to Curtis Payne to present the Independent Auditor's Report to the Board for the fiscal year ending 3/31/22, a copy of which is attached hereto as Exhibit D. The Chair then dismissed the staff for the Board from the meeting and the Board entered into an Executive Session to provide Board members an opportunity to discuss any additional matters with the auditors. The Board staff returned at the conclusion of the Executive Session.

Upon a motion made by Alvin Nance and a second by Lou Moran, the Board voted to approve the audited financial statements for the fiscal year ending on 3/31/22, as presented.

VI. Old Business. None.

VII. New Business.

A) Committee Appointments at September 13, 2022 Meeting.

VIII. Next Meeting. The next regular meeting of the Health, Ed Board of the County of Knox is scheduled for September 13, 2022, at 4:00 p.m. at the offices of the Knoxville Chamber and The Development Corporation of Knox County located at 17 Market Square, #201, Knoxville, Tennessee, 37902.

IX. Adjournment. No further business having come before the Board and upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 5:00 p.m.

Dated

Shannon Coleman Egle, Secretary

EXHIBITS

- Exhibit A Agenda – August 9, 2022
- Exhibit B Meeting Minutes – July 12, 2022
- Exhibit C Financial Report
- Exhibit D Independent Auditor’s Report

DRAFT

APPLICATION REVIEW COMMITTEES of the Knox County IDB and HEB

_____, Chair

Tiffany E. Gardner, CTP, Vice Chair

First Horizon

800 S. Gay St.

Knoxville, TN 37929

Phone: (865) 971-2874 (Direct)

Cell: (865) 771-2535

Email: tegardner@firsttennessee.com

Paul Fortunato

12327 Bonnybridge Lane

Knoxville, TN 37922

Cell: (865) 806-2646

Email: pmfortunato5@gmail.com

Shannon Coleman Egle

Kramer Rayson LLP

800 Gay Street, Suite 2500

Knoxville, TN 37929

Phone: (865) 525-5134

Email: scoleman@kramer-rayson.com

PERFORMANCE EVALUATION COMMITTEES of the Knox County IDB and HEB

_____, **Chair**

Michael E. George, Vice Chair

Blaine Construction Corporation
6510 Deane Hill Drive
Knoxville, TN 37919

Phone: (865) 560-2138 (Direct)

Cell: (865) 310-2564

Email: mgeorge@blaineconstruction.com

Terry Henley

Allstate Insurance
1312 Morrell Rd

Knoxville, TN 37919

Phone: (865) 694-4191

Fax:

Email: terryhenley@allstate.com

Anthony Wise

Pellissippi State Community College
10915 Hardin Valley Rd.

Knoxville, TN 37933

Phone: (865) 805-3288 (cell)

Email: lawise@pstcc.edu

Alvin J. Nance

LHP Development

900 South Gay St., Suite 2000

Knoxville, TN 37902

Phone: (865) 549-7457

Cell: (865) 361-6773

Email: anance@lhp.net

**SAMPLE
CONFLICT OF INTEREST STATEMENT**

In accordance with Tenn. Code Ann. § 7-53-301 and as a member of the board of directors of an industrial development corporation, I hereby acknowledge and affirm my understanding of the following:

1. I have received a copy of Tenn. Code Ann. § 12-4-101.
2. I understand that I am required to refrain from voting on matters in which I am directly interested, as defined by Tenn. Code Ann. § 12-4-101(a)(1), and that I must disclose any interest in any matter in which I am indirectly interested, as defined by Tenn. Code Ann. § 12-4-101(b), before voting on the matter.

Signature

Date

HOUSE BILL 831

By Kumar

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 53, relative to the board of directors of
industrial development corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-301, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

(b) Each director of an industrial development corporation board shall complete a conflict of interest statement acknowledging that the director has received a copy of § 12-4-101. The statement must include acknowledgements that the director understands that the director is required to refrain from voting on matters in which the director is directly interested and that the director must disclose any matter in which the director is indirectly interested before voting on the matter. The Tennessee ethics commission shall publish a sample conflict of interest statement on its public website.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.