

**Board Members:**

Charley Bible  
Shannon Coleman Egle  
Tiffany Gardner  
Bill Fox  
Terry Henley  
J. Ford Little  
Lou Moran, III  
Alvin Nance  
Lisa Rottmann  
Janet Testerman  
L. Anthony Wise, Jr.



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

Regular Meeting  
Tuesday, January 14, 2025, 4:15 p.m.  
17 Market Square, #201  
Knoxville, Tennessee 37902

**AGENDA**

- I. Call to Order
- ACTION** II. Approval of Minutes from Previous Meeting
  - a) Regular Meeting – December 10, 2024
- ACTION** III. Resolution relative to Proposed Modifications to the Multifamily Housing Governmental Note (Central Terrace Project) (TEFRA)
- ACTION** IV. Finance Report
- V. Old Business
- VI. New Business
  - a) Review and discussion of the newly updated Knox County Code of Ethics Policy and Knox County Attendance Policy from the Knox County Rules Committee
- VII. Adjourn



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

December 10, 2024, 4:15 p.m.

The regular meeting of the Board of Directors of Health, Educational & Housing Facility Board of the County of Knox (the “Health, Ed Board” or “Board”) was held on Tuesday, December 10, 2024, at 4:15 p.m., pursuant to notice duly provided to the Directors and the public. The meeting was held at the offices of the Knoxville Chamber located at 17 Market Square, #201, Knoxville, Tennessee 37902.

The following Directors were present at the meeting: Tiffany Gardner (Chair), Lou Moran, III (Vice Chair), Janet Testerman, Terry Henley, J. Ford Little, Esq., Alvin Nance, Lisa Rottmann, and Charley Bible.

Also, in attendance were Mac McWhorter (Knoxville Chamber), Karen Kakanis (Knoxville Chamber), Joshua Ford (Knoxville Chamber), Samuel C. Louderback (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Jordan T. Newport (Legal Counsel – Egerton, McAfee, Armistead & Davis, P.C.), Tanner Hamil (Mollenour Gross/Public Observer), John Huber (Everett Pointe, L.P.), and Jay Moneyhun, Esq. (Bass, Berry & Sims PLC).

I. Tiffany Gardner, 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. 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 November 12, 2024.

Upon a motion by Lou Moran, and a second by Lisa Rottmann, the Minutes of the November 12, 2024 meeting were unanimously approved. A copy of the Minutes is attached hereto as Exhibit B.

III. Review and Consideration of a Preliminary Bond Resolution Related to the Issuance of Revenue Bonds for Everett Pointe, L.P. in a Principal Amount Not to Exceed \$26,000,000 to Finance the Construction and Equipping of an Approximately 100-unit Housing Facility for Low and Moderate-Income Citizens to be Known as Everett Pointe and Located at 0 Everett Road in Knox County. The Chair recognized Jay Moneyhun of Bass, Berry & Sims, who is serving as bond counsel, who addressed the Board and wherein detailed that it is anticipated that bond allocation and tax credits will be applied for in March of 2025. John Huber of Everett Point, L.P. then addressed the Board and provided more detail on the background of the project and made himself available for questions from the Board. Mr. Huber confirmed to the Board that his intention is to submit Everett Pointe’s first round of applicable applications in March of 2025, to close on their bond by the end of March 2025, and to break ground on the project by the end of 2025 or

beginning of 2026. Mr. Huber further informed the Board that he also intends to submit a PILOT application for the project.

Upon a motion by Alvin Nance and a second by Janet Testerman, the Board unanimously approved the Preliminary Bond Resolution Related to the Issuance of Revenue Bonds for Everett Pointe, L.P. in a Principal Amount Not to Exceed \$26,000,000 to Finance the Construction and Equipping of an Approximately 100-unit Housing Facility for Low and Moderate-Income Citizens to be Known as Everett Pointe and Located at 0 Everett Road in Knox County. A copy of the Preliminary Bond Resolution Related to the Issuance of Revenue Bonds for Everett Pointe, L.P. in a Principal Amount Not to Exceed \$26,000,000 to Finance the Construction and Equipping of an Approximately 100-unit Housing Facility for Low and Moderate-Income Citizens to be Known as Everett Pointe and Located at 0 Everett Road in Knox County is attached hereto as Exhibit C.

IV. Old Business. None.

V. New Business. None.

VI. Next Meeting. The next regular meeting of The Health, Ed Board of the County of Knox is scheduled for January 14, 2025, at 4:15 p.m. at the offices of the Knoxville Chamber located at 17 Market Square, #201, Knoxville, Tennessee.

VII. 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 4:45 p.m.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
L. Anthony Wise, Jr., Secretary

**EXHIBITS**

Exhibit A      Agenda – December 10, 2024

Exhibit B      Minutes – November 12, 2024

Exhibit C      Preliminary Bond Resolution Related to the Issuance of Revenue Bonds for Everett Pointe, L.P. in a Principal Amount Not to Exceed \$26,000,000 to Finance the Construction and Equipping of an Approximately 100-unit Housing Facility for Low and Moderate-Income Citizens to be Known as Everett Pointe and Located at 0 Everett Road in Knox County

DRAFT



**RESOLUTION OF THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX RELATIVE TO PROPOSED MODIFICATIONS TO THE MULTIFAMILY HOUSING GOVERNMENTAL NOTE (CENTRAL TERRACE PROJECT)**

WHEREAS, the Board of Directors of The Health, Educational and Housing Facility Board of the County of Knox (the “Issuer”), has met pursuant to proper notice; and

WHEREAS, on December 13, 2022, the Issuer issued its Multifamily Housing Governmental Note (Central Terrace Project) in the original principal amount of \$16,000,000 (the “Note”) in accordance with the terms of a Funding Loan Agreement dated as of December 1, 2022 (the “Funding Loan Agreement”) among the Issuer, Churchill Mortgage Construction LLC (the “Initial Funding Lender”) and Regions Bank, as Fiscal Agent (the “Fiscal Agent”); and

WHEREAS, the proceeds of the Note were loaned to Central Terrace, LP, a Tennessee limited partnership (the “Borrower”), pursuant to a Project Loan Agreement dated as of December 1, 2022 and evidenced by a Project Note dated December 13, 2022 (the “Project Note”) from the Borrower to the Issuer and endorsed to the Fiscal Agent; and

WHEREAS, the proceeds of the Note were used by the Borrower to finance the acquisition, construction and equipping of Central Terrace Apartments, a multifamily housing facility for low and moderate-income citizens located in Knox County, Tennessee (the “Project”); and

WHEREAS, the Borrower has requested that the Issuer approve certain amendments to the Note and the Funding Loan Agreement to modify the amortization and interest rate applicable to the Note; and

WHEREAS, there has been submitted to the Issuer the form of an Amendment to Funding Loan Agreement (the “Amendment”) among the Borrower, the Issuer, Churchill Mortgage Investment LLC (the “Permanent Lender”) and the Fiscal Agent to carry out the transactions described above, a copy of which instrument shall be filed with the records of the Issuer.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX:

1. The Chair or Vice Chair of the Issuer is hereby authorized and directed to execute and either is authorized and directed to deliver the Amendment to the other parties thereto The Board hereby approves the Amendment and the modification of the amortization and interest rate applicable to the Note, provided that the principal amount of the Note shall be fully repaid on or before forty (40) years after the issuance of the Note and the interest rate shall not exceed the maximum rate permitted by law.

2. The Amendment shall be in substantially the form submitted, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing it, his or her execution to constitute conclusive evidence of his or her approval of any such omissions, insertions and changes.

3. The officers of the Issuer are hereby authorized and directed to execute, deliver and file such other certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the consummation of the transactions described above.

4. Any authorization herein to execute any document shall include authorization to record such document where appropriate.

5. All other acts of the officers of the Issuer which are in conformity with the purposes and intent of this resolution are hereby approved and confirmed.

Adopted January 14, 2025.

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

46309540.1



## AMENDMENT TO FUNDING LOAN AGREEMENT

This AMENDMENT TO FUNDING LOAN AGREEMENT (this “Amendment”) dated as of \_\_\_\_\_, 2025 is among THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF KNOX (the “Issuer”), CENTRAL TERRACE, LP, a Tennessee limited partnership (the “Borrower”), CHURCHILL MORTGAGE INVESTMENT LLC (the “Permanent Lender”) and REGIONS BANK, as Fiscal Agent (the “Fiscal Agent”).

### WITNESSETH:

WHEREAS, the Issuer previously issued its Multifamily Housing Governmental Note (Central Terrace Project) in the original principal amount of \$16,000,000 (the “Governmental Note”), pursuant to that certain Funding Loan Agreement (the “Original Funding Loan Agreement”), dated as of December 1, 2022 among the Issuer, the Initial Funding Lender and the Fiscal Agent;

WHEREAS, the proceeds of the Governmental Note were loaned to the Borrower, to pay a portion of the cost of acquiring, construction and equipping a multifamily housing rental development located in Knox County, Tennessee in accordance with the terms of that certain Project Loan Agreement dated as of December 1, 2022 among the Issuer, the Borrower and the Fiscal Agent and evidenced by a Project Note dated December 13, 2022 from the Borrower to the Issuer and endorsed to the Fiscal Agent; and

WHEREAS, the parties hereto desire to amend the Governmental Note and the Original Funding Loan Agreement to modify the amortization and interest rate applicable to the Governmental Note.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

Section 1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings given to them in the Original Funding Loan Agreement.

Section 2. Amendment to Original Funding Loan Agreement. The definition of Permanent Phase Interest Rate in Section 1.01 of the Original Funding Loan Agreement is hereby amended and restated as follows:

“Permanent Phase Interest Rate” means, during the Permanent Phase, the fixed interest rate of \_\_\_\_\_% per annum; provided during the continuance of any Event of Default hereunder, the Permanent Phase Interest Rate shall be the Default Rate, in each case computed on the basis of a 360-day year and the actual number of days elapsed.

Section 3. Amendment to Governmental Note. The Funding Loan Amortization Schedule attached as Schedule 1 to the Governmental Note is hereby deleted and replaced with Schedule 1 attached hereto.

Section 4. Full Force and Effect. Except as expressly modified as stated above, all provisions of the Original Funding Loan Agreement and the Governmental Note shall remain unaffected and in full force and effect and are hereby ratified and confirmed in all respects.

Section 5. Counterparts; Electronic Signature. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes hereunder and under the Original\_Funding Loan Agreement and the Governmental Note.

Section 6. No Individual Liability. No covenant or agreement contained in this Amendment shall be deemed to be the covenant or agreement of any present, past or future member, agent, or employee of the Issuer or the Fiscal Agent, in his or her individual capacity, and neither the members of the Issuer or the Fiscal Agent, nor any official, agent or employee of the Issuer or the Fiscal Agent, shall be liable personally on the Governmental Note or be subject to any personal liability or accountability by reason of this Amendment.

Section 7. Severability. If any provisions of this Amendment shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8. Captions. The captions or headings in this Amendment are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Amendment.

Section 9. Governing Law. The laws of the State of Tennessee shall govern the construction and enforcement of this Amendment, without regard to conflict of laws principles.

Section 10. Effectiveness. This Amendment shall be effective as of the date of execution and delivery by the parties hereto and satisfaction of the conditions to amendment set forth in Article VIII of the Original Funding Loan Agreement.

Section 11. Successors and Assigns; Binding Effect. This Amendment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns, and shall be binding on the holders from time to time of the Governmental Note who become holders of the Governmental Note on or after the effective date of this Amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Funding Loan Agreement to be executed on its behalf by its duly authorized representatives as of the date first above written.

**ISSUER:**

**THE HEALTH, EDUCATIONAL AND  
HOUSING FACILITY BOARD OF THE  
COUNTY OF KNOX**

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Secretary

**PERMANENT LENDER:**

**CHURCHILL MORTGAGE INVESTMENT LLC**

By: \_\_\_\_\_

Name: Christina Thornton

Its: Vice President

**FISCAL AGENT:**

**REGIONS BANK, as Fiscal Agent**

By: \_\_\_\_\_  
Elizabeth Hobbs, Vice President

**BORROWER:**

**CENTRAL TERRACE, LP,**  
a Tennessee limited partnership

By: Central Terrace GP, LLC,  
a Tennessee limited liability company,  
its General Partner

By: \_\_\_\_\_  
David Varner, President

**SCHEDULE 1**

Funding Loan Amortization Schedule

See attached.

46309538.1



**The Health, Educational and Housing Facility Board of the County of Knox**  
**Balance Sheet**  
As of December 31, 2024

	As of Dec 31, 2024	As of Dec 31, 2023 (PY)	Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Bank Accounts</b>				
100-000 Cash - Checking	-	82,476.21	(82,476.21)	-100.00%
101-000 First Horizon Checking	14,865.98	100,000.00	(85,134.02)	-85.13%
102-000 Cash - Savings	171,329.13	-	171,329.13	
104-000 Cash - Money Market	229,981.80	226,662.20	3,319.60	1.46%
<b>Total Bank Accounts</b>	<b>\$ 416,176.91</b>	<b>\$ 409,138.41</b>	<b>\$ 7,038.50</b>	<b>1.72%</b>
<b>Accounts Receivable</b>				
125-000 Accounts Receivable	63,992.88	13,983.59	50,009.29	357.63%
<b>Total Accounts Receivable</b>	<b>\$ 63,992.88</b>	<b>\$ 13,983.59</b>	<b>\$ 50,009.29</b>	<b>357.63%</b>
<b>Other Current Assets</b>				
127-000 Prepaid Insurance	1,208.30	1,208.30	-	0.00%
<b>Total Other Current Assets</b>	<b>\$ 1,208.30</b>	<b>\$ 1,208.30</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Current Assets</b>	<b>\$ 481,378.09</b>	<b>\$ 424,330.30</b>	<b>\$ 57,047.79</b>	<b>13.44%</b>
<b>TOTAL ASSETS</b>	<b>\$ 481,378.09</b>	<b>\$ 424,330.30</b>	<b>\$ 57,047.79</b>	<b>13.44%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
200-000 Accounts Payable	56,899.24	5,502.00	51,397.24	934.16%
<b>Total Accounts Payable</b>	<b>\$ 56,899.24</b>	<b>\$ 5,502.00</b>	<b>\$ 51,397.24</b>	<b>934.16%</b>
<b>Total Current Liabilities</b>	<b>\$ 56,899.24</b>	<b>\$ 5,502.00</b>	<b>\$ 51,397.24</b>	<b>934.16%</b>
<b>Long-Term Liabilities</b>				
250-000 Deferred Revenue	33,616.87	35,760.51	(2,143.64)	-5.99%
<b>Total Long-Term Liabilities</b>	<b>\$ 33,616.87</b>	<b>\$ 35,760.51</b>	<b>\$ (2,143.64)</b>	<b>-5.99%</b>
<b>Total Liabilities</b>	<b>\$ 90,516.11</b>	<b>\$ 41,262.51</b>	<b>\$ 49,253.60</b>	<b>119.37%</b>
<b>Equity</b>				
300-000 Opening Balance Equity	44,772.55	44,772.55	-	0.00%
320-000 Retained Earnings	341,249.46	336,579.87	4,669.59	1.39%
Net Income	4,839.97	1,715.37	3,124.60	182.15%
<b>Total Equity</b>	<b>\$ 390,861.98</b>	<b>\$ 383,067.79</b>	<b>\$ 7,794.19</b>	<b>2.03%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 481,378.09</b>	<b>\$ 424,330.30</b>	<b>\$ 57,047.79</b>	<b>13.44%</b>

**The Health, Educational and Housing Facility Board of the County of Knox  
Budget Variance Report  
For the 6 Periods Ended December 31, 2024**

	July 2024 - December 2024			July 2024 - June 2025	
	Actual	Budget	Variance	Budget	Remaining
<b>Income</b>					
410-000 Interest Revenue	4,840	3,000	1,840	6,000	19%
415-000 Chamber Contribution	6,262	7,654	(1,391)	15,307	59%
420-000 Base Rent Revenue	8,393	4,197	4,197	8,393	0%
<b>Total Income</b>	<b>\$ 19,496</b>	<b>\$ 14,850</b>	<b>\$ 4,646</b>	<b>\$ 29,700</b>	<b>34%</b>
<b>Expenses</b>					
502-001 Operating Expenses	-	675	(675)	1,350	100%
503-001 Advertising Expenses	531	550	(19)	1,100	52%
507-001 Insurance Expense	3,625	3,625	-	7,250	50%
511-001 Accounting Expense	9,000	5,500	3,500	11,000	18%
512-001 Legal Expense	1,500	1,500	-	3,000	50%
<b>Total Expenses</b>	<b>\$ 14,656</b>	<b>\$ 11,850</b>	<b>\$ 2,806</b>	<b>\$ 23,700</b>	<b>38%</b>
<b>Net Operating Income</b>	<b>\$ 4,840</b>	<b>\$ 3,000</b>	<b>\$ 1,840</b>	<b>\$ 6,000</b>	

**The Health, Educational and Housing Facility Board of the County of Knox**  
**Income Statement with Prior Year Comparison**  
**For the 6 Periods Ended December 31, 2024**

	Jul - Dec, 2024	Jul - Dec, 2023 (PY)	Change	% Change
<b>Income</b>				
410-000 Interest Revenue	4,839.97	1,715.37	3,124.60	182.15%
415-000 Chamber Contribution	6,262.25	6,884.39	(622.14)	-9.04%
420-000 Base Rent Revenue	8,393.47	6,260.16	2,133.31	34.08%
<b>Total Income</b>	<b>\$ 19,495.69</b>	<b>\$ 14,859.92</b>	<b>\$ 4,635.77</b>	<b>31.20%</b>
<b>Gross Profit</b>	<b>\$ 19,495.69</b>	<b>\$ 14,859.92</b>	<b>\$ 4,635.77</b>	<b>31.20%</b>
<b>Expenses</b>				
502-001 Operating Expenses	-	167.86	(167.86)	-100.00%
503-001 Advertising Expenses	530.70	351.67	179.03	50.91%
507-001 Insurance Expense	3,625.02	3,625.02	-	0.00%
511-001 Accounting Expense	9,000.00	7,500.00	1,500.00	20.00%
512-001 Legal Expense	1,500.00	1,500.00	-	0.00%
<b>Total Expenses</b>	<b>\$ 14,655.72</b>	<b>\$ 13,144.55</b>	<b>\$ 1,511.17</b>	<b>11.50%</b>
<b>Net Operating Income</b>	<b>\$ 4,839.97</b>	<b>\$ 1,715.37</b>	<b>\$ 3,124.60</b>	<b>182.15%</b>
<b>Other Income</b>				
430-000 PILOT Revenue	61,844.14	7,710.00	54,134.14	702.13%
<b>Total Other Income</b>	<b>\$ 61,844.14</b>	<b>\$ 7,710.00</b>	<b>\$ 54,134.14</b>	<b>702.13%</b>
<b>Other Expenses</b>				
587-001 PILOT Payment Expense	61,844.14	7,710.00	54,134.14	702.13%
<b>Total Other Expenses</b>	<b>\$ 61,844.14</b>	<b>\$ 7,710.00</b>	<b>\$ 54,134.14</b>	<b>702.13%</b>
<b>Net Other Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Net Income</b>	<b>\$ 4,839.97</b>	<b>\$ 1,715.37</b>	<b>\$ 3,124.60</b>	<b>182.15%</b>



# Knox County Commission



**KIM FRAZIER**

Commissioner, At-Large Seat 11

December 19, 2024

Mac McWhorter  
The Industrial Development Board of The County of Knox  
17 Market Square, # 201  
Knoxville, TN 37902

Dear Mac,

On behalf of the Knox County Rules Committee, I want to thank you for your service.

A recent review by the Rules Committee indicated a need to update several of our standard policies and procedures. Among these, policies regarding ethics and attendance were carefully considered and amended. Enclosed you will find the approved Knox County Code of Ethics Policy and Knox County Attendance Policy as they relate to County affiliated Boards and Committees.

It is the opinion of the Knox County Law Department and the Knox County Commission that all County affiliated Boards and Committees should have policies in place addressing ethics and attendance. As such, the members of the Rules Committee encourage you to consider implementing and adopting these policies if your board or committee has not yet adopted such policies or would like to update existing policies.

If you have questions, please do not hesitate to contact one of the Rules Committee members. Again, thank you for your commitment to Knox County.

Respectfully,

A handwritten signature in blue ink that reads "Kim Frazier".

KIM FRAZIER  
Madam Chair,  
Rules Committee

**COMMITTEE MEMBERS:**

Damon Rawls                      Rhonda Lee  
Courtney Durrett                Andy Fox

Enclosures: Ethics Policy  
                  Attendance Policy

400 W. Main Street • Knoxville, Tennessee 37902  
(865) 215-2534 (Office) • (865) 805-1739 (Cell)

## **KNOX COUNTY COMMISSION ATTENDANCE POLICY**

### **SECTION V. ATTENDANCE POLICY:**

1. The purpose of this Attendance Policy is to ensure that county board and committee members contribute their expertise and judgment to ensure that each body does the best work possible in the pursuit of its mission and goals.
2. All board members and committee members will receive a copy of this official policy. The policy will be reviewed periodically by the Knox County Commission Rules Committee and maintained by the Chair of each board and committee.
3. Attendance record keeping will be the responsibility of a member of the board or committee either designated by the Chair or by majority vote according to the board or committee bylaws or rules.
4. Board members are expected to attend all board meetings and committee members are expected to attend all committee meetings.
5. It is recognized that board members and committee members may be unable to attend some meetings due to conflicts with other commitments or unforeseen circumstances.
6. Each board member and committee member are required to inform the chair of the board or committee in anticipation of an absence, including the reason of the absence. The Chair has the discretion to determine if an absence is excused or unexcused.
7. Where a board member or committee member fails to attend at least 75% of the meetings in a 12-month period, the Chair shall call and discuss the attendance with the individual and may ask them to resign if the member is unable to rearrange their schedule to accommodate regularly scheduled board or committee meetings. If the Chair is unable to reach the board or committee member, then the member is deemed to have resigned, and the position declared vacant. The Chair will request a letter of resignation from the member within the next two weeks. Upon receipt of the resignation letter, the Chair will promptly inform the appointing authority of the vacancy. The appointing authority shall accept the resignation and fill the vacancy in a timely manner.

Monthly meetings – 3 unexcused absences are considered cause for action by the Chair

Bimonthly meetings – 2 unexcused absences are considered cause for action by the Chair

Quarterly meetings – 1 unexcused absence is considered cause for action by the Chair

Biannually – 1 unexcused absence is considered cause for action by the Chair

8. A member's record of attendance shall be considered with respect to renewal of a board term or future assignment to a committee.

## KNOX COUNTY, TENNESSEE CODE OF ETHICS

### **Section 1. Definitions.**

(1) "County" means Knox County, which includes all boards, committees, commissions, authorities, corporations or other instrumentalities appointed or created by the county or an official of the county, the county election commission, the county health department, and utility districts in the county; however, the Knox County Board of Education and all Knox County Schools administrators, teachers, and other employees are specifically excluded.

(2) "Officials and employees" means and includes any official, whether elected or appointed, officer, employee or servant, or any member of any board, agency, commission, authority or corporation (whether compensated or not), or any officer, employee or servant thereof, of the county.

(3) "Personal interest" means, for the purpose of disclosure of personal interests in accordance with this Code of Ethics, a financial interest of the official or employee, or a financial interest of the official's or employee's spouse or child living in the same household, in the matter to be voted upon, regulated, supervised, or otherwise acted upon in an official capacity.

**Section 2. Disclosure of personal interest in voting matters.** An elected official or employee of Knox County with responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before any discussion or vote on the measure and so it appears in the Minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's vote on the measure. In addition, said elected official or employee shall recuse him/herself from the discussion and/or vote on the matter. This provision shall not be applicable to voting on measures for reapportionment of districts or other measures that affect all members of the Knox County Commission.

**Section 3. Disclosure of personal interest in non-voting matters.** An official or employee who must exercise discretion relative to any matter other than casting a vote and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on the attached disclosure form and file the disclosure form with the county clerk. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from the exercise of discretion in the matter.

**Section 4. Acceptance of gifts and other things of value.** It shall not be a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, foodstuffs, or beverages that are provided in connection with a conference sponsored by an established or recognized statewide, regional, national, professional or employee association or organization of government officials or employees or by an umbrella or affiliate organization of said associations or organizations. It shall not be a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, foodstuffs, or beverages that are provided in connection with a charitable event sponsored by an established charitable organization or an event to benefit a charitable organization.

**Solicitation or acceptance of gifts.** No public officer, county employee, or candidate for nomination or election shall solicit or accept “anything of value,” including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, or candidate would be influenced thereby. Further, no employee or public official shall solicit or accept, directly or indirectly, on behalf of himself or herself or any member of the employee’s household any gift, including but not limited to any gratuity, service, favor, food, entertainment, lodging, transportation, or any other thing of monetary value from any person or entity that:

- has or is seeking to obtain, contractual or other business or financial relations with Knox County;
- conducts operations or activities that are regulated by Knox County; or
- has interests that may be substantially affected by the performance or non- performance of the person’s official duties.

For the purposes of this section, the following do not constitute “anything of value”:

- Payment by a governmental entity of salaries, compensation, employee benefits or authorized reimbursement of actual and necessary expenses;
- Campaign or political contributions that are received and reported in accordance with state law;
- Non-cash awards of nominal or trifling value publicly presented in recognition of public service;
- Gifts or other tokens of recognition presented by representatives of governmental entities or political subdivisions acting in their official capacities;
- Anything of value, regardless of value, when the item is offered to a governmental entity is accepted on behalf of the governmental entity and is to remain the property of the governmental entity;
- A gift given by a member of the public official or employee’s immediate family, or by an individual if the gift is given for a non business purpose and is motivated by a close personal friendship and not by the position of the employee or public official. In determining whether a gift falls within this subsection, the factors contained in TCA section 3-6-114(b) (3) (A) and (B) shall apply;
- Gifts received as a bequest or inheritance;

- Loans made in the ordinary course of a lender's business with prevailing rates and terms and which do not discriminate directly or indirectly against or in favor of an elected official or county employee because of such individual's status;
- Fees, expenses or income including those resulting from outside employment which are permitted and reported in accordance with state law;
- Payment by an employer or business other than a government entity of salaries, compensation, employee benefits, or authorized reimbursement of actual and necessary expenses when the payment is unrelated to a member's status as a public official or employee and is not made for the purpose of influencing, directly or indirectly, the vote, official action or decision of an elected official;
- Unsolicited advertising material of nominal value;
- Food and refreshments of nominal value when they are part of the elected official or employee's participation in a charitable, civic, political or community event, which bears a relationship to the official or employee's office and the official or employee is attending in an official capacity;
- Food, refreshments, foodstuffs, entertainment and beverages provided as part of a meal or other event if the value of such items does not exceed fifty dollars (\$50) per occasion, with a limit of two (2) meals per day;
- Entrance fees, admission fees, or tickets shall be valued on the face value of the ticket or fee, or on a daily or per event basis, whichever is greater; or
- Informational materials in the form of books, articles periodicals, other written materials, audio and videotapes or other forms of communication.
- Entrance fees, food, refreshments, amenities, beverages and other gifts given to all participants in a charitable event sponsored by an established charitable organization or an event to benefit a charitable organization.

**Salary and expenses.** No public officer shall be prohibited from voting on a matter affecting his or her salary, expenses, or other compensation as a public officer as provided by law.

**Misuse of public position.** No public officer or county employee shall corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others.

**Disclosure or use of certain information.** No public officer or county employee shall disclose or use information not available to members of the general public and gained by reason of his or her official position for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.

**Lobbying by former local officials – prohibition.** A person who has been elected to any county office may not personally represent another person or entity for compensation before the governing body of which the person was an officer for a period of one (1) year after vacating that office.

**Use of Government Property.** No public official or employee shall make use of the facilities, equipment, personnel, or supplies of the county or its agencies for private use or gain except to the extent that the use is incidental or minimal or is lawfully available to the general public.

**Process.** All elected officials and employees of Knox County within thirty (30) days of these addendums going into effect must sign an employee acknowledgement stating they have received a copy of the policy, that they have either read the policy or have had it read to them, and that they agree to abide by the terms as a condition of their employment. In addition, prior to their employment, all new employees must sign the statement and agree to abide by its terms. Each employee will be given a copy of their signed statement. The original will be placed in the employee's official personnel file maintained by the respective department of Human Resources, by the constitutional officer, or authorized records custodian. Further, every elected official and employee shall attend an ethics in government program within six months of his or her employment with Knox County. Current officials and employees shall complete training within ninety (90) days. The training is to be provided by CTAS or other qualified agency or by the Knox County Department of Human Resources.

**Section 5. Nepotism.** No elected or appointed official or employee of Knox County shall advocate, recommend, supervise, manage or cause the employment, appointment, promotion, transfer, or advancement of his or her relative to an office or position of employment within the Knox County Government.

For the purposes of this policy, "relative" means parent, step-parent, foster parent, parent-in-law, child, step-child, spouse, brother, brother-in-law, foster brother, step-brother, sister, sister-in-law, foster sister, grandparent, son-in-law, daughter-in-law, grandchild or other related person that resides in the same household. A court-appointed legal guardian or an individual who is acted as a parent substitute is also included within this definition.

**Section 6. Whistleblower Protection.**

(a) Elected officials, employees and appointees are encouraged to report ethical violations via sworn complaint to the Ethics Committee pursuant to the Rules of Procedure.

(b) No Official, Employee or Appointee shall use or threaten to use any official authority or influence to discourage, restrain or interfere with any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the Ethics Committee facts relating to an ethics violation.

(c) No Official, Employee or Appointee shall use or threaten to use any official authority or influence to effect any action to retaliate against an Official, Employee or Appointee who reports, initiates a complaint, or otherwise brings to the attention of the Ethics Committee information relating to an Ethics Committee investigation or an ethics violation.

(d) Violations of this section may subject the offending person(s) to any and/or all of the penalties outlined in Section 7 of this Policy.

**Section 7. Theft, Misappropriation or Mismanagement of County Funds**

(a) All Knox County employees have a professional, legal, ethical and fiduciary duty to protect those public monies entrusted to them specifically and to Knox County Government in general.

(b) Knox County has a "zero-tolerance" policy regarding the theft, misappropriation, and/or mismanagement of funds entrusted to its employees.

(c) Knox County employees who steal, misappropriate, and/or mismanage funds or who aid and/or abet others to do so will be subject to criminal prosecution and/or dismissal from their employment with Knox County.

(d) Those County employees who fail to report those employees who steal, misappropriate, and/or mismanage funds shall be subject to criminal prosecution and/or dismissal from their employment with Knox County.

(e) Theft, misappropriation, and mismanagement of county funds are to be reported to the Knox County Fraud Hotline as provided under state law and are criminal offenses and shall not be under the jurisdiction of the Ethics Committee.

**Section 8. Ethics Committee.** There shall be a Knox County Ethics Committee (the "Ethics Committee") consisting of nine (9) citizen members. The Ethics Committee constitution, qualifications of members, terms of office, organization and other requirements shall be as follows:

- a. Members shall be citizens of Knox County and also registered to vote in Knox County.
- b. Members shall not be employees or elected officials of Knox County. In the event a member of the Ethics Committee submits a Candidate Nominating Petition to the Knox County Election Commission to be a candidate for an elected office in Knox County, then that member shall immediately resign as a member of the Ethics Committee.
- c. Members shall not be directly related (i.e., spouse, sibling, parent or child) to any elected official of Knox County.
- d. One (1) citizen member shall be appointed by the Knox County Sheriff, which appointment shall be spread of record on the minutes of a Knox County Commission meeting.

- e. Three (3) citizen members shall be appointed by the Knox County Mayor, which appointments shall be spread of record on the minutes of a Knox County Commission meeting.
- f. Five (5) citizen members shall be appointed by the Knox County Commission.
- g. The Knox County Mayor and the Knox County Sheriff shall appoint one (1) employee of their respective offices and the Knox County Commission shall appoint one (1) commissioner to serve as non-voting liaisons to the Ethics Committee.
- h. Members of the Ethics Committee shall serve staggered four (4) year terms. Members shall be permitted to serve only one (1) full four (4) year term regardless of who appoints the member. However, if no qualified person is interested in filling a vacancy, then a member shall be permitted to serve a second four (4) year term on the Ethics Committee. If a person is appointed to serve an unexpired term, this partial service shall not be considered a term.
- i. Any vacancy occurring on the Ethics Committee for an unexpired term shall be filled in the same manner as the original appointment.
- j. Notice of all vacancies on the Ethics Committee shall be published in a newspaper of general circulation.
- k. All Ethics Committee members shall participate in the ethics training held by the Knox County Department of Human Resources within 90 days of his/her appointment.
- l. The Ethics Committee shall convene as soon as practicable after November 1 of each year and elect a chair and vice-chair.
- m. The minutes and other records of the Ethics Committee shall be maintained by the county clerk and shall be filed in the office of the county clerk, where they shall be open to public inspection.

**Section 9. Ethics Complaints.** Questions and complaints regarding conflicts of interest shall be directed to the Knox County Law Director. Complaints shall be in writing, sworn to under oath in the presence of a notary public and signed by the person making the complaint, and shall set forth the provisions of this ethics code alleged to be violated and a reasonable detail of the facts personally known by the complainant upon which the complaint is based. Hearsay allegations are not considered to be facts supporting a complaint

Initially, the Knox County Law Director shall determine if the complaint meets these requirements and shall submit that determination to the Chair of the Ethics Committee within 10 days of receipt of the complaint. The Knox County Law Director may investigate any credible complaint against an official or employee charging a conflict of interest or the improper acceptance of gifts and other things of value, in return for a vote or based upon any understanding that the vote, official action, or judgment of the public officer, employee, or candidate would be influenced thereby. The Ethics Committee may undertake an investigation on its own initiative when it acquires non hearsay information indicating a possible violation of those provisions in the Code of Ethics. If a member of the Committee is involved in the facts of a complaint, such member shall recuse himself or herself from all proceedings involving such complaint.

If the Ethics Committee convenes a hearing pursuant to the Rules of Procedure, the Ethics Committee is charged to determine as follows, and nothing more:

- (1) Did the Respondent or the Respondent's spouse or child living in the same household, have a financial interest in the matter to be voted upon, regulated, supervised, or otherwise acted upon in an official capacity?
- (2) Did the Respondent corruptly use or attempt to use his or her official position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit, or exemption for himself, herself, or others?
- (3) Did the Respondent disclose or use information not available to members of the general public and gained by reason of his or her official position for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity?
- (4) Did the Respondent on behalf of himself or any member of his household, solicit or accept, directly or indirectly "anything of value," including a gift, loan, reward, gratuity, service, favor, food, entertainment, lodging, transportation, or promise of future employment, based upon any understanding that the vote, official action or judgment of the public

Upon final deliberation, the Committee may:

- (1) refer the matter to the Knox County Law Director for a legal opinion and/or recommendations for action;
- (2) in the case of an official, refer the matter to the county legislative body for such action as the commission deems appropriate.

- (3) in the case of an employee, refer the matter to the official responsible for supervision of the employee for possible disciplinary action if the official finds discipline warranted;
- (4) in a case involving possible violation of state statutes, refer the matter to the district attorney;
- (5) take no action and dismiss the complaint as provided in the Rules of Procedure.

The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Code of Ethics. When a violation of this Code of Ethics also constitutes a violation of a personnel policy or a civil service policy, or criminal act, the violation shall be dealt with as a violation of the personnel or civil service provisions or criminal violation rather than as a violation of this Code of Ethics and shall be reported to the appropriate department or legal authority.

**Section 10. Applicable State Laws.** In addition to the ethical principles set out in this Code of Ethics, state laws also provide a framework for the ethical behavior of county officials and employees in the performance of their duties. Officials and employees should familiarize themselves with the state laws applicable to their office or position and the performance of their duties. To the extent that an issue is addressed by state law made applicable to counties, the provisions of that state law, to the extent they are more restrictive, shall control.

**KNOX COUNTY CODE OF ETHICS**

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Instructions: This form is for reporting personal interests required to be disclosed under Section 3 of the Code of Ethics of this county. Officials and employees are required to disclose personal interests in matters that affect or would lead a reasonable person to infer that it would affect the exercise of discretion of an official or employee.

1. Date of disclosure: \_\_\_\_\_
2. Name of official or employee: \_\_\_\_\_
3. Office and position: \_\_\_\_\_
4. Description of personal interest (describe below in detail):

\_\_\_\_\_  
Signature of official or employee